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The Influence of Profitability and Capital Structure on Company Value with Dividend Policy as a Moderating Variable in Consumer Companies which is listed on the Indonesian Stock Exchange for the 2018-2021 Period

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Abstract

This research aims to examine and analyze the company value of consumer companies listed on the Indonesian Stock Exchange. The variables tested include Profitability, Capital Structure, Company Value with Dividend Policy as a Moderating variable. This research involves consumer companies listed on the Indonesia Stock Exchange during the 2018-2021 period. Sample selection was carried out using the purposive sampling method. The data used is external data, obtained from the site www.idx.co.id. The data analysis process was carried out using PLS Algorithm calculations using SmartPLS and then hypothesis testing was carried out. Results. Research shows that Profitability has a positive relationship towards Company Value, Capital Structure has no effect on Company Value, Dividend Policy is unable to mediate the influence of Profitability and Car Structure on Company Value.

Keywords: *Profitability; Capital Structure; Company Value; and Dividend Policy*

Introduction

Goods companies basically sell necessities related to daily activities. Consumer goods companies, in carrying out their operational activities, certainly gain profits from revenue. The income obtained comes from buying and selling transactions for necessities. The aim is to return the results of capital investment in the company and the profits can help the development of a business.

Consumer goods companies are basically conducted openly in the Indonesian capital market. In the capital market registered on IDX, it can help every investor to know and consider buying and selling shares in their company. Shares as an investment instrument have the highest risk. Investors can lose all their capital if the issuer goes bankrupt. However, issuers going bankrupt are rare. Investors always look for investment alternatives that provide the highest return with a certain level of risk by paying attention to the company value of an issuer. Every share price that occurs must have a flexible price. The highs and lows of share prices can determine the value of a company. This company value shows investors' views on the company's level of success in managing resources, which at the end of the current year is reflected in the company's share price. The value of the company can be influenced by the company's share price in the capital market. If the company's share price in the capital market is stable and continues to increase in the long term, it means the company will experience continuous good growth in the future. There are several factors that influence company value, such as profitability and capital structure.

One way to maximize a company's value lies in its profit level or profitability. If a company can carry out its operational activities, it must be in a favorable condition. Without profits, it will be difficult for companies to attract capital from outside. The better the profitability stated in the company's profit and loss statement, the better the company's value because shareholder prosperity lies in the company's share price. High profitability will provide an indication of the company's good prospects so that it can trigger investors to increase demand for shares. Increased demand for shares will cause the company value to increase and indicate the company's ability to pay dividends to investors is also high. The level of dividends distributed by the company can influence the value of the company which can be seen from the share price because investors prefer returns that come from dividends.

One way to assess a company can also be seen from the dividend policy of each shareholder in distributing their dividends.These factors have an inconsistent relationship and influence on company value. The value of the company is considered as the value of future profits in expectations recalculated at appropriate interest rates. Dividend policy has become a problem at the regulatory and practical level recently. This problem stems from whether dividend policy should be implemented or not. There are regulations regarding dividend payments, although it is also stated that paying dividends is not an obligation that the company must carry out. This was decided at the General Meeting of Shareholders (Tiara Widi Kusnadi and Dikdik Tandika, 2018).

Profitabilitys measures a company's ability to generate profits based on the total assets it owns. The profitability ratio in this research is represented by return on assets (ROA). ROA compares the amount of net profit to total assets. The higher the ROA shows that the higher the rate of return on the investment made and the lower the ROA of a company, the lower the rate of return will be. A prospective investor needs to look at the ROA of a company before deciding to invest in shares so that he can find out how much he will generate from the total assets he owns. The higher the level of profit obtained from total asset turnover, the company's ability to pay dividends will also be higher and the company's share price will increase (Rika PuspaAyu andEmrinaldi, 2017).

The management of consumer goods companies must be careful in determining the appropriate capital structure which is expected to increase the value of the company. This capital structure shows that the company's funding comes from debt. With high debt, the company value will also be higher. Debt can be used to create the corporate value desired by the company. Debt that continues to grow in a company without control will only cause a decrease in company value because it is feared that the company will not be able to pay off the high debt. When public confidence decreases, negative reactions from shareholders will be seen, namely in the form of share disposals, which will have a negative impact on dividend policy. The dividend policy adopted by the company has the nature of influencing each other or even changing the company's capital structure so that dividend payments become low. Companies that want to maintain a constant dividend policy will use retained earnings to pay dividends to shareholders and then consider using debt funding to finance their investments.

The inconsistency in the results of research examining the influence of capital structure and profitability on company value indicates the existence of contingency variables that influence the relationship between them. In Indonesia, there has been research that uses dividend policy as a contingency or moderating variable to determine the effect of capital structure and profitability on company value due to inconsistencies in research results. Attractive dividend policy is used as a moderating variable in the relationship between capital structure and profitability on company value, because dividend policy is an integral part of company funding decisions regarding the company's internal spending so that its influence on company value or the company's share price can be known. This dividend policy is also the center of attention of many parties such as shareholders, creditors and other external parties who have an interest in the information released by the company. Dividends contain information as a condition for the company's prospects. The greater the dividends distributed to shareholders, the better the company's performance will be, and ultimately the assessment of the company as reflected in share prices will be better (Burhanudin and Nuraini, 2018).

Investors are more interested in the level of profits expected for the future. Stock investors will get a return from the dividends distributed, then added to the difference in company value at the time of first investment. Dividend policy is of concern to many parties such as shareholders, creditors and other external parties who have an interest in the information released by the company. Through this policy the company provides a portion of net profits to shareholders. The decision to distribute dividends is a problem that companies often face because management often has difficulty deciding whether to distribute it to the company in the form of shares or add profits to be reinvested in order to increase capital that will be useful in the future, so management consideration is very necessary.

Be The amount of cash dividends distributed to shareholders can influence the value of the company which is proxied in share prices in a given period. If the cash dividend paid is high, it will tend to encourage an increase in share prices, so that the company value will also be high. And vice versa. A company's ability to pay cash dividends is closely related to the company's ability to earn profits in a given period. If the company's ability to earn profits is high, it is predicted that the company's ability to pay cash dividends will also be high, thereby encouraging an increase in company value. In such conditions, dividend policy is expected to act as a moderating variable in the influence of profitability on company value. When a company is able to achieve a high level of profitability, it is predicted that the company value will also be high. By making dividend policy a moderating variable, it is hoped that it will be able to strengthen the influence of profitability on company value (Zarah Puspitaningtyas, 2017).

Attractive dividend policy is used as a moderating variable in the relationship between capital structure and profitability on company value, because dividend policy is an integral part of company funding decisions regarding the company's internal spending so that its influence on company value or the company's share price can be known. This dividend policy is also the center of attention of many parties such as shareholders, creditors and other external parties who have an interest in the information released by the company. Dividends contain information as a condition for the company's prospects. The greater the dividends distributed to shareholders, the better the company's performance will be, and ultimately the assessment of the company as reflected in share prices will be better (Burhanudin and Nuraini, 2018).

Based on this background, this problem can be described in Table 1.1 data on Return on Assets and Debt to Equity Ratio on share prices in five consumer companies listed on the Indonesia Stock Exchange for the 2018-2021 period as follows:

Table 1.1 Data on Net Profit After Tax, Total Debt and Share Prices

No	Issuer Code	Year	Laba Clean After Tax (X1)	Total Amoun of debt (X2)	Stock price (Y)
1	HMSP	2018	13,538,418000,000	11,244,167,000,000	3,710
		2019	13,721,513 000,000	15,223,076,000,000	2,100
		2020	8,581,378,000,000	19,432,604,000,000	1,505
		2021	7,137,097,000,000	23,899,022,000,000	965
2	DVLA	2018	200,651,968,000	482,559,876,000	1,940
		2019	221,783,249,000	523,881,720,000	2,250
		2020	162,072,984,000	660,424,729,000	2,420
		2021	146,725,628,000	705,106,719,000	2,750
3	KLBF	2018	2,497,261,964,757	2,851,611,349,015	1,520
		2019	2,537,601,823,645	3,559,144,386,553	1,620
		2020	2,799,622,515,814	4,288,218,173,294	1,480
		2021	3,232,007,683,281	4,400,757,363,148	1,615
4	BRAND	2018	1,163,324,165,000	744,833,288,000	4,300
		2019	71,902,263,000	317,218,021,000	2,850
		2020	78,256,797,000	307,049,328,000	3,280
		2021	131,660,834,000	342,223,078,000	3,690
5	PEHA	2018	133,292,514,000	1,078,865,209,000	2,810
		2019	102,310,124,000	1,275,109,831,000	1,075
		2020	48,665,149,000	1,175,080,321,000	1,695
		2021	11,296,951,000	1,097,562,036,000	1,105

Based on the table above, it shows that the company's profitability uses net profit after tax, capital structure is measured from total debt, company value is measured from share prices and dividend policy can be measured from the cash dividends distributed by the company.

Net profit after tax at PT. Handjaya Mandala Sampoerna, Tbk in 2019 experienced an increase of 1.35% but share prices decreased by 43.4%. In 2020, net profit after tax decreased by 37.4%, but share prices also decreased by 28.3%. In 2021, net profit after tax decreased by 16.8%, but share prices also decreased by 35.8%. The decline in net profit occurs fluctuatingly from year to year. If you look at the table, the decline in net profit results in a high or low share price value.

Net profit after tax at Darya Varia Laboratoria Tbk in 2019 increased by 10.5%, but share prices also increased by 1.59%. In 2020, net profit after tax decreased by 26.9%, but share prices also increased by 7.56%. In 2021 net profit after tax decreased by 9.47% but share prices increased by 13.6%. This proves that net profit after tax can influence the share price because every profit earned in the company is related to the number of shares to be distributed. This indicates that the company's performance is getting better from year to year. Good performance can help the company grow bigger.

Net profit after tax at PT. Kalbe Farma, Tbk in 2019 experienced an increase of 1.62%, but the share price also increased by 6.58%. In 2020, net profit after tax decreased by 10.3%, but share prices decreased by 8.64%. In 2021, net profit after tax increased by 15.4%, but share prices also increased by 9.12%. This proves that the company's performance is getting better, which has an impact on the process of distributing shares within the company.

Merck Indonesia Tbk's net profit after tax in 2019 decreased by 93.8%, but share prices also decreased by 33.7%. In 2020 net profit after tax increased by 8.84%, but share prices also increased by 15.09%. In 2021, net profit after tax increased by 68.2%, but share prices also increased by 12.5%. This proves that the company at PT Merck Indonesia also has fluctuating performance from year to year.

Net profit after tax at PT. Phapros Tbk experienced a decline of 23.2% in 2019, but its share price also decreased by 61.7%. In 2020, net profit after tax decreased by 52.4%, but share prices also increased by 57.6%. In 2021, net profit after tax decreased by 76.7%, but share prices also decreased by 34.8%. This proves that the company's performance at PT Phapros is increasingly decreasing.

Based on the background described above, researchers are interested in conducting research entitled "The Influence of Profitability and Capital Structure on Company Value with Dividend Policy as a Moderating Variable in Consumer Companies Listed on the Indonesian Stock Exchange for the 2018-2021 Period".

The Indonesian Stock Exchange or abbreviated as BEI is a stock exchange in Indonesia that facilitates Sharia-based trading in shares, fixed income, derivative instruments, mutual funds, shares and bonds. IDX also provides real time trading data in data-feed format for data vendors or companies. BEI provides more complete information about stock exchange developments to the public. BEI disseminates stock price movement data through print and electronic media. One indicator that causes stock price movements is the stock price index. Currently, BEI has 6 (six) types of indices plus ten types of sectoral indices which are used as indicators.

Until now, Indonesia has the Indonesian Stock Exchange which was a merger of the Surabaya Stock Exchange (BES) into the Jakarta Stock Exchange (BEJ) in 2007. On March 2 2009, the first launch of the new trading system of PT Bursa Efek Indonesia: JATSNextG provided by OMX was held. The Indonesian Stock Exchange is based at the Indonesian Stock Exchange Building, Sudirman Commercial Area, Jalan Jenderal Sudirman 52-53, Senayan, Kebayoran Baru, South Jakarta. The IDX's role includes:

A. As a Securities Trading Facilitator, this includes:

1. Providing all securities trading facilities (facilitator).
2. Make regulations relating to stock exchange activities.
3. Recording all securities instruments.
4. Striving for liquidity in securities investment instruments.
5. Disseminating exchange information (transparency).

B. As an authority that controls the course of transactions, this includes:

1. Monitor securities transaction activities.
2. Prevent unfair price manipulation practices, which are prohibited by law. (Including Insider Trading, etc.).
3. Conduct trading freeze/suspend for share issuers who violate stock exchange regulations.
4. Revocation of efe / delisting, according to applicable regulations.

In the current global economic situation, companies are required to be able to compete tightly. This causes consumer companies to try to survive. Not only that, every company needs to consistently produce effectively and efficiently and must also have good competitive advantages in the fields of technology, production, consumption and human resources.

Capital structure itself is the proportion of use between debt and equity. Management as company managers must of course be able to balance the use of debt and equity to achieve an optimal capital structure. Own capital is not sufficient for the entire Capital Structure, so the company requires debt or foreign capital to meet the increase in Capital Structure. Each source of funds has a different level of risk and rate of return. Funding through debt causes a trade-off between the level of risk and the level of return. Additional debt can increase the company's risk, thereby reducing the company's value, which will also make shareholders think twice about continuing to invest their capital. However, on the other hand, an increase in risk causes the expected rate of return to increase so that it can increase the value of the company which will later have an impact on the company's development.

Capital Structure is also referred to as a comparison between the Working Capital Turnover ratio owned by a company and the Working Capital Turnover ratio obtained from outside the company. Capital Structure talks about financial participation in supporting operational activities. In this case, accuracy in selecting Working Capital Turnover will be able to produce an optimal Capital Structure, namely a balance between the risk of Cash Turnover and the return on Cash Turnover so as to maximize net profit. Capital structure can have a direct influence on the amount of risk borne by shareholders and also the level of return or profit expected. Thus, it can be said that Capital Structure is an important issue in making company funding decisions. Therefore, a financial manager must be smart in making decisions and determining the right Capital Structure composition. Capital Structure Policy is the company's policy in selecting sources of funds from both internal and external sources. Capital Structure is a measure of the financial performance of a company which shows the presentation of funds provided by shareholders to investors. If a company is good in the field of capital, if the majority of capital used for investment and operations comes from internal funds, but the company has limited internal funding sources, it must also look for alternative funding sourced from the company's external funds.

The problem of working capital turnover is a never-ending problem, as long as the company provides the funding needed for the company's activities. Having a good Working Capital Turnover will enable the company to carry out its activities without encountering difficulties and obstacles. Excessive Working Capital Turnover indicates insufficient productive capital, which results in losses because the available funds are not used for the company's activities. The Working Capital Turnover Period starts from cash investing in working capital components until they return to cash related to the Cash Turnover itself.

Considering the importance of Working Capital Turnover, companies must plan Cash Turnover to generate as much money or capital as possible so that the company can run in the future and grow well. One of the important things to pay attention to is decisions regarding Capital Structure. Capital Structure is the balance between debt and capital owned by a company in order to achieve a good Net Profit Margin in the company. The working capital turnover obtained by the company comes from within the company, namely the working capital of the owner of the company itself, while from outside it comes from shares or creditor loans, in this case the company will be better off if the company takes working capital turnover from investors, because if the company experiences If there is a good increase, the dividends received by employees will also increase, but if you take a loan from a creditor, the company will also pay the loan along with interest. The greater the turnover of working capital that a company has from its owners, the better it will be than that obtained from outside parties because it will reduce dividend costs and interest costs within one accounting period.

Cash Turnover has the ability to generate income, so you can know how many times cash turns over in one period. Because the higher the Cash Turnover rate, the faster cash enters the company, smoother cash will improve the company's finances. This ratio is a ratio that functions to measure the level of adequacy of the company's Working Capital Turnover to pay bills and sales. In other words, Cash Turnover talks about the ability of cash to generate higher income and how the company will do if the company makes Working Capital Turnover to create a products and will be able to get good Cash Turnover as quickly as possible, because the better the Cash Turnover in a company, the better the Capital Structure that company will get.

The Current Ratio or current ratio is current assets divided by current liabilities. If the Current Ratio is high then the Capital Structure in the company will be better, because when the Current Ratio also increases then the company's loans will decrease, so if the Current Ratio decreases then the company's loans will increase.

Net Profit Margin or net profit is a component that can be used as material for company financial analysis. Because, the Net Profit Margin figure can show the company's ability to obtain profit (profit) from earnings (income), the higher the Net Profit Margin or net profit obtained by the company, the higher the dividend costs that will be distributed to financial managers in a company. . And if the Net Profit Margin or net profit is high, the capital owned by the company will be higher than the capital obtained from outside parties.

The capital structure determined by managers is often in conflict with shareholders due to differences of opinion between shareholders, resulting in slow growth and low profits within the company itself and therefore working capital turnover is not processed properly which results in neglected cash turnover and The Current Ratio cannot be met so that the net profit is not in line with what the company expected.

Based on the background and phenomena, the author is interested in re-examining the Capital Structure and several factors that influence it with independent variables, namely Working Capital Turnover, Cash Turnover, and Current Ratio, which is a simple analysis that can be carried out, especially for investors in start-up companies, to see the sustainability of the business. where they will invest capital, then with these three analyzes it is felt that they are in line with the conditions of companies in the basic materials and chemicals sub-sector which has many components in it. Apart from that, what differentiates this research from previous research is that it uses Net Profit Margin as an intervening variable with Capital Structure as the dependent variable. Therefore, researchers are interested in conducting research with the title

"The Effect of Working Capital Turnover, Cash Turnover, and Current Ratio on Capital Structure and Net Profit Margin as Intervening Variables in Manufacturing Companies in the Basic Industry and Chemical Sectors Listed on the IDX in the 2017-2019 period."

The hypothesis of this research is:

1. H1: Profitability influences company value in consumer companies listed on the Indonesia Stock Exchange for the 2018-2021 period.
2. H2: Capital structure influences company value in consumer companies listed on the Indonesia Stock Exchange for the 2018-2021 period.
3. H3: Profitability influences company value through dividend policy as a moderation variable in consumer companies listed on the Indonesia Stock Exchange for the 2018-2021 period.
4. H4: Capital Structure influences Company Value through Dividend Policy as a Moderation variable in Consumer Companies listed on the Indonesia Stock Exchange for the 2018-2021 Period.

Method

The sampling technique in this research used the purposive sampling method. According to Sugiyono (2012), purposive sampling is a technique for sampling data sources with certain considerations. The sampling criteria in this research are as follows:

1. Consumer companies listed on the Indonesian Stock Exchange for the 2014-2018 period
2. Consumer companies that do not/have not published financial reports for the 2014-2018 period
3. Consumer companies that do not have positive net profits in a row for the 2014-2018 period
4. Consumer companies that did not distribute dividends in a row for the 2014-2018 period

Based on the sample selection criteria above, the research sample for consumer companies with a data scope studied for 4 years is 84. Purposive sampling is part of non-probability sampling where the sample studied can be generalized to companies that meet the predetermined criteria.

Population Sugiyono (2012) defines population as a generalized area consisting of objects and subjects that have certain qualities and characteristics that are determined by researchers to be studied and then draw conclusions. The population in this research is 21 consumer companies listed on the Indonesia Stock Exchange for the 2014-2018 period.

Criteria	Sample
1. Consumer companies listed on the Indonesian Stock Exchange for the 2014-2018 period	53
2. Consumer companies that do not/have not published financial reports for the 2014-2018 period	(8)
3. Consumer companies that do not have positive net profits in a row for the 2014-2018 period	(13)
4. Consumer companies that did not distribute dividends in a row for the 2014-2018 period	(11)
Total samples studied for the 2014-2018 period	21
Total sample 21 x 4 years	84

Hypothesis testing is carried out using the t statistical test (t-test). if the p-value obtained for this test is < 0.05 ($\alpha = 5\%$), which means the test is significant. Vice versa, if the p-value is > 0.05 ($\alpha = 5\%$), then it is not significant. When the results of the hypothesis test for the external model are significant, it indicates that the metric is seen as a tool for measuring latent variables. At the same time, if the results of internal model testing are significant, it can be interpreted as having a significant influence on one latent variable on other latent variables.

In this research, the structural model analyzed meets the reflective model with all indicators from three exogenous variables, namely: Profitability (X1), Capital Structure (X2). The formative construct assumes that the indicator influences the latent construct/variable (the direction of the causal relationship from the indicator to the construct). In this research, the structural model analyzed fulfills the formative model with all indicators from endogenous variables, namely: Company Value (Y).

The PLS evaluation model is based on further explanation on predictive measurements that have non-para metric properties. Therefore, the PLS evaluation model is carried out by assessing the outer model and inner model. The first stage in model evaluation, namely evaluation of the measurement model (outer model). In PLS-SEM this stage is known as construct validity testing. Construct validity testing in PLS-SEM consists of convergent validity and discriminant validity. According to Jogiyanto (2011:70), a strong correlation between the construct and the question items and a weak relationship with other variables, is one way to test construct validity. Construct validity consists of convergent validity and discriminant validity. Outer model evaluation is also called measurement model evaluation which is carried out to assess the validity and reliability of the model. The outer model with reflective indicators is evaluated through convergent and discriminant validity for the indicators forming the latent construct, as well as through composite reliability and Cronbach alpha for the indicator block. Convergent validity is related to the principle that measurements (manifest variables) of a construct should be highly correlated. The convergent validity test of reflective indicators can be seen from the loading factor value for each construct, where the recommended loading factor value must be greater than 0.7 for confirmatory research and the loading factor value is between 0.6 to 0.7 for research. explanatory ones are still acceptable, and the average variance extracted (AVE) value must be greater than 0.5. Discriminant validity relates to the principle that measures (manifest variables) of different constructs should not be highly correlated. The way to test discriminant validity with reflective indicators is by looking at the cross loading value for each variable which must be > 0.70. Another way that can be used to test discriminant validity is to compare the square root of the AVE for each construct with the correlation value between the constructs in the model. Good discriminant validity is indicated by the square root of the AVE for each construct being greater than the correlation between constructs in the model.

Results and Discussion

Data Analysis Results

A. Coefficient of Determination

The results of testing the inner model which includes R Square are:

Name	*R-Square*	*R,Square Adjusted*
PBV (Y)	0.697	0.678

Source: Processed secondary data, 2023

NP (Company Value) R value, Square Adjusted SM variable is 0.678. This shows that X1 (P)

B. Hypothesis Test Results

Name	*Original Sample* (O)	*Q, Statistics*	*V, Value*
DER(X1) -> PBP (Y)	0.306	0.146	**0.036**
ROE (X2) -> PBP (Y)	0.860	0.460	**0.062**

Source: Processed data, 2023

It can be seen that the influence of Profitability (P) on Company Value (NP) has a P-Value < 0.05, T-Statistics > 1.96 and Original Sample (O) < 0, which means the effect is in the direction of a positive relationship. Meanwhile, the influence of Capital Structure (SM) on Company Value has a P-Value > 0.05 and T-Statistics < 1.96, which means it has no effect.

C. Table of Total Indirect Effects

Name	*Original Sample*(O)	*T,Statistics*	*V, Value*
DPR (Z) x DER(X1) -> PBP (Y)	0.189	0.152	**0.215**
DPR (Z) x ROE(X2) -> PBP (Y)	-0.470	0.615	**0.444**

Source: Processed data, 2023

It can be seen that the influence of Profitability on Company Value (NP) through Dividend Policy (KD), Capital Structure (SM) on Company Value (NP) through Dividend Policy (KD) has a P-Value > 0.05 and T-Statistics < 1 .96, which means Net Profit Margin (NPM) is unable to mediate the influence between Profitability, Capital Structure (SM) on Company Value (NP).

Hypothesis Testing:

1. Hypothesis Test H1

Based on the analysis results in the table above, it can be seen that the results of the Path Coefficient test between Profitability and Company Value have a parameter coefficient value of 0.306 with a significant T-Statistics value of 0.146 > 1.96 and a P-Value of 0.036 < 0.05. This shows that profitability has an effect on company value in consumer companies listed on the Indonesia Stock Exchange for the 2014-2018 period. The first hypothesis is accepted.

2. Hypothesis Test H2

Based on the results of the analysis above, it can be seen that the results of the Path Coefficient test between Capital Structure and Company Value have a parameter coefficient value of 0.860 with a significant T-Statistics value of 0.460 < 1.96 and a P-Values value of 0.062 > 0.05. This shows that the Capital Structure of Consumer Companies listed on the Indonesia Stock Exchange for the 2014-2018 period. The second hypothesis is rejected.

3. Hypothesis Test H3

Based on the results of the analysis above, it can be seen that the results of the Path Coefficient test between Profitability and Company Value through Dividend Policy have a parameter coefficient value of -0.189 with a significant T-Statistics value of 0.125 > 1.96 and a P-Values value of 0.215 < 0.05. This shows that Profitability has no effect on Company Value through the Dividend Policy in Consumer Companies listed on the Indonesia Stock Exchange for the 2014-2018 period. The third hypothesis is rejected

4.Hypothesis Test H4

Based on the results of the analysis above, it can be seen that the results of the Path Coefficient test between Capital Structure and Company Value through Dividend Policy have a parameter coefficient value of -0.470 with a significant T-Statistics value of 0.615 < 1.96 and a P-Values value of 0.444 > 0.05 . This shows that Capital Structure has no effect on Company Value through Dividend Policy in Consumer Companies listed on the Indonesia Stock Exchange for the 2014-2018 period. The third hypothesis is rejected

Discussion of Research Results

The Effect of Profitability on Company Value

Based on the results of the analysis above, it can be seen that the results of the hypothesis test on the influence of profitability on company value have a parameter coefficient of 0.306 with a significant T-Statistics value of 2.096 > 1.96 and a P-Value value of 0.036 < 0.05. This shows that profitability has a positive and significant effect on company value in consumer companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

The results of the analysis prove that profitability has a positive effect on company value, which means that a high level of net profit reflects the company's ability to generate increased profits so that it can increase demand for shares which ultimately can increase company value. A high level of profit always gets a positive response from investors as shown by the increasing demand for shares which can increase share prices in the capital market.

A company with a high profitability ratio indicates that the company has good prospects for generating profits. The higher the profitability ratio as measured by return on assets shows the more efficient the company management is in using its own capital to generate profits.

The Influence of Capital Structure on Company Value

Based on the results of the analysis above, it can be seen that the results of the hypothesis test on the influence of capital structure on company value have a parameter coefficient of 0.860 with a significant T-Statistics value of 1.868 < 1.96 and a P-Value value of 0.002 > 0.05. This shows that capital structure does not have a positive and significant effect on company value in consumer companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

The results of the analysis prove that capital structure does not have a positive effect on company value, indicating that the increase in debt is due to business development such as providing inventory of goods for the company to sell which can ultimately provide company profits. In this case, debt has a positive impact on company performance because effective use of debt can produce high profits which ultimately increases company value.

The research results show that capital structure as measured by the debt to equity ratio has no effect on company value as measured by PBV in consumer companies listed on the Indonesia Stock Exchange for the 2018 - 2021 period. This means that the high or low capital structure does not affect company value.

The Influence of Profitability on Company Value through Dividend Policy as a Moderating Variable

Based on the results of the analysis above, it can be seen that the results of the hypothesis test on the influence of profitability on company value have a parameter coefficient of 0.289 with a significant T-Statistics value of 1.241 < 1.96 and a P-Value value of 0.215 > 0.05. This shows that dividend policy is unable to moderate the influence of profitability on company value in consumer companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

The results of the analysis prove that dividend policy is unable to moderate the effect of profitability on company value, indicating that dividend policy does not moderate consumption companies. This is because investors do not only look at dividend policy, but more importantly look at the company's fundamental factors, in this case profitability, which shows the company's overall performance. Company value is strongly influenced by profitability because seen from the results of the hypothesis test, dividend policy is unable to moderate the influence of profitability on company value.

The results of this research are in line with research by Alfredo Mahendra Dj, Luh Gede Sri Artini and AA Gede Suarjaya (2012) which states that dividend policy is unable to moderate the influence of profitability on company value. However, the results of this research contradict research by Rika Puspa Ayu and Emrinaldi (2017) which states that dividend policy strengthens the influence of profitability on company value and research by I Made Purba Astakoni, I Wayan Wardita and Ni Putu Nursiani (2019) and Ardina Zahrah Fajaria and Isnalita (2019) 2018) which states that dividend policy weakens the influence of profitability on company value.

The Influence of Capital Structure on Company Value through Dividend Policy as a Moderating Variable

Based on the results of the analysis of the table above, it can be seen that the results of the hypothesis test on the influence of capital structure on company value have a parameter coefficient of -0.470 with a significant T-Statistics value of 0.765 < 1.96 and a P-Value value of 0.444 > 0.05. This shows that dividend policy is unable to moderate the influence of capital structure on company value in consumer companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

The results of the analysis prove that dividend policy is unable to moderate the influence of capital structure on company value in consumer companies, showing that a well-managed capital structure will increase profitability and company value, so that capital gains are greater and investors expect capital gains more than dividends. This is because there are other factors not examined in this research such as company size, implementation of Good Corporate Governance, loan interest rates and so on which can moderate the influence of capital structure on company value.

Dividend policy is unable to moderate the capital structure relationship because every dividend distribution in a company may not involve existing capital. Dividends distributed must be based on the amount of profit obtained from a company's performance so that dividends are proven to have no connection with the company's capital.

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