

## The Effect of Capital Structure and Profitability on Company Value in the Basic and Chemical Industry Sectors Listed on the Indonesia Stock Exchange in the 2020-2023 Period

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### ABSTRACT

Analyzing the condition of a company's funds is assumed to be the main thing. The main function of the fund ratio is to understand the magnitude of the impact on the future state of funds for each business. This lesson is held to find empirical facts about the effects of each variable that has been chosen in this lesson. The information is obtained from reports that calculate monthly funds from BEI issuance. The sample will be selected from purposive sampling. The study found 72 fund data from 2020-2023. The child's report was analyzed using multiple linear analysis from SPSS media. The lesson found that (1) with partial fund composition contributing to Company Value, (2) profits partially contributing to Company Value, (3) together with profits and fund structure contributing to Company Value

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## INTRODUCTION

The basic industry and chemical subsector is a field that includes changes in non-organic and organic raw materials that are managed chemically and produce a result to develop international and national marketing in supporting the manufacturing, infrastructure, and other sectors. During 2020, this subsector experienced a relatively sharp decline. The decline in stock value was due to a decrease in investors investing in the company. This decline was due to low marketing, resulting in shrinking profits. Generally, the target of a company is to optimize the prosperity of its shareholders. In optimizing its prosperity, the company needs to be able to increase its value. There are various aspects that can affect the value of the company, such as capital structure and profitability. The company's value can illustrate the condition and performance of the company in the past, present and future (Astuty, 2017) investors need to be able to utilize all data from financial information in analyzing the market and carrying out investments that expect to make a profit. From the investor's assumption, a high stock value indicates that the owner's welfare will also be high. Price book value (PBV) is a ratio that is often used as a benchmark to assess a company (Rahyuda & K. Y. Dewi, 2020). An increasing PBV indicates that investors appreciate the company's shares, because a high company value shows the welfare of its shareholders (Velankar et al, 2017). PBV is a difference or calculation between the book value and market value of a stock, so it can measure the level of stock value whether it is undervalued or overvalued (Rahyuda & K. Y. Dewi, 2020). In this study, PBV is proxied by company value. There are several relevant studies using this ratio which is proxied by company value, namely from studies conducted by (Yadnya & Astuti, 2019), (Merta Sudiartha & Rai Prastuti, 2016), (Darmayanti & Yanti, 2019). Capital structure is assumed to be the difference between personal capital and profit. From the assumptions of Houston & Brigham (2019) capital structure plays a major role for the company because it is related to and has an impact on the amount of risk that will be borne by shareholders and the desired level of profit. If the business conditions are stable, the use of liabilities to be used as business capital can support the development of the company, so this can attract investors to assume that their company can generate high profits. The higher the liabilities that the company uses, the higher its value, this is because high liabilities will result in the use of equity decreasing, so the capital will be small. The company's value will increase if the average cost of capital is low (Indriyani, 2019). There are 3 ratios that can be used to measure capital structure such as LTDER or Long Term Debt to Equity Ratio, DER or Debt to Equity Ratio, and DAR or Debt to Assets Ratio (Sjahrial, 2015). This study uses the DER ratio for capital structure. DER is used to assess equity with liabilities, this ratio is measured by distinguishing between equity and all liabilities (Sutrisno, 2013). This ratio can provide an illustration of the composition of capital owned by a company and is also assumed to be a ratio to manage equity that shows the company's ability to carry out its operations with loan funds presented by each shareholder (Houston & Brigham, 2019).

Suarmanayasa & Putra, 2021, there is a causal relationship between company value and profitability which is determined from the stock value in the capital market from each transaction. High profitability can have a positive impact on the decisions that investors take later. The company's performance which is assessed and assumed to be good can increase the value of its shares which is also interpreted if the company's value can increase (Harmono 2017). So it can be summarized that the stock value can increase the company's value if investors can get high profits and vice versa (Putra & Suarmanayasa, 2021). From the study conducted (Distyowati,

Putra & Purwohandoko, 2019) it was found that profitability contributes significantly to company value. Dwimulyani & Novarianto, 2019, profitability is the company's ability to manage its resources in generating profits for each investor. Profitability is considered the main thing because it is used as an instrument to measure financial performance, so it can be a reference in assessing a company, (Sastrawan, 2016). From the signal theory, it is explained that if a company can develop its value by giving signals to each investor from performance data, it can share an illustration of the future process (Ayu & Suarjaya, 2017). The greater the total profitability presented in financial data, the more optimal the company's financial performance, so that the level of investor prosperity will also increase.

This study will measure profitability using ROA or Return On Asset. ROA is useful for measuring the level of efficiency of a company's activities to obtain net profit from the use of its assets. A high ROA value will show that the use of the company's assets is increasingly efficient. The development of ROA provides a positive signal to the market if the company can ensure investor prosperity from large profits. The development of ROA can attract investors if the company has a bright future for its business. So that every investor will be motivated to invest in the company (Ayu & Suarjaya, 2017).

The high value of the company will make investors interested in investing. This high value can be affected by performance, such as capital structure and profitability. This study aims to observe the contribution of each variable and the ratio that has been determined to be used as a topic of discussion in this study. This study is quantitative. Where the population is 18 related companies. The sample will be determined from purposive sampling which finds 72 financial data from the IDX from 2020-2023. The data will be analyzed from MRA (Moderated Regression Analysis) and multiple linear regression through SPSS version 22.

This study intends to test and analyze how some of the factors that contribute to profitability and capital structure in the Basic and Chemical Sectors verified on the IDX, the following table is presented which includes some of the ratios that will be discussed in this study:

Table 1. Research Phenomenon (In Rupiah)

Company Code	Year	Capital Structure	Profitability (ROA)	Company Value (PBV)
AMFG	2020	58.226189	-5.413283	995092.9011
	2021	71.283716	4.304356	67009389.2595
	2022	78.205148	5.857749	22417659.2418
	2023	89.874313	7.776605	33676173.7940
AMIN	2020	99.640454	2.432064	0.015607
	2021	67.595971	-16.299115	3.051116
	2022	91.290708	2.454780	0.034086
	2023	93.548909	4.419042	3.754842
APII	2020	186.157415	5.886616	1.435483
	2021	199.859012	3.811751	25.278979
	2022	202.278131	2.490176	35.258681
	2023	215.695613	5.102303	0.587312
	2020	1.961129	16.557623	49.136635
	2021	2.346778	21.215889	73.307175
	2022	2.458341	22.550874	46.776101
	2023	2.423442	17.137247	33.803042

Source: www.idx.co.id (Data Processed by Researchers in Rupiah)

Through the table, it can be observed that the company code AMFG (PT. Asahimas Flat Glass Tbk), for the capital structure since 2022-2023 increased by 11,669,165, and PBV decreased by 1,1258,514,5522 Next AMIN (PT Ateliers Mecaniques D Indonesie Tbk) for ROA since 2022-2023 increased by 1,964,262, and PBV increased by 3,720,756 Next APII (PT Arita Prima Indonesia Tbk.) for the capital structure since 2021-2022 increased by 13,417,483, and PBV decreased by 34,671,369 Finally ARNA (PT. Arwana Citramulia Tbk) for ROA since 2022-2023 decreased by -5.413627, and PBV increased by -12.973059. Through the background of the problem, the author wants to choose the title "**The Effect of Capital Structure and Profitability on Company Value in the Basic and Chemical Industry Sectors Listed on the Indonesia Stock Exchange in the 2020-2023 Period**"

## LITERATURE REVIEW

### Capital Structure Theory

From Sinta's assumption (2020) Capital structure is the financing of long-term assets that include preferred shares, fixed liabilities, and shareholders' capital. Or it can be called the difference between personal capital and long-term debt.

From the assumption of Sulindawati et al (2018:112) capital structure is the difference between personal capital and foreign capital. The capital structure will show the proportion of debt usage in financing its investment, so investors can balance their profits and risks.

### Profitability Theory

From Prihadi's assumption (2020), profitability is the ability of a company to make a profit. Profitability is assumed to be the main aspect for a company because it can help it to increase its activities to the maximum.

From Darmawan's assumption (2020), profitability is used to calculate the company's profit in a period, assess development and profit position.

### Company Value Theory

From the assumption (Kusmayanti & Lisda, 2021) Company Value is the value of shares that have been determined in the market. PBV or price to book value can measure the value of a company. Then the instrument to measure it is the market value per share divided by the book per share. It is necessary to first trace the book value of the shares by finding the value of the Total Equity distributed with the Total Capital Post that has been paid in.

### Theory of the Impact of Capital Structure on Company Value

From the assumption of Darmayanti & Yanti (2019) Company Value is assumed to be the investor's view of the company's level of success related to its profits and share value.

DER will be used to calculate the capital structure in this study, or assumed as a ratio used to assess equity with debt by distinguishing between all debt and all equity. This ratio is useful for observing every rupiah of personal capital that is used as collateral for debt (Kasmir, 2020):

$$\text{DER} = \frac{\text{Total Debt}}{\text{Equity}}$$

### Theory of Profitability Impact on Firm Value

ROA in this study will be used to measure profitability, or assumed as a ratio that shows the company's ability to obtain net profit by using the assets owned. The higher the total profit obtained, the company will be assumed to be efficient in managing all its assets. ROA will be calculated using the following formula (Sudana, 2017):

$$\text{ROA} = \frac{\text{Net Profit After Tax}}{\text{Total Asset}}$$

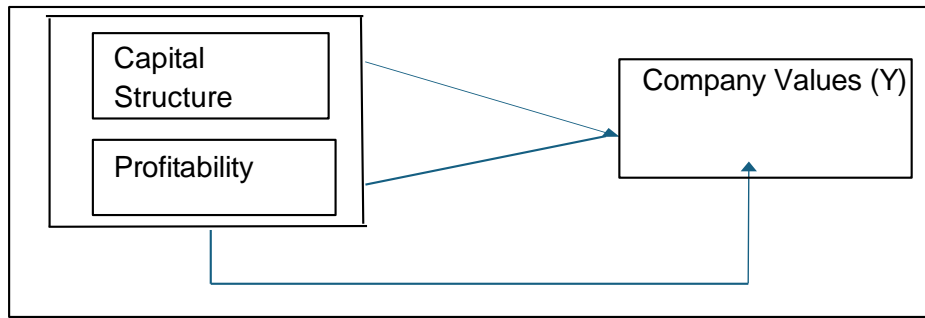


Figure 1. Conceptual Framework

### Research Hypothesis

Through this figure, a hypothesis can be proposed which is can be developed as follows:

H1 = Capital structure has a partial impact on the value of industrial sector companies verified on the IDX.

H2 = Profitability has a partial impact on the value of industrial sector companies verified on the IDX.

H3 = Capital structure, profitability have a simultaneous impact on the value of industrial sector companies verified on the IDX.

### METHODOLOGY

This study uses a quantitative method that uses numerical data to explore, understand and explore a phenomenon originating from financial data published on the IDX which will be processed using SPSS Version 22, 2024.

#### Type of Research

This study is a quantitative descriptive type, where the problem formulation includes questions regarding the condition of an independent variable.

#### Nature of Research

The nature of this study is explanatory, or which intends to analyze the casual relationship between each variable by testing the hypothesis to reject or accept the proposed hypothesis.

#### Population

Population is assumed to be a scope that includes subjects or objects that have characteristics to be understood and then conclusions are drawn (Sugiyono, 2015:80), this study has a population of Basic Industry and Chemical sub-sector companies verified on the IDX since 2020-2023.

#### Sample

The sample is included as part of the population (Sugiyono, 2015:81). The sample of this study is the financial data of related companies verified on the IDX since 2020-2023 totaling 72 samples. The financial data used is annual data.

The criteria used in this study include:

1. Banking companies verified in Manufacturing Companies on the IDX since 2020-2023.
2. Companies that publish financial data as of December 31st and have been audited by a Public Accounting Firm and also publish data that has been formed by an independent auditor.
3. Companies with complete financial data.
4. Financial data that does not experience losses in a period.

Table 2. Sample Selection

NO	CRITERIA	TOTAL
1	Chemical and Basic Industry Subsector Companies Verified on the IDX since 2020-2023	66
2	Companies that did not publish financial data from 2020-2023	(32)
3	Banking Companies That Have Made Losses Since 2020-2023	16
4	Total sample of companies	18
5	Total sample of study (18 X 4 years)	72

Source: Processed Data (Researcher, 2025)

### Data Collection Technique

To collect data in this quantitative method study, it involves collecting numerical data which will then be analyzed statistically in testing the hypothesis. To collect the data, a documentation study will be used. The technique is carried out by observing the financial data of the related company that is verified on the IDX.

### Type and Source of Data

In this study, the data is secondary which is obtained indirectly or has been provided. The data used will be obtained from various sources, for example from publications, databases and surveys.

The data in this study comes from external sources or is obtained from outside the related company and is provided to the public. The data used is the annual financial data of the related company that is verified on the IDX which is obtained from the site <https://www.idx.co.id/id>.

### Classic Assumption Test

Some of the criteria in carrying out this test can be described as follows.

- Normality Test

From the assumption of Ghozali (2016) this test is conducted to test whether in a model, each variable is normally distributed or not. If it is not normally distributed, the results of the statistical test can decrease. This test will be operated using SPSS version 22 using the One Sample Kolmogorov-Smirnov Test.

- a. If Prob (sig) is above 0.05, it means that the data is normally distributed.
- b. If Prob (sig) is below 0.05, it means that the data is not normally distributed.

- Multicollinearity Test

This test is useful for observing the presence of correlation between independent variables in a model. To check for symptoms of multicollinearity by observing the tolerance and VIF values. If tolerance  $\leq 0.10$  or VIF  $\geq 10$  is assumed to have symptoms of multicollinearity.

- Heteroscedasticity Test

From the assumption of Ghozali (2018:120) this test is useful in testing whether in the regression model there is a residual misalignment between each observation. If the result is constant, it will be called Homoscedasticity and if it is different it will be called Heteroscedasticity. To determine or draw a decision, it can be observed from the Scatterplot graph.

- Autocorrelation Test

From the assumption of Ghozali (2017:121) this test is useful for testing whether in the model there is a correlation between errors in period t and in the previous period t-1. Autocorrelation is experienced if the correlation that appears is caused by observations that are interrelated.

### Research Model

In this study, we will use the analysis method of classical assumption testing which plays a role in observing whether or not data is suitable for use. The test includes normality, descriptive analysis, determinant coefficient, heteroscedasticity, multiple linear regression and model suitability. Then the equation can be made as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + e$$

Description:

Y = Company Value

A = Constant

b<sub>1</sub> = Capital Structure Regression Coefficient b<sub>2</sub> = Profitability Regression

Condition

X<sub>1</sub> = Capital Structure

X<sub>2</sub> = Profitability

e = Error Estimate

- Determination Coefficient Test (R<sup>2</sup>)

The test predicts the range of model expertise to describe the dependent variable, the value ranges from 0-1. It is interpreted that if the value is close to 1, the independent variable shares all the data needed to describe the dependent variable (Ghonzali, 2018: 286)

- Test (F)

From the assumption of Sari et al., (2019), this test is useful for observing the impact of independent variables on the dependent variable together. The test criteria are if the calculated f exceeds the table f and a sig of  $<0.05$  is found, it is assumed that the independent variable has a significant impact simultaneously on the dependent variable. The criteria in this test are: If the calculated  $F \leq F$  table at the sig level  $\alpha = 5\%$ , it is assumed that H<sub>0</sub> is accepted. If  $F$  count  $> F$  table at the sig level  $\alpha = 5\%$ , it is assumed that H<sub>a</sub> is accepted.

- T Test

From the assumption of Sari et al., (2019), this test is useful for observing the impact of independent variables on dependent variables with partial. The test criteria are if t count exceeds t table and has a sig value <0.05, it is assumed that the independent variable has a significant impact on the dependent variable.

Table 2. Operational Definition of Research Variables

Variable	draft	Indicator	Sclae
X1 Capital Structur e	The capital used by companies generally comes from personal capital or long-term debt.	$DER = \frac{\text{Total Debt}}{\text{Equity Return}} \times 100 \%$	Ratio
X2 Profitabi lit	This ratio is assumed as the ability of a company to generate profit at the level of share capital, assets and also sales in a certain period.	$ROA = \frac{\text{Net Profit After Tax}}{\text{Total Asset}}$	Ratio
Y Compan y Values	Company value is the perception that arises from investors towards the company and is linked to the share price.	$PBV = \frac{\text{Share Price per sheet}}{\text{Book Value per sheet}}$	Ratio

## RESULTS AND DISCUSSION

### Descriptive Statistics

In this study, the Sample (N) used is financial data related to the study variables, obtained a total of 72 samples. The calculation results can be observed in the following table:

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Capital_Structure_X1	72	1.10	1.80	1.3213	.13401
Profitability_X2	72	2.20	3.20	2.5200	.24580
Company_Values_Y1	72	7.90	10.00	8.6720	.51929
Valid N (listwise)	72				

Source: Primary Data Sources Processed by SPSS Version 22, 2024

Through Table 3, the maximum, minimum, standard deviation and mean values of each variable are produced:

1. Capital Structure\_X1

X1 is measured by DER, with a maximum value of 1.80, a minimum of 1.10, a standard deviation of 0.13401 and a mean of 1.3213. The value shows that the average company has a capital structure that is quite optimal and adequate in meeting its short-term obligations.

2. Profitability\_X2

X2 is measured by ROA, with a maximum value of 3.20, a minimum of 2.20, a standard deviation of 0.24580 and a mean of 1.3213. The value shows that the average company has a Profitability that is quite optimal and adequate in meeting its short-term obligations.

3. Company\_Value\_Y1

Y1 is measured by PBV, with a maximum value of 10.00, a minimum of 7.90, a standard deviation of 0.51929 and a mean of 8.6720. The value shows that the company's financial performance has a stable performance and is quite good in terms of its asset returns.

4. Valid N (listwise)

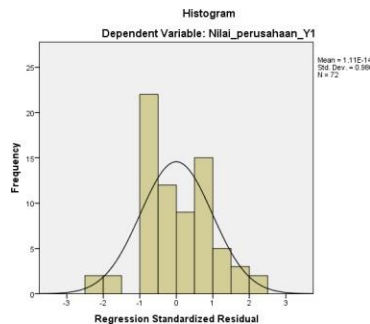
The total valid data used for this analysis is 72 samples, which cover all variables in this study.

### Classical Assumption Test Results

This test will include Multicollinearity, Normality, Autocorrelation and Heteroscedasticity tests.

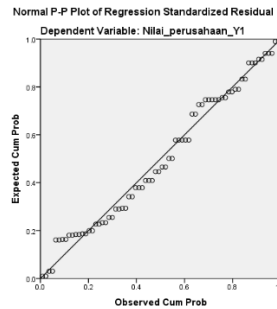
#### Normality Test

This test is conducted to test whether in a model, each variable is normally distributed or not. If it is not normally distributed, the results of the statistical test can decrease. This test will be operated using SPSS version 22 using the One Sample Kolmogorov-Smirnov Test.



Source: SPSS Version 22, 2024  
Figure 2. Histogram Normality Test

Through Figure 2, it is observed that the curve line is symmetrical (U) or the data is assumed to be normally distributed.



Source: SPSS Version 22, 2024  
 Figure 3. P-P Plot Normality Test

Through Figure 3, it is observed that the points follow the direction and spread along the diagonal line which can be assumed that the data is fairly distributed.

Table 4. Normality Test KolmogorovSmirnov One-Sample

	Unstandardized Residual
N	72
Normal Parameters <sup>a,b</sup> Mean	.0000000
	.26345445
Most Extreme Differences Absolute	.065
Positive	.054
Negative	-.064
Test Statistic	.086
Asymp. Sig. (2-tailed)	.200 <sup>c,d</sup>

- Test distribution is Normal.
- Calculated from data.
- Lilliefors Significance Correction.
- This is a lower bound of the true significance.

Source: SPSS Version 22, 2024

Through Table 4 indicates the criteria if the value of sig > 0.05 is assumed to be normally distributed data, then if the value of sig < 0.05 is assumed to be not normally distributed.

### Multicollinearity

This test is useful for observing the presence of correlation between independent variables in a model. To check for symptoms of multicollinearity by observing the tolerance value and VIF. If tolerance  $\leq 0.10$  or VIF  $\geq 10$  is assumed to have symptoms of multicollinearity.

Table 5. Multicollinearity Test Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.164	.165		.978	.263		
Capital_Structure_X1	-.103	.073	-.155	-1.322	.130	.880	1.136
Profibility_X2	.222	.100	.270	2.230	.029	.880	1.136

e. Dependent Variable: abs\_RES

Source: SPSS Version 22, 2024

Through Table 5, the Tolerance for X1 and X2 is 0.880, or  $\geq 0.10$ . This indicates that there is no correlation between the independent variables. Then the VIF results for X1 and X2 are 1.136, or  $\leq 10$ . This indicates that there is no multicollinearity between the two variables.

**Heteroscedasticity Test**

This test is useful in testing whether there is a residual misalignment between each observation in the regression model. If the result is constant, it will be called Homoscedasticity and if it is different, it will be called Heteroscedasticity. To determine or draw a decision, it can be observed from the Scatterplot graph.

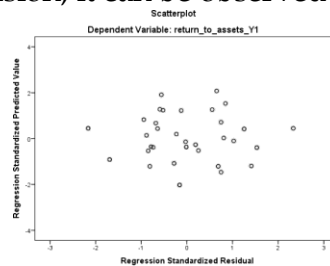


Figure 4. Heteroscedasticity Test

Through Figure 4, it is observed that the points are spread from the Y and X axes or it is assumed that the data is normally distributed and the model is free from heteroscedasticity.

**Autocorrelation Test**

This test is useful for testing whether there is a correlation between errors in period t and in the previous period t-1 in the model. Autocorrelation occurs if the correlation that appears is caused by observations that are interrelated

Table 6. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.908 <sup>a</sup>	.940	.920	.36447	1.589

a. Predictors: (Constant), Struktur\_Modal\_X1, Profitabilitas\_X2

b. Dependent Variable: Nilai\_Perusahaan\_Y1

Source: SPSS Version 22, 2024

Through the table, the DW is 1.589. Then, dU is 1.689 and dL is around 1.301; assumed to be free from autocorrelation because DW is below Du.

**Research Method**

Table 7. Coefficients<sup>a</sup>

Model	Unstandardize d Coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.187	.195		.958	.341
<b>Struktur_Modal_X1</b>	-.111	.073	-.184	-1.522	.132
<b>Profitabilitas_X2</b>	.222	.100	.270	2.230	.029

a. Dependent Variable: abs\_RES

Source: SPSS Version 22, 2024

Regression Model:

$$DER = 0.187 - 0.111 \times X1 + 0.222 \times ROA.$$

Through this equation, it can be explained as follows:

1. Capital\_Structure\_(X1):

X1 finds a t count of -0.111, Df n-k = 72 - 4 = 71, so the t table is 2.035 or t count > t table (-0.111 < 2.035) means that X1 has no impact on Y, then the Sig. is 0.132 or above 0.05. It is assumed that X1 has no significant impact on Y.

2. Profitability\_(X2):

X2 finds a t count of 0.222, and has a Sig. value of 0.129 or below 0.05. This shows if X2 has a significant impact on Y.

**Hypothesis Determination Coefficient**

The test predicts the range of model expertise to describe the dependent variable, the value ranges from 0-1. It is interpreted that if the value is close to 1, the independent variable shares all the data needed to describe the dependent variable.

Table 8. Determination Coefficient Test Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868 <sup>a</sup>	.723	.746	.26689

F. Predictors: (Constant), debt\_to\_equity\_X1, Return\_On\_Asset\_X2

G. Dependent Variable: Nilai\_Perusahaan\_PBV\_Y1

Source: SPSS Version 22, 2024

Through table 8, the Adjusted R Square is 0.746 or 74.6%. This means that 74.6% of the variation in the dependent variable can be explained by the independent variable, the difference is 25.4%, explained by variables outside this study.

**T-Test**

This test is useful for observing the impact of the independent variable on the dependent variable with partial. The test criteria are if the calculated t exceeds the t table and has a sig value <0.05, it is assumed that the independent variable has a significant impact on the dependent variable.

Tabel 9. Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.826	.345		11.098	.000
Struktur_Modal_X1	1.227	.129	.595	9.525	.000
Profitabilitas_X2	1.289	.176	.458	7.326	.000

Dependent Variable: Nilai\_Perusahaan\_PBV\_Y1

Source: SPSS Version 22, 2024

Through Table 9, it can be explained as follows:

- a) Constant (t.count: 11.098): shows if the model constant is statistically significant (p-value 0.000). meaning even though X1 and X2 are zero, Y still has a significant basic value.
- b) DER (t.count: 9.525): X1 gets a p-value of 0.000, meaning X1 has a significant impact on Y. the value indicates that this variable participates strongly in explaining the variation of the dependent variable.
- c) ROA (t.count: 7.326): X2 gets a p-value of 0.000. meaning X2 has a significant impact on Y.

**F Test**

This test is useful for observing the impact of independent variables on the dependent variable together. The test criteria are if the calculated f exceeds the table f and a sig value of <0.05 is found, it is assumed that the independent variable has a significant impact simultaneously on the dependent variable. The criteria in this test are: If the calculated  $F \leq F$  table at the sig level  $\alpha = 5\%$ , it is assumed that  $H_0$  is accepted. If the calculated  $F > F$  table at the sig level  $\alpha = 5\%$ , it is assumed that  $H_a$  is accepted.

Tabel 10. ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.603	2	7.801	109.527	.000 <sup>b</sup>
	Residual	5.128	72	.071		
	Total	20.731	74			

H. Dependent Variable: Nilai\_Perusahaan\_PBV\_Y1

I. Predictors: (Constant), debt\_to\_equity\_X1, Return\_On\_Asset\_X2

Source: SPSS Version 22, 2024

Table 10 produces a calculated F of 109,527 and sig 0.000 or below  $\alpha = 0.05$ . This indicates that the independent and dependent variables have a significant impact. So it is assumed that the independent variables have a significant impact on predicting PBV (Y1).

### **Impact of Capital Structure on the Value of Basic and Chemical Industry Sector Companies on the IDX 2020-2023**

From the studies that have been carried out, it results that X1 which is measured using DER has a significant positive impact on Y. from the t test, the calculated t is 5.447 and sig 0.000, or it means (Ha) is accepted and (Ho) is rejected. This finding is in line with previous research which also found that companies with good capital structure management tend to have high company values. From a study by Nita Ruth Sari Sitepu (2022), DER contributed significantly to company value, although the period analyzed was 2020-2023. Her study showed that capital structure contributed 89.61% to company value, while other factors may affect results differently in certain market conditions. This emphasizes the importance of managing Capital Structure in the context of increasing Company Value.

### **Impact of Profitability on Company Value in the Basic and Chemical Industry Sector on the IDX 2020-2023**

Likewise with capital structure, profitability as measured by ROA has a significant positive impact on company value. producing a t count of 8.171 and a sig of 0.000, these results support the acceptance of the alternative hypothesis (Ha). Previous research by Sri Widayanti (2023) noted that high profitability shows the company's efficiency in managing its assets in making a profit, which contributes to increasing company value. However, in a study by Nita Ruth Sari Sitepu (2022), profitability did not show a significant effect on several other sectors in the 2016-2020 period. This shows that although profitability is important, its impact can vary depending on the sector context and market conditions. So the results of this study confirm that although there is consistency in the impact of X1 and X2 on Y, external and temporal factors must be considered in further analysis.

## **CONCLUSIONS AND RECOMMENDATIONS**

Through the results of the analysis, discussion, and hypothesis testing that have been carried out. So that the following conclusions can be drawn:

1. With Partial Capital Structure has a significant positive impact on Company Value. Where it produces a t count of 9,525 and sig 0.000, or interpreted (Ha) is accepted and (Ho) is rejected.
2. With Partial Profitability has a significant positive impact on Company Value. Where it produces a t count of 7,326 and sig 0.000, or interpreted (Ha) is accepted and (Ho) is rejected.
3. Capital Structure and Profitability simultaneously or interpreted (Ha) is accepted and (Ho) is rejected. Getting an R Square of 0.723 or 72.3%. It means that the independent variable contributes 72.3% to Company Value (Y).

Then suggestions can be shared for readers, especially related parties as follows:

1. For Further Researchers

It is proposed to use other sub-companies and can add variables of liabilities, liquidity, ROE, and others.

2. For Universitas Prima Indonesia

Made as a reference and reference material provided in the library to be used by students, especially in the Faculty of Economics, Management Study Program.

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