

The Impact of Profitability, Dividend Policy, and Capital Structure on the Value of Agricultural Sector Companies on the IDX

Stefie Fiorella Sinaga^{1*}, Hamonangan Siallagan², Mei Hotma Mariati Munte³

¹ Prodi Akuntansi; Universitas HKBP Nommensen; Jl. Sutomo, No. 4-A, Medan, Sumatera Utara; e-mail: stefiesinaga82@gmail.com

² Prodi Akuntansi; Universitas HKBP Nommensen; Jl. Sutomo, No. 4-A, Medan, Sumatera Utara; e-mail: monangsiallagan@gmail.com

³ Prodi Akuntansi; Universitas HKBP Nommensen; Jl. Sutomo, No. 4-A, Medan, Sumatera Utara; e-mail: meimunte@uhn.ac.id

* Korespondensi: Stefie Fiorella Sinaga e-mail: stefiesinaga82@gmail.com

Diterima: 06-06-2025 ; Review: 22-06-2025; Disetujui: 30-06-2025

Cara sitasi: Sinaga. S.F, Siallagan. H, Munte. M.H.M. 2025. The Impact of Profitability, Dividend Policy, and Capital Structure on the Value of Agricultural Sector Companies on the IDX. Balance Vocation Accounting Journal. Vol 8 (1): halaman. 70-86

Abstract: The agricultural sector in Indonesia faces various economic and policy challenges, so understanding the factors that affect a company's value is urgent in this study. This study aims to analyze the influence of profitability, dividend policy, and capital structure on company value in the agricultural sector listed on the Indonesia Stock Exchange for the 2021–2023 period. The research method uses a quantitative approach with purposive sampling techniques and secondary data analyzed through multiple linear regression with SPSS version 26 software, including classical assumption test and hypothesis test. The results of the study show that profitability and dividend policy have a positive and significant effect on the company's value, while the capital structure has a negative and significant effect. These findings provide practical contributions for managers and investors in financial decision-making, particularly in the agricultural sector. The novelty of this research lies in a comprehensive analysis of the interaction of the three variables (profitability, dividend policy, and capital structure) in the context of Indonesia's agricultural sector, which has not been widely explored in previous research, especially in the post-pandemic period (2021-2023) which is fraught with global economic dynamics and domestic policies.

Keywords: profitability, dividend policy, capital structure, firm value

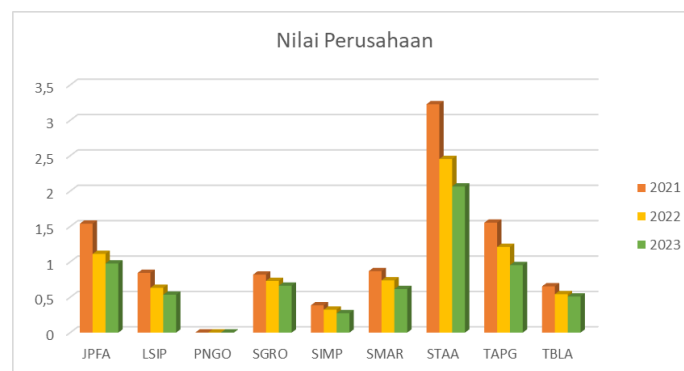
1. Introduction

The competitiveness of Indonesia's agricultural commodities is very high in the global market, national food security is significantly assisted by Indonesia's agricultural sector. Agricultural companies must be able to adapt and manage resources well in the midst of global challenges, climate change causing droughts damaging crops and floods threatening agricultural infrastructure [Rozci, 2024].

The owner of the company must be able to demonstrate to potential investors that his company is a viable investment for his shareholders [Marselina *et al.*, 2021].

The ever-increasing value of a company shows that some people believe in the company, which causes them to have a desire to invest more, in accordance with the desire of the community to get better results [Affandi *et al.*, 2024]. A company's value reflects a company's financial performance and can influence how investors assess a company's success [Siallagan, 2009]. According to Agustin Ekadjaja, [2021] the company in the short term aims to generate the greatest possible profit and the long-term goal is to benefit its shareholders by increasing the value of the company, to achieve its main goal of increasing the prosperity of shareholders, the value of the company is very important to maximize finances. According to Brigham and Houston, [2006] a company's value is based on the company's growth opportunities, as well as the company's ability to attract capital. The value of the company is very important for the shareholders because the value of the company always promises the welfare of the shareholders.

On the Indonesia Stock Exchange, there are agricultural companies that have experienced consecutive declines in company value in the 2021-2023 period. The following is graph data of agricultural companies that have experienced consecutive declines:



Sumber : Laporan Keuangan Tahun 2021 – 2023 (Data Diolah Penulis)

Figure 1. Value of Agricultural Sector Companies That Have Declined Successively for the 2021 – 2023 Period

Among these companies, STAA companies have a company value with a drastic decline. In 2021, the company had a company value of 3.227766018. However, in 2022 the value of the company has decreased quite far to 2.45385821. And it will continue to decline in 2023 to 2.065515021. According to Siallagan, [2009], the value of the company will reflect the performance of a company, so that if the financial performance

is good, it will maximize the wealth of shareholders. Every company owner will always show potential investors that their company is right as an investment alternative. When the PBV is higher, the greater the level of prosperity of the shareholders so that it can be said that the company has achieved one of its goals [Putri and Warsitasari, 2024].

Profitability, according to Marselina *et al.*, [2021], can show the financial condition of the business and look at the financial performance, specifically the profit of the business. Increasing a company's profit is the goal to attract investors to invest its capital [Silaban and Zalukhu, 2023]. The profitability ratio is a measure used to evaluate a company's ability to generate profits and expenses, profitability brings long-term benefits to the company. According to Siallagan and Manurung, [2023] as the party managing the company, management is responsible for meeting and achieving profit targets for all parties interested in the company. The higher the level of profitability that a company has, it indicates that the company has worked efficiently in obtaining profits [Friederick and Sudirgo, 2023]. This is in line with Siagian *et al.*, [2022] who stated that profitability affects the value of the company positively and significantly. However, it is not in line with the research of Rumahorbo *et al.*, [2024] found that profitability does not have a significant effect on the value of the company.

Dividend policy is a company's way of distributing profits to shareholders or storing them as retained earnings at the end of the year. Dividends are usually defined as the share of profits that a business provides to its shareholders, a large dividend distribution will make shareholders increase their wealth [Siallagan and Manurung, 2023]. An investor who observes a company that distributes higher cash dividends will make investors interested in investing their funds in the company so that the company has additional capital to fund its operations and can increase the growth of the company's profits [Munte and Sitanggang, 2015]. This research is in line with Marisa *et al.*, [2022] who stated that dividend policy has a positive and significant effect on company value. However, in contrast to Siagian *et al.*, [2022] who stated that the dividend policy has no significant effect on the value of the company.

Capital structure has become a major issue for companies as it affects the value of the company, financial managers need to establish an ideal capital structure that is balanced with the debt capital itself [Siringo-ringo *et al.*, 2023]. According to Siallagan and Manurung, [2023] the capital structure is the balance of the amount of short-term

debt that is permanent, long-term debt, preferred shares and ordinary shares used by the company. The best capital structure is the one that can increase the value of the company or its share price, all the long-term financing or expenditure that affects the value of a company is called the capital structure. In the research of Amrulloh and Amalia, [2020] it is shown that capital structure has a positive and significant effect on the value of the company. However, Siringo-ringo *et al.*, [2023] state that the capital structure has no significant effect on the value of the company.

The reason why researchers use the profitability variable with *the measurement of Return On Assets* (ROA) is because ROA shows how efficient a company is in generating profits from an invested capital, reported by Putri and Warsitasari, [2024] which suggests that the researcher then uses variables outside the company size, dividend policy, and financial performance on independent variables. Furthermore, dividend policy with the measurement of *the Dividend Payout Ratio* (DPR) which shows how companies distribute or withhold dividend payments evenly in poor conditions, reported by Friederick and Sudirgo, [2023] suggests that researchers further use dividend policy variables, as well as research on agricultural companies. And the capital structure with *the measurement of the Debt to Equity Ratio* (DER) shows the use between capital and debt, reported by Siagian *et al.*, [2022] suggesting that researchers further examine more variables beyond company size, environmental accounting, profitability, *leverage*, dividend policy, and liquidity.

Based on this description, the formulation of the problem in this study is whether profitability, dividend policy, and capital structure affect the company's value in agricultural sector companies listed on the Indonesia Stock Exchange for the 2021-2023 period. The purpose of the research is to determine the influence of profitability, dividend policy, and capital structure on company value in agricultural sector companies on the Indonesia Stock Exchange for the 2021 – 2023 period.

According to Spence, [1973] signal theory is that management or agent as the owner as well as the owner has the advantage of providing a signal in the form of information that describes the actual state of the company. All market participants receive information and then interpret and analyze it to determine whether it is good or bad.

The exchange theory according to Brigham and Houston, [2006] is a theory of capital structure that states that companies exchange tax benefits from debt funding for problems posed by potential bankruptcy. If the company funds using debt, it can benefit from the tax reduction paid by the company but has the potential for bankruptcy. *The trade-off theory* has the implication that the company's managers will think within the framework of *the trade-off theory* between tax savings and bankruptcy risk in determining the capital structure.

According to Siagian *et al.*, [2022] a company's value is very important because it reflects how a company can influence the perception of its company's success rate through the company's performance. The company's stock market price indicates the company's goal to gradually increase the value of each company [Putri and Warsitasari, 2024]. A high company value will give confidence to the market looking at the company's current performance and future job prospects. High shareholder prosperity results from the high value of the company, which is significantly owned by the company's owners [Nainggolan *et al.*, 2023]. As for the measurement of company value according to Brigham and Houston, [2006] it can be measured using *Price Book Value* (PBV) by considering the book value with the stock price. With the formula $PBV = \text{Stock Market Price} / \text{Book Value of Shares}$.

1.1 Profitability

According to Silaban and Zalukhu, [2023] a company's ability to make a profit from the sale of its own assets and capital is known as profitability. Profitability reflects a company's ability to generate profits from its activities, indicating how efficiently the company's resources are used [Fauzan and Rasyid, 2024]. This is because for investors, the higher the controlled profit, the higher the investor who is interested in investing their capital [Siallagan and Manurung, 2023]. Increasing a company's profit is the goal to attract investors to invest their capital [Silaban and Zalukhu, 2023]. The profitability measurement used is *Return On Assets* (ROA) which measures income on assets. With the formula $ROA = \text{Net Profit} / \text{Total Assets}$. This is in line with Siagian *et al.*, [2022], Siringo-ringo *et al.*, [2023], and Pratama and Soekotjo, [2020] stating that profitability affects company value positively and significantly. Based on the explanation of the first hypothesis tested in this study, it is as follows:

H1: Profitability has a positive and significant effect on the company's value

1.2 Dividend Policy

Capital gains are the profits that shareholders will earn if they reinvest their income in the long run. Since dividends that are too high will hinder business growth and dividends that are too low will reduce investor interest, dividend distribution must be done correctly [Mangkona *et al.*, 2023]. The dividend policy determines how the company's profits will be divided in the form of deferred profits. One way to calculate dividends is *the Dividend Payout Ratio* (DPR). With the formula of $DPR = \text{Total Dividend} / \text{Net Profit}$. This research is in line with Putri and Warsitasari, 2024], Marisa *et al.*, [2022], and Mangkona *et al.*, [2023] who stated that dividend policy affects company value positively and significantly. Based on the explanation of the second hypothesis discussed in this study, the test in this study is as follows:

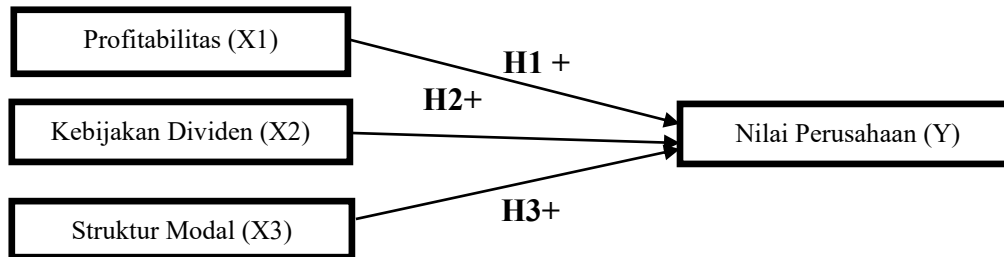
H2: Dividend policy has a positive and significant effect on the company's value

1.3 Capital Structure

Potential investors consider the capital structure before starting an investment. The capital structure consists of capital, debt, and total assets. According to Aviany and Rifandi, [2024] the capital structure shows how the proportion of a company's finances in financing the investment decisions made. Because these funding sources can help businesses compete with competitors, choosing these funding sources is crucial. To maximize capital structure, companies must be able to balance risk and optimal *return*. The indicator used is *the Debt to Equity Ratio* (DER) to determine the total amount of capital used. With the formula $DER = \text{Total Debt} / \text{Total Own Capital}$. Previous research conducted by Friederick and Sudirgo, [2023], Fahri *et al.*, [2022], and Amrulloh and Amalia, [2020] shows that capital structure has a positive and significant effect on company value. Based on this explanation, the third hypothesis that will be tested in this study:

H3: Capital structure has a positive and significant effect on the value of the company

Based on the literature review and previous research, the conceptual framework developed in this study is as follows:



Source : Data Processed by the Author (2024)

Figure 2. Conceptual Framework

2. Research Methods

The population used is the agricultural sector listed on the Indonesia Stock Exchange for the 2021 – 2023 period as many as 35 companies attached, based on [data from the www.idx.co.id](http://www.idx.co.id) website. Using *purposive sampling research samples*, namely: 1) agricultural sector companies that attach audited financial statements on the Indonesia Stock Exchange for the period 2021 – 2023. 2) Agricultural sector companies that distribute dividends for the 2021 – 2023 period. There are 15 companies that are sampled in the 2021-2023 period. So, the total sample used for 3 years is 45 samples. The research is quantitative, and the secondary data of this research is obtained from the financial statements of agricultural sector companies listed on the Indonesia Stock Exchange for 2021 – 2023. The data analysis technique was carried out using multiple linear analysis with the help of the SPSS version 26 program.

3. Results and Discussion

3.1 Linier Berganda Analysis

In multiple linear analysis testing, the aim is to determine the influence of independent variables on dependent variables. In this case, independent variables consist of Profitability measured by *Return On Assets* (ROA), Dividend Policy measured by *Dividend Payout Ratio* (DPR), and Capital Structure measured by *Debt to Equity Ratio* (DER). As well as Company Value as measured by *Price Book Value* (PBV) as a dependent variable.

The regression results show the following equations:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

$$Y = 0.469 + 0.856 X_1 + 0.235 X_2 - 0.147 X_3 + e$$

The coefficients in this equation show the direction and magnitude of the influence of each independent variable on the company's value. The results of the multiple linear regression test showed that the constant had a value of 0.469, with a significant level of 0.000. Profitability has a regression coefficient of 0.856 with a significant value of 0.000, which shows that profitability has a positive and significant effect on the company's value. The positive coefficient on Profitability indicates that there is a parallel or direct relationship between profitability and company value. This means that an increase in profitability by one unit will cause PBV to increase by 0.856 units. The dividend policy variable has a regression coefficient of 0.235 with a significant level of 0.000. This significant value shows that the dividend policy has a positive and significant effect on the company's value. This positive coefficient value indicates that any increase in the dividend policy to shareholders will contribute to an increase in the company's value by 0.235 units. And the modal structure variable has a regression coefficient of -0.147, with a significant value of 0.000. Any increase in the use of debt relative to equity will decrease the value of the company by 0.147 units. This can indicate that too high a capital structure can increase the company's financial risk, thereby lowering investors' positive perception of the company's value.

The t-statistical value shows the significant level of each variable, where the profitability has a t of 13,308, a dividend policy of 3,860, and a capital structure of -3,949. All independent variables have a significant value of 0.000, which means that they have a significant effect on the company's value.

3.2 Classic Assumption Testing

3.2.1 Normality Test

According to Sujarweni, (2015) the normality test has the purpose of determining the distribution of data in the variables to be used in the research. The results of the normality test number 45 shows that there is a large amount of data analyzed. With the average residual data recorded is 0.0000000, which is a good result in a regression analysis. The standard residual deviation is 0.07766724, which measures how spread the data is from the mean. In the *Most Extreme Differences section*, the value of the largest absolute difference between the sample distribution and the normal distribution was 0.129, with a positive difference of 0.107 and a negative difference of -0.129. The statistical value of the *Kolmogorov-Smirnov* test obtained was 0.129, with a

significant value of asymptotic bidirectional (*Asymp. Sig. (2-tailed)*) recorded at 0.058. Based on the test criteria, if the significant value > 0.05 , then the residual data is considered to be normally distributed. Since the significant value obtained in this test is 0.058, it can be concluded that the residual in this regression model is normally distributed, assuming normality is met.

3.2.2 Multicollinearity Test

The multicollinearity test is used to determine whether there is a high correlation between independent variables in multiple linear regression models. The similarity between independent variables will result in a very strong correlation (Sujarweni, 2015). The *tolerance* value obtained for each variable was 0.729 for profitability, 0.723 for dividend policy, and 0.847 for capital structure. A *tolerance* value greater than 0.1 indicates that there is no multicollinearity problem. And the VIF value for profitability is 1,372, on the dividend policy 1,383, and on the capital structure 1,180. In this model, all independent variables have VIF values that are far from the threshold, so it can be concluded that there is no significant indication of multicollinearity among independent variables.

3.2.3 Heteroscedasticity Test

The heteroscedasticity test was carried out to find out if there was a difference in residual variants in one observation (Sujarweni, 2015). In a *scatterplot* graph, data points are scattered randomly without forming a clear pattern, either a certain conical pattern or other systematic patterns. This shows that the residual variance does not increase or decrease systematically as the predictive value changes. The random distribution of points that do not form a specific pattern indicates that the regression model meets the assumption of homogeneity, i.e. the similarity of residual variance at each level of prediction. Based on the *scatterplot*, it can be concluded that there is no strong indication of heteroscedasticity in the regression model tested.

3.2.4 Autocorrelation Test

The autocorrelation test is used to find out whether or not there is a correlation between the disruptive variable in a certain period and the disruptive variable in the previous period (Sujarweni, 2015). The results of the autocorrelation test using *Durbin-Watson* were 1,894. By comparing the lower bound (dL) and upper bound (dU) of the

DW table, the model is in the range dU (1.6662) to $(4 - dU)$ (2.3338), which indicates that there is no autocorrelation in the regression model.

3.3 Hypothesis Test

3.3.1 Statistics Descriptive

Table 1. Descriptive Statistical Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
NILAI PERUSAHAAN	45	,00	3,23	,7252	,69433
PROFITABILITAS	45	,00	,54	,0937	,09089
KEBIJAKAN DIVIDEN	45	,00	3,28	,5306	,54400
STRUKTUR MODAL	45	,10	11,51	1,3143	1,85241
Valid N (listwise)	45				

Source : Secondary Data Processed SPSS 26, 2025

The data used in this study was 45 samples. In the company's value, the lowest value recorded was 0.00, while the highest value reached 3.23. The average value of the company is 0.7252, with a standard deviation of 0.69433. This shows that there are companies whose book value is moderate to market value. At profitability, the minimum value is recorded at 0.00 and the maximum is 0.54. The average profitability is at 0.0937, with a standard deviation of 0.09089. The average value indicates that the level of the company's ability to generate profits from its total assets is still limited. Dividend policy, the minimum value is 0.00, while the maximum reaches 3.28. The average dividend policy is 0.5306, with a standard deviation of 0.54400. By looking at the standard deviation figure, there is a considerable variation in the distribution of dividends. And, the capital structure, with a minimum value of 0.10 and a maximum of 11.51, with an average of 1.3143 and a standard deviation of 1.85241. This shows that companies use more debt than equity in funding.

3.3.2 Partial Test (t-test)

Table 2. Partial Test Results (t-test)

Coefficients ^a					
	Unstandardized	Coefficients	Standardized		
	B	Std. Error	Beta	t	Sig.
Model					
(Constant)	0.469	0.038		12.449	0.000
Profitability	0.856	0.064	0.906	13.308	0.000
Dividend Policy	0.235	0.061	0.252	3.860	0.000
Capital Structure	-0.147	0.037	-0.158	-3.949	0.000

a. Dependent Variable : Company Values

Sumber : Data Sekunder Diolah SPSS Versi 26, 2025

Based on the results of the analysis test, it is stated that Profitability, Dividend Policy, and Capital Structure have a significant value of $0.000 < 0.05$, so the hypothesis states that profitability, dividend policy, and capital structure have a significant effect on the value of the company received.

3.3.3 Determination Test (R²)

The determination coefficient is used to measure how far the model is able to explain the dependent variable [Ghozali, 2016]. The value of the determination coefficient is between 0 to 1.

Table 3. Determination Coefficient Test Results (R²)

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.780 ^a	0.609	0.580	0.14240

a. Predictors : (Constant), Profitability, Dividend Policy, Capital Structure

b. Dependent Variabel : Company Values

Sumber : Data Sekunder Diolah SPSS Versi 26, 2025

Based on the determination coefficient test, it shows that the Adjusted R Square value of 0.580 indicates that 58% variation in the company's value can be explained by three independent variables, namely profitability, dividend policy, and capital structure. This means that this regression model has a good ability to explain the factors that affect the company's value. However, there are still another 42% variations that are influenced by factors outside of this model.

3.4 Discussion

3.4.1 The Effect of Profitability on Company Value

Profitability measured using *Return On Assets* (ROA) has a significant value of 0.000 that has a value less than 0.05, which indicates that the hypothesis is accepted. The regression coefficient for this variable is 0.856, an increase in profitability followed by an increase in market value. This makes *the Return On Assets* (ROA) increase by one unit, then the company's value will increase by 0.856 units. In addition, the t-calculated value of 13.308 with a significance of 0.000 is smaller than the significance level of 0.05, which means that hypothesis 0 (H₀) is rejected and an alternative hypothesis (H₁) is accepted. This concludes that profitability has a positive and significant effect on the company's value. Based on the *Return On Assets* (ROA) criteria, which are said to be

good if the ROA has a value above 5%, in the company BISI International Tbk (BISI) which has a ROA value above 5%, namely in 2021 it is 12%, in 2022 it is 15.3%, and in 2023 it is 15.2%, it shows that the company is able to manage existing assets to generate profits. Assets that are used optimally will generate maximum profits. The profits obtained by the company must be well allocated, if high profits are not followed by proper investment and expansion, then investors' perception of the company's long-term prospects may decrease. With the increase in ROA, the company is successful in managing assets optimally so that it is able to generate greater profits. Thus, *Return On Assets* (ROA) is able to increase efficiency in generating profits from assets owned and obtain a higher market valuation. Based on signal theory, the positive relationship between profitability and company value indicates that the company has good performance, efficiency in asset management, and the ability to generate profits sustainably. This research is in line with Amrulloh & Amalia, (2020), Friederick & Sudirgo, (2023), Pratama & Soekotjo, (2020), Siagian *et al.*, (2022), and Siringo-ringo *et al.*, (2023) who stated that profitability has a positive and significant effect on company value.

3.4.2 The Effect of Dividend Policy on Company Value

The dividend policy measured using *the Dividend Payout Ratio* (DPR) has a regression coefficient of 0.235 with a significant level of 0.000, which shows that the dividend policy has a positive and significant effect on the company's value. In addition, the t-calculated value of 3,860 is greater than the t-table, so the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted. By indicating that the increase in *the Dividend Payout Ratio* (DPR) tends to increase *the Price Book Value* (PBV). This positive influence shows that a consistent dividend distribution policy is the most important factor in shaping market perception of the company's performance and stability. The dividend measured using *the Dividend Payout Ratio* (DPR) is a reflection of the company's success in generating profits and its ability to maintain healthy cash flow. JPFA Comfeed Indonesia Tbk (JPFA) experienced a decrease in net profit in 2023 by 34.52%, this decided the company not to distribute dividends consistently. The remaining net profit is determined as retained earnings. In addition, the company PT Sawit Sumbermas Sarana Tbk (SSMS) is absent from distributing dividends, the company does not distribute profits to shareholders in the form of dividends in the 2023

financial year due to a decrease in equity value after an increase in shares in its subsidiary, namely PT Citra Borneo Utama Tbk (CBUT).

Based on signal theory, it states that high dividend payouts will be a positive signal for investors. With the company being able to pay dividends consistently, this reflects the stability of profits, the increase in dividend policy can increase investor confidence, resulting in an increase in the company's value. This research is in line with Mangkona *et al.*, (2023), Marisa *et al.*, (2022), and Putri & Warsitasari, (2024) who stated that dividend policy has a positive and significant effect on company value.

3.4.3 The Influence of Capital Structure on Company Value

The capital structure measured using *the Debt to Equity Ratio* (DER) has a regression coefficient of -0.147 with a significant value of 0.000. This indicates that the significant value is less than 0.05, which indicates that the capital structure has a negative and significant influence on the value of the company. In addition, the t-count is -3.949, so the null hypothesis (H0) is rejected and the alternative hypothesis (Ha) is accepted. With a negative regression coefficient, it shows that every one unit increase in *the Debt to Equity Ratio* (DER) will decrease *the Price Book Value* (PBV) by 0.147 units. *A high Debt to Equity Ratio* (DER) will reflect financial risks and potential financial difficulties that respond negatively to investors. *The Price Book Value* (PBV) will decrease because the financial burden borne is no longer balanced with the benefits of tax savings.

Based on the criteria, *a good Debt to Equity Ratio* (DER) is a low value, which is below 1 or 100%. For example, JAPFA Comfeed Indonesia Tbk (JAPFA) has a high *Debt to Equity Ratio* (DER) value of 1.181965 in 2021, in 2022 it is 1.394099, and in 2023 it is 1.407632. The high value of *the Debt to Equity Ratio* (DER) is due to the high value of total debt compared to the total capital itself. In addition, PT Mahkota Group Tbk (MGRO), PT Sinar Mas Agro Resources and Technology (SMAR), PT Sawit Sumbermas Sarana Tbk, and Tunas Baru Lampung (TBLA) also have a high *Debt to Equity Ratio* (DER). This results in *the Debt to Equity Ratio* (DER) having a negative effect on *the Price Book Value* (PBV). Because negative results are caused by several companies that have opposite directions or opposite values. *The increase in the Debt to Equity Ratio* (DER) resulted in a decrease in *Price Book Value* (PBV).

Based on *the trade-off theory*, the negative relationship between the capital structure and the value of the company shows that although the use of debt can provide benefits in the form of tax savings, an excessive increase in debt will increase the risk of bankruptcy in the company. As a result, it lowers investor confidence and has a negative impact on the company's value. This negative perception caused a decline in stock prices, and directly depressed the *Price Book Value* (PBV). This is in line with Affandi *et al.*, (2024), and Siringo-ringo *et al.*, (2023) who stated that capital structure has a negative and significant effect on the value of a company.

4. Conclusion

Based on the results of the research that has been conducted, it can be concluded that profitability has a positive and significant effect on the value of the company with a coefficient value of 0.856 and a significant level of 0.000. The dividend policy has a positive and significant effect on the company's value with a coefficient value of 0.235 and a significant level of 0.000. The capital structure has a negative and significant effect on the value of the company with a coefficient value of -0.147 and a significant level of 0.000. It is recommended for the next researcher to add variables that can affect the company's value, such as liquidity, company size, and other independent variables. In addition, future research may expand the scope of the sample and the study period. This research has limitations, namely, only using agricultural sector companies as the object of research, only using 3 (three) years of research period, and only using 3 (three) independent variables.

Reference

- Affandi T, Kusuma IC, Didi. 2024. Pengaruh Risiko Bisnis , Struktur Modal , Ukuran Perusahaan , dan Pertumbuhan Perusahaan Terhadap Nilai Perusahaan Pada Perusahaan Food and Beverage yang terdaftar di BEI. *Innov. J. Soc. Sci. Res.* 4: 231–239.
- Agus Sanjaya Rumahorbo, M.Noor Armi, Idham Lakoni. 2024. Pengaruh Leverage dan Profitabilitas terhadap Nilai Perusahaan pada Perusahaan di Sektor Pertanian yang Terdaftar di Bei Periode 2019-2023. *Econ. Rev. J.* 3: 2398–2408.
- Agustin Ekadjaja LS. 2021. Pengaruh Profitabilitas, Likuiditas, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *J. Paradig. Akunt.* 3: 92.

- Amrulloh A, Amalia AD. 2020. PENGARUH PROFITABILITAS, STRUKTUR MODAL, LIKUIDITAS, UKURAN PERUSAHAAN DAN KEBIJAKAN DIVIDEN TERHADAP NILAI PERUSAHAAN (Studi Empiris pada Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia Periode Tahun 2015-2019). J. Akunt. dan Keuang. 9: 167.
- Aviany RN, Rifandi M. 2024. Analisis Pengaruh Struktur Modal Dan Profitabilitas Yang Mempengaruhi Nilai Perusahaan Pada Perusahaan Manufaktur Sektor Industri Pertanian Yang Terdaftar Di BEI Periode 2018-2022. J. Maneksi 13: 354–361.
- Brigham EF, Houston JF. 2006. Dasar-dasar manajemen keuangan.
- Fahri Z, Sumarlin S, Jannah R. 2022. Pengaruh Struktur Modal, Kebijakan Utang, Dan Umur Perusahaan Terhadap Nilai Perusahaan Dengan Ukuran Perusahaan Sebagai Variabel Moderasi. ISAFIR Islam. Account. Financ. Rev. 3: 116–132.
- Fauzan AFT, Rasyid R. 2024. Analisis Faktor Yang Mempengaruhi Profitabilitas. J. Paradig. Akunt. 6: 35–45.
- Friederick A, Sudirgo T. 2023. Pengaruh Struktur Modal, Profitabilitas, Leverage, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. J. Paradig. Akunt. 5: 992–1002.
- Ghozali. 2016. Aplikasi Analisis Multivariete Dengan Program IBM SPSS 23, Edisi Kede. Badan Penerbit Univesitas Diponegoro.
- Mangkona S, Fadhilah N, Nurfan HM. 2023. Pengaruh Kebijakan Dividen dan Struktur Modal Terhadap Nilai Perusahaan Manufaktur di Bursa Efek Indonesia. Amsir Manag. J. 4: 11–21.
- Marisa C, Andriana I, Thamrin KMH. 2022. Pengaruh Kebijakan Dividen, Profitabilitas dan Ukuran Perusahaan terhadap Nilai Perusahaan pada Perusahaan Sub Sektor Perkebunan yang Terdaftar di Bursa Efek Indonesia. Al-Kharaj J. Ekon. Keuang. Bisnis Syariah 4: 1615–1627.
- Marselina H. Umbung, Wehelmina M. Ndoen PYA. 2021. Jurnal akuntansi, Vol. 10,

- No. 2, November (2021) Pengaruh kebijakan dividen dan profitabilitas terhadap nilai perusahaan. J. Akunt. 10: 211–225.
- Munte MHM, Sitanggang TT. 2015. Pengaruh Rasio Keuangan Terhadap Pertumbuhan Laba Pada Industri Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. Econ. Fac. Univ. HKBP Nommensen.
- Nainggolan N, Giawa B, Sitorus JS, Sanjaya NMWS. 2023. Pengaruh Keputusan Investasi, Struktur Modal, Kebijakan Deviden, dan Tingkat Profitabilitas terhadap Nilai Perusahaan. Gorontalo Account. J. 6: 35.
- Pratama MAE, Soekotjo H. 2020. Pengaruh Profitabilitas, Struktur Modal, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Sektor Pertanian Yang Terdaftar Di BEI. J. Ilmu dan Ris. Manaj. 9: 1–17.
- Putri DAS, Warsitasari WD. 2024. Pengaruh Ukuran Perusahaan, Kebijakan Dividen, dan Kinerja Keuangan terhadap Nilai Perusahaan pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2017-2021. El-Mal J. Kaji. Ekon. Bisnis Islam 5: 1509–1524.
- Rozci F. 2024. Dampak Perubahan Iklim Terhadap Sektor Pertanian Padi. J. Ilm. Sosio Agribis 23: 108.
- Siagian AO, Asrini, Wijoyo H. 2022. Leverage , Kebijakan Dividen , Dan Likuiditas Terhadap Nilai Perusahaan. J. Ikraith Ekon. 5: 67–76.
- Siallagan H. 2009. Pengaruh Kualitas Laba Terhadap Nilai Perusahaan. J. Akunt. KONTEMPORER 1: 21–32.
- Siallagan H, Manurung A. 2023. Analisis Laporan Keuangan, Pertama. Siallagan H, Manurung A, editors. Medan: LPPM UHN Press. 225 p.
- Silaban A, Zalukhu NTO. 2023. Empirical study of the effect of profitability and liquidity on dividend policy. COSTING J. Econ. Bus. Account. 6: 2296–2300.
- Siringo-ringo S, Herawati H, Arnova I. 2023. Pengaruh Profitabilitas, Kebijakan Dividen, Ukuran Perusahaan, Kebijakan Hutang Dan Struktur Modal Terhadap

Nilai Perusahaan. J. Alwatzikhoebillah Kaji. Islam. Pendidikan, Ekon. Hum. 9: 82–97.

Spence M. 1973. *The MIT press, job market signaling*. Q. J. Econ. 87: 355–374.

V. Wiratna Sujarweni. 2015. SPSS UNTUK PENELITIAN. Florent, editor. Yogyakarta: Pustaka Baru Press. 254 p.