

The Effect of Company Size, Liquidity, and Profitability on Market Value With Dividend Policy Moderation in Infrastructure Sector Companies on The IDX in 2020-2024

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ABSTRACT

This study aims to analyze the effect of company size, liquidity, and profitability on company market value with dividend policy as a moderating variable in infrastructure sector companies listed on the Indonesia Stock Exchange for the 2020–2024 period. This study uses a quantitative method with an associative approach. The research sample consisted of 20 companies selected using a purposive sampling technique. Secondary data in the form of annual financial reports were analyzed using panel data regression and Moderated Regression Analysis (MRA) with the help of EViews 14. The results show that company size, liquidity, and profitability have a positive effect on company market value. In addition, dividend policy is proven to strengthen the effect of company size on company market value, but is unable to moderate the effect of liquidity and profitability on company market value. These findings indicate that internal company characteristics play an important role in increasing company market value, while the moderating role of dividend policy is only effective in the relationship between company size and company market value.

Keywords: *Company Size; Liquidity; Profitability; Dividend Policy; Market Value Company.*

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INTRODUCTION

The development of information technology, economic globalization, and increasing business competition have driven companies to transform from physical asset-based companies to knowledge-based companies. These changes mean that a company's success is no longer solely determined by the size of its assets, but also by its ability to effectively manage resources to create high corporate value. Corporate value is a crucial indicator reflecting investor perceptions of the company's prospects and performance and is the primary goal a company seeks to achieve in order to maximize shareholder welfare. High corporate value demonstrates market confidence in the company's ability to generate future profits, thereby increasing investment attractiveness and strengthening the company's competitiveness amidst global economic dynamics (Asikin & Hendra K, 2024)

The dynamics of the Indonesian capital market throughout 2024 showed quite fluctuating conditions. Although the Jakarta Composite Index (JCI) reached its highest point in September 2024, the annual performance of the Indonesian stock market weakened due to various external factors and market policies. The infrastructure sector was one of the sectors that contributed significantly to the JCI's movement, particularly through large companies such as PT Barito Renewables Energy Tbk (BREN). This condition indicates that a company's market value is influenced not only by external factors such as economic conditions and market sentiment, but also by internal factors that reflect the quality of resource management and financial performance. Internal factors estimated to influence company value include company size, liquidity, and profitability. Furthermore, dividend policy is considered to play a crucial role as a signaling mechanism to investors regarding the company's future prospects, potentially strengthening or weakening the influence of these factors on company value.

Research into the factors influencing firm value has been extensively conducted over the past decade. (Nahdhiyah, 2021) found that firm size and profitability positively influence firm value, indicating that firms with substantial assets and high profit-generating capabilities tend to receive positive market appreciation. Similar findings were obtained by (Wahyuni, 2025) who stated that liquidity and profitability positively influence firm value because both variables reflect a firm's ability to meet short-term obligations and generate optimal profits. Furthermore, research by (Hermawan Kustanta, 2024) demonstrated that dividend policy can strengthen the relationship between financial performance and firm value by increasing investor confidence in the firm's prospects. These findings align with Signaling Theory, which explains that dividend distribution can be a positive signal to the market regarding a firm's condition.

However, previous research still shows inconsistencies. Alamsyah, (2025) found that firm size had no significant effect on firm value, while Lasmo, (2025) showed that excessively high liquidity actually negatively impacted firm value because it indicated the presence of unproductive, idle assets. Meanwhile, Alifian & Susilo, (2024) demonstrated that profitability does not always significantly influence firm value, especially in unstable market conditions. Furthermore, Lita, (2022) research showed that dividend policy was not consistently able to moderate the relationship between financial performance and firm value. These differences in research findings indicate a research gap, indicating that the relationship between firm size, liquidity, profitability, and firm value still requires further testing, considering the characteristics of the research object and different market conditions.

In addition to differences in empirical results, research on company value in the infrastructure sector in Indonesia is still relatively limited compared to the manufacturing and banking sectors. Yet, the infrastructure sector plays a strategic role in supporting national development and is quite sensitive to changes in economic conditions and capital market dynamics. The 2020–2024 period is also an interesting one to study because it encompasses the post-pandemic period, economic recovery, and highly volatile market conditions throughout 2024. Therefore, the characteristics of the sector and the research period provide a different context than previous research.

Based on the literature review and the current phenomena, this research is novel in several aspects. First, this study specifically examines infrastructure sector companies listed on the Indonesia Stock Exchange for the 2020–2024 period, a relatively understudied area. Second, this study integrates company size, liquidity, and profitability as determinants of firm value, incorporating dividend policy as a moderating variable to gain a more comprehensive understanding of the mechanisms of firm value formation. Third, this research was conducted during a period characterized by high market volatility, thus providing a more up-to-date picture of investor behavior and the factors influencing firm value in dynamic market conditions.

Based on the above description, the purpose of this study is to analyze the influence of company size, liquidity, and profitability on company value in infrastructure sector companies listed on the Indonesia Stock Exchange for the 2020–2024 period, and to analyze the role of dividend policy in moderating the relationship between these three variables and company value. The results of this study are expected to provide scientific contributions to the development of financial theory, especially Signaling Theory and Agency Theory, as well as enrich empirical evidence regarding the factors that influence company value in the infrastructure sector. In addition, the results of this study are expected to be a consideration for company management in formulating financial policies, as well as a source of information for investors in making more rational investment decisions.

THEORETICAL BASIS AND HYPOTHESIS DEVELOPMENT

A. Basic Theory Study

This theory explains that companies send signals to investors through financial information. Information such as profitability, liquidity, and company size are important indicators in assessing a company's prospects. Positive signals will increase investor confidence and impact the company's value (Brigham, 2019)

Signaling theory explains that an action taken by a signaling party can influence the signaling party (Ross, in Ghozali, 2021) This theory relates to the delivery of information to investors in the form of statements regarding the company's condition. This information is crucial for investors because it reflects the state or performance of an entity. In practice, the signals conveyed can be either positive or

negative. The information asymmetry between company management and shareholders means that the size of stock returns can be an indicator or signal regarding the company's future performance prospects (Nahdhiyah, 2021).

Agency theory explains the relationship between management and shareholders. In this context, dividend policy is used as a mechanism to mitigate agency conflicts. Dividend distribution reflects good company performance (Jensen, 1976).

This theory states that investors prefer guaranteed dividends over capital gains. Therefore, dividend policy can strengthen the influence of company performance on company value (Gordon, 1963)

B. Company Size

According to Brigham in Setiawan, (2022) company size reflects the scale of operations that can affect the company's ease in obtaining funding sources. Meanwhile, according to Messidona, Maski, and Idrus in Setiawan, (2022), company size describes the size of a company as indicated by total assets, total sales, and average total assets. According to Alamsyah, (2025) Alifian & Susilo, (2024) also found that company size has a positive effect on firm value, where by the larger the company, the higher its value, as the company is considered to have more promising long-term growth prospects.

C. Liquidity

According to Ross, (1977) liquidity explains that information conveyed by a company through its financial condition and management decisions will serve as a signal to investors in assessing the company's prospects. A good level of liquidity indicates a company's ability to meet its short-term obligations, thus providing a positive signal regarding the company's financial health. According to Kasmir, (2019) liquidity reflects a company's ability to meet its short-term obligations on time, making it one of the key indicators in financial statement analysis. High liquidity indicates a healthy and stable financial position. According to Aldo, (2020) and Lasmo, (2025) high liquidity sends a positive signal to investors that a company is in a sound financial position, thereby boosting market confidence and ultimately leading to an increase in the company's value. According to Muttakin, (2024) and Yuliyani, (2023) liquidity also influences a company's value, as companies that are able to maintain good liquidity are considered to have efficient financial management and lower financial risk.

D. Profitability

According to Helfert in Setiawan, (2022) "profitability is the effectiveness with which management has employed both the total assets and the net assets as recorded on the balance sheet," which shows that profitability is the effectiveness of management in using both total assets and net assets as recorded in the balance sheet. Meanwhile, according to Greuning in Setiawan, (2022) profitability is an indication of how a company's profit margin relates to average capital sales and average common stock equity. According to Brigham, (2019) profitability indicates a company's ability to generate profit from its assets and capital. The higher the profitability, the more efficiently the company manages its available resources to generate profit

E. Market value

According to Weston, (1992) a company's primary goal is to maximize shareholder wealth by increasing the company's value, which is reflected in its share price on the market. A company's market value is the result of investors' assessment of its growth prospects, risk level, and performance. According to Asikin & Hendra K, (2024) market value reflects the information received by investors regarding the company's condition, including intangible assets such as intellectual capital, which can influence the market's perception of the company. Based on these differences, it can be concluded that a company's market value is a complex variable influenced by various factors, and therefore requires further analysis using PBV as a proxy to directly reflect investor perceptions.

F. Dividend Policy

The Bird-in-the-Hand theory, developed by Lintner, (1962) and Gordon, (1963) states that investors prefer current dividends to future, uncertain capital gains. Stable dividend payments reduce investment uncertainty and increase investor confidence, thus increasing stock prices and company value. According to Hermawan Kustanta, (2024) and Lita, (2022) dividend policy reflects the signals a company sends to investors regarding its financial condition and future prospects; consequently,

dividend policy can influence the market's perception of the company's value. According to Nadaredo, (2023) and Lasmo, (2025) dividend policy has an impact on a company's value and can strengthen the relationship between financial performance and company value, as investors tend to place a higher valuation on companies that consistently pay dividends.

The rationale that integrates theory, facts, observations, and literature reviews to explain the relationship between variables and the logical flow in this research is.

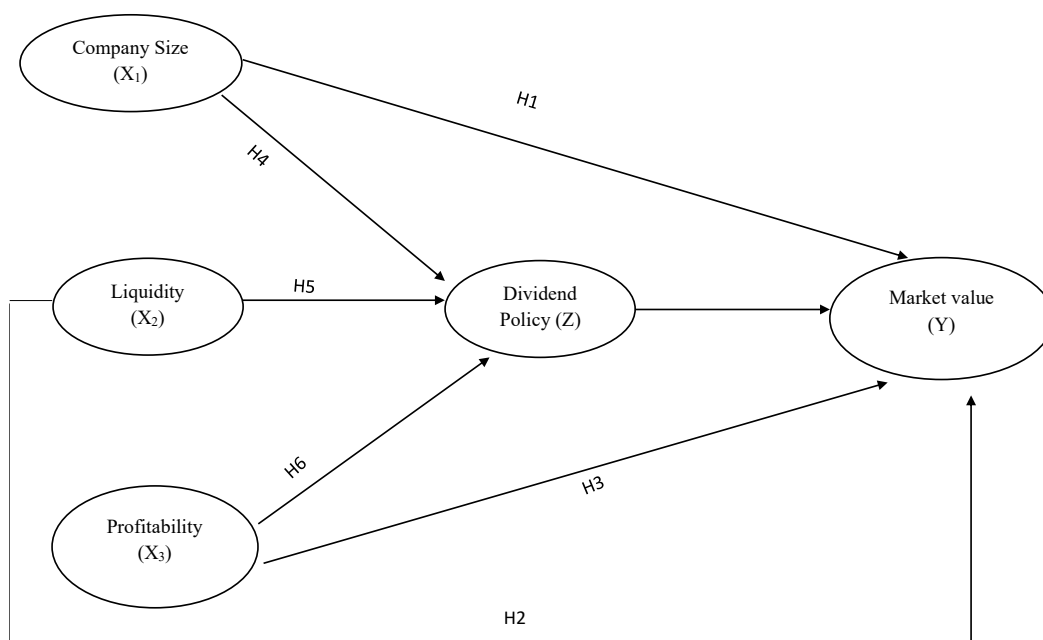


Figure 1. Thinking Framework Diagram

Research Hypothesis Development:

H1: Company size has a positive effect on company value.

Company size indicates the size of a company, as measured by total assets. According to Signaling Theory, larger companies send a positive signal to investors because they are perceived as more stable, have lower risk, and have better prospects.

H2: Liquidity has a positive effect on company value.

Liquidity reflects a company's ability to meet short-term obligations. According to Signaling Theory, a high level of liquidity signals a company's financial health, thereby increasing investor confidence.

H3: Profitability has a positive effect on company value.

Profitability indicates a company's ability to generate profits. According to Signaling Theory, high profits convey a positive signal about a company's prospects, thereby increasing investor interest and increasing the company's value.

H4: Dividend policy moderates the positive effect of firm size on firm value.

Based on Agency Theory and Bird-in-the-Hand Theory, dividend policy sends a positive signal to investors and reduces agency conflicts. Large companies that consistently distribute dividends will further increase investor confidence, thereby strengthening the influence of company size on firm value.

H5: Dividend policy moderates the positive effect of liquidity on firm value.

Companies with high liquidity have a better ability to meet their obligations and distribute dividends. According to Signaling Theory, the combination of good liquidity and a consistent dividend policy sends a positive signal to investors, strengthening the effect of liquidity on company value.

H6: Dividend policy moderates the positive effect of profitability on firm value.

High profitability indicates a company's ability to generate profits. If this profit is accompanied by a consistent dividend policy, the positive signal received by investors will be even stronger. Therefore, dividend policy is expected to strengthen the influence of profitability on company value.

RESEARCH METHODS

A. Types of research

This research section uses a quantitative approach with the aim of analyzing the influence of company size, liquidity, and profitability on company market value with dividend policy as a moderating variable in infrastructure sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020–2024 period. The quantitative approach was chosen because this study focuses on testing the relationship between variables through statistical analysis based on numerical data obtained from the company's financial statements. According to Sugiyono, (2018) a quantitative approach is a research method used to test hypotheses by utilizing numerical data and analyzing it using statistical techniques.

B. Research Object

The object of this study is infrastructure sector companies listed on the Indonesia Stock Exchange during the observation period of 2020 to 2024. The selection of the infrastructure sector is based on its strategic role in supporting national development and its contribution to economic growth and the movement of the Indonesian capital market. The unit of analysis in this study is the company's annual financial report containing information on total assets, current assets, current liabilities, net profit after tax, number of shares outstanding, and cash dividends. The study population includes all infrastructure sector companies listed on the Indonesia Stock Exchange during the study period. The sample was determined using a purposive sampling technique by considering several specific criteria, namely companies that are consistently listed on the Indonesia Stock Exchange during the 2020–2024 period, publish complete annual financial reports, have data related to the research variables, and distribute dividends during the observation period. By using these criteria, it is hoped that the sample obtained will be able to represent the characteristics of the population more accurately, so that the research results can provide a picture in accordance with the actual conditions.

C. Data Types

The type of data used in this study is quantitative data in the form of figures obtained from company financial reports. The data used is secondary data, that is, data obtained indirectly from published sources. The research data sources come from the annual financial reports and annual reports of infrastructure sector companies published on the official website of the Indonesia Stock Exchange (IDX). www.idx.co.id and the official websites of each company. Furthermore, this study utilized various other supporting sources, such as textbooks, scientific journals, and official publications relevant to the research topic to strengthen the theoretical foundation and support the interpretation of the research results. Data processing in this study was conducted using EViews software version 14. EViews was selected based on its ability to process panel data, select regression models, and systematically analyze moderating effects.

D. Data Collection Techniques

The data collection technique used in this study was the documentation method. The documentation method was carried out by collecting, recording, classifying, and processing data obtained from the annual financial statements and annual reports of the companies subject to the study. All data obtained was then compiled into panel data, a combination of time series and cross-sectional data. The time series data covered the observation period of 2020–2024, while the cross-sectional data consisted of the infrastructure sector companies that served as the research sample.

E. Variables and Operational Definitions of Variables

1. Dependent Variable

Market Value

The dependent variable in this study is the company's market value, proxied by Earnings Per Share (EPS). Using EPS, the company's market value reflects investors' perceptions of the company's performance and prospects, as reflected in its stock price. The EPS value is obtained by

$$EPS = \frac{\text{Net Profit After Tax}}{\text{Total Shares Outstanding}}$$

2. Independent Variables

Company Size

Company size is proxied using Firm Size which is measured by the natural logarithm of total assets with the formula:

$$\text{Firm Size} = \ln(\text{Total Aset})$$

Liquidity

Liquidity shows the company's ability to meet its short-term obligations, measured using the Current Ratio (CR) with the formula;

$$CR = \frac{\text{Current assets}}{\text{Current Liabilities}}$$

Profitability

Profitability reflects the company's ability to generate profits through the use of owned assets, measured using Return on Assets (ROA) with the formula

$$LONG = \frac{\text{Net Profit After Tax}}{\text{Total Assets}}$$

3. Moderating Variables

Dividend policy shows the company's decision to distribute profits to shareholders, which is proxied using the Dividend Payout Ratio (DPR) with the formula

$$DPR = \frac{\text{Cash Dividend}}{\text{Net profit}}$$

F. Descriptive Statistical Analysis

This analysis aims to provide a general overview of the characteristics of the research data through the minimum, maximum, average (mean), and standard deviation values of each research variable. Descriptive statistics include the minimum, maximum, average (mean), and standard deviation values of each research variable.

G. Panel Data Regression Model Selection Test

The selection of panel data regression models is carried out through three stages of testing. The first stage is the Chow Test, which is used to determine the best model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM). If the probability value is smaller than the 5 percent significance level, then the selected model is the Fixed Effect Model. The second stage is the Hausman Test, which aims to select the best model between the Fixed Effect Model and the Random Effect Model (REM). If the probability value is less than 0.05, then the Fixed Effect model is more appropriate to use, whereas if the probability value is greater than 0.05, the Random Effect model is selected as the most appropriate model. The third stage is the Lagrange Multiplier (LM) Test, which is used to determine the best model between the Common Effect Model and the Random Effect Model. The Random Effect model is selected if the probability value is less than 0.05.

H. Classical Assumption Test

Next, a classical assumption test was conducted to ensure that the regression model met the Best Linear Unbiased Estimator (BLUE) criteria. The classical assumption tests performed included normality tests, multicollinearity tests, and heteroscedasticity tests. The normality test was conducted using the Jarque-Bera approach with the help of EViews software version 14. Data were declared normally distributed if the Jarque-Bera probability value was greater than 0.05. The multicollinearity test was conducted by looking at the correlation value between independent variables. If the correlation value between variables was less than 0.80, it could be concluded that there were no symptoms of multicollinearity. Furthermore, the heteroscedasticity test was conducted using the Breusch-Pagan method or the White Test. The regression model was declared free from symptoms of heteroscedasticity if the probability value was greater than the 5 percent significance level.

I. Hypothesis Test Analysis

Hypothesis testing was conducted at a 5 percent significance level ($\alpha = 0.05$). Panel data regression analysis was used to examine the effect of firm size, liquidity, and profitability on firm market value. Furthermore, this study employed Moderated Regression Analysis (MRA) to examine the role of dividend policy as a moderating variable. Moderation analysis was conducted by forming an interaction

term between the independent and moderating variables. The moderated regression model in this study can be formulated as follows:

$$\text{Model 1 } Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$\text{Model 2 } Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Z + \beta_5 (X_1 \times Z) + \beta_6 (X_2 \times Z) + \beta_7 (X_3 \times Z) + \varepsilon$$

In addition to hypothesis testing, this study also used the coefficient of determination (R^2) to measure the regression model's ability to explain variations in a company's market value. A coefficient of determination value closer to one indicates that the independent and moderating variables have a greater ability to explain changes in the company's market value, while the remainder is explained by factors outside the research model.

RESULTS AND DISCUSSION

A. Research findings

1. Descriptive Statistical Test

Descriptive statistical tests were conducted to obtain a general overview of the data, as seen from the minimum, maximum, mean, and standard deviation values of each research variable. The following are the results of the descriptive statistical tests:

Table 1. Results of Descriptive Statistical Tests

	ASSET	CR	LONG	EPS	DPR
Mean	29.22123	0.077141	-2.683192	2.810646	0.060980
Median	29.28500	0.137000	-2.865000	3.190000	0.000000
Maximum	33.33400	2.122000	0.000000	5.837000	9.546000
Minimum	23.33900	-1.703000	-8.680000	0.000000	-2.944000
Std.Dev.	2.217846	0.8425449	1.918476	1.983207	1.008075

Source: Data processing results, 2026

Based on the results of descriptive statistical analysis, it can be seen that the characteristics of the research data show different levels of variation in each variable. The company size variable (X_1) has a relatively homogeneous data distribution with an average of 29.22123 and a standard deviation of 2.217846, where the highest value is owned by PT Telekomunikasi Indonesia (Persero) Tbk at 33.33400, while the lowest value is found in PT Himalaya Energi Perkasa Tbk at 23.33900. The liquidity variable (X_2) shows a fairly high level of variation with an average of 0.077141 and a standard deviation of 0.842549, where the highest level of liquidity is owned by PT Himalaya Energi Perkasa Tbk at 2.112000, while the lowest value is found in PT Sarana Menara Nusantara Tbk at -1.703000. In the profitability variable (X_3), the average value is negative at -2.683192 which indicates that most of the sample companies experience a low level of profitability, with the highest value of 0.000000 owned by PT Cardig Aero Services Tbk, while the lowest value of -8.680000 is recorded by PT Wijaya Karya (Persero) Tbk. Furthermore, the company's market value variable (Y) has an average of 2.810646 with the highest value of 5.837000 obtained by PT Telekomunikasi Indonesia (Persero) Tbk, while the lowest value of 0.000000 is owned by PT Cardig Aero Services Tbk. The dividend policy variable (Z) shows a very high level of dispersion with an average of 0.060980 and a standard deviation of 1.008075, where the maximum value of 9.546000 is owned by PT Bali Towerindo Sentra Tbk, while the minimum value of -2.944000 is found in PT Indonesia Pondasi Raya Tbk. Overall, the descriptive statistics results show that company size has a relatively homogeneous level of data distribution, while the variables of liquidity, profitability, company market value, and dividend policy show quite high variations among the infrastructure sector companies that were the research sample during the 2020–2024 period.

2. Regression Model Selection Test

Uji Chow

The purpose of the Chow test is to determine whether there are differences in individual characteristics in each company or research object that could influence the regression results. The following are the results of the test data processing. Chow the following table:

Table 2. Chow Test Results

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.569942	(4,16)	0.2303
Cross-section Chi-square	7.946166	4	0.0936

Source: Data processing results, 2026

Based on the table above, it can be seen that if the probability value is less than 0.05, the selected model is FEM, while if the probability value is greater than 0.05, the selected model is CEM. Therefore, based on the test results which obtained a probability value of 0.0936, this study uses the Common Effect Mode approach because it is considered capable of explaining the relationship between research variables more simply and efficiently without considering the individual effects on each company.

Hausman test

The purpose of the Hausman test is to determine whether there is a correlation between individual effects (cross-section) and the independent variables in the research model. The following table shows the results of the Hausman test data processing.

Table 3. Hausman Test Results

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.767611	3	0.8572

Source: Data processing, (2026)

Based on the table above, it can be seen that if the probability value is less than 0.05, the selected model is FEM, while if the probability value is greater than 0.05, the selected model is REM. Therefore, based on the test results which obtained a probability value of 0.8572, this study uses the approach *Random Effect Model* (REM) because it is considered more appropriate in explaining the relationship between research variables and providing more consistent and efficient estimates.

Uji Lagrange Multiplier

The purpose of the LM test is to determine whether there are significant random effects in the panel data, so that the REM model is more appropriate than the CEM. The following are the results of the Lagrange Multiplier data processing test:

Table 4. Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.102687 (0.7486)	0.788112 (0.3747)	0.890799 (0.3453)
Honda	0.320448 (0.3743)	-0.887757 (0.8127)	-0.401148 (0.6558)
King-Wu	0.320448 (0.3743)	-0.887757 (0.8127)	-0.401148 (0.6558)
Standardized Honda	1.588369 (0.0561)	-0.757784 (0.7757)	-2.828820 (0.9977)
Standardized King-Wu	1.588369 (0.0561)	-0.757784 (0.7757)	-2.828820 (0.9977)
Gourieroux, et al.	--	--	0.102687 (0.6118)

Source: Data processed, (2026)

Based on the image of the data processing results, if the probability value is less than 0.05 then the selected model is REM, whereas if the probability value is greater than 0.05 then the selected model is CEM. Therefore, based on the test results which obtained a probability value of 0.9977, this study uses the Common Effect Model (CEM) approach because it is considered simpler, more efficient, and in accordance with the characteristics of the research data without the influence of significant random effects on each company or research period.

3. Classical Assumption Test

Normality Test

The normality test is a classical assumption test that aims to determine whether research data or residual values in a regression model are normally distributed. The results of the normality test are as follows:

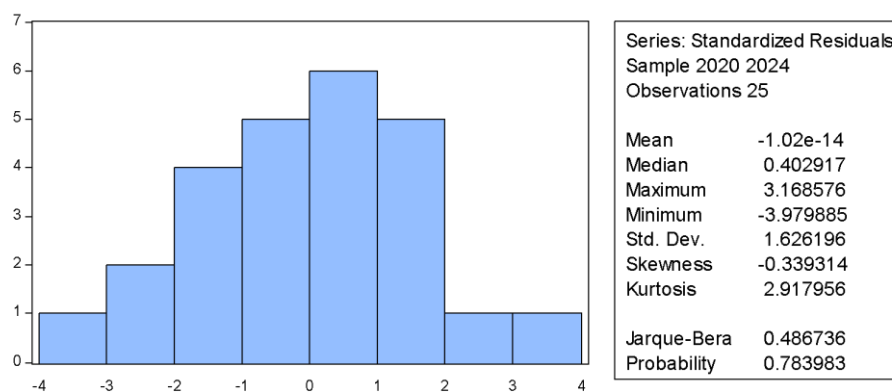


Figure 2. Normality Test
Source: Processed data, (2026)

Based on the normality test results, the Jarque-Bera probability value was 0.783983, or greater than 0.05. These results indicate that the residual data in this study is normally distributed, thus meeting the normality assumption. Therefore, the regression model used in this study is suitable for further testing as there are no normality issues in the research data.

Multicollinearity Test

The multicollinearity test is a classic assumption test that aims to determine whether there is a strong relationship or correlation between independent variables in a regression model. The results of the multicollinearity test are as follows:

Table 5. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	1451.134	7739.605	NA
ASET	1.800579	8443.890	10.58135
CR	2.812043	1.821803	1.738337
ROA	0.410225	29.12010	9.867981
DPR	0.056025	1.361457	1.293384

Source: Processed data, (2026)

Based on the correlation matrix output, the VIF values indicate that the independent variables in the regression model are not correlated with each other. This is indicated by the VIF values for each independent variable being less than 0.80. It can be concluded that the regression model is free from multicollinearity among the independent variables.

Test Heteroskedasticity

The heteroscedasticity test is a classical assumption test that aims to determine whether there is inequality in residual variance from one observation to another in a regression model. The results of the heteroscedasticity test are as follows:

Table 6. Results Heteroscedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

F-statistic	0.462919	Prob. F(3,16)	0.7121
Obs*R-squared	1.597306	Prob. Chi-Square(3)	0.6600
Scaled explained SS	2.848505	Prob. Chi-Square(3)	0.4156

Source: Processed data, (2026)

Based on the results of the Breusch-Pagan-Godfrey test, the F Prob. (3,16) value was 0.7121 and the Chi-Square Prob. value was 0.6600, both of which were greater than 0.05. These results indicate that there are no symptoms of heteroscedasticity in the research regression model. Therefore, it can be concluded that the residual variance in the regression model is constant (homoscedasticity) so that the research model has met the assumption of heteroscedasticity and is suitable for further testing.

4. Hypothesis Test Analysis

Moderated regression analysis is also used to provide a deeper understanding of the relationship between research variables, allowing the results to more comprehensively explain the direct and interactive effects between variables Ghozali, (2021) The following are the results of the hypothesis test:

Table 7. Hypothesis Test Results

Variables	Model 1 (EPS)		Model 2 (EPS)	
	Odds	P Value	Odds	P Value
C	2.631142	0.0000	2.631142	0.0000
ASSET	-0.091934	0.0000	-0.091934	0.0000
CR	-0.048789	0.0623	-0.048789	0.0623
LONG	-0.019888	0.0513	-0.019888	0.0513
DPR	1.689597	0.1	1.689597	0.1145
ASSETS X DPR	0.033695	0.0000	0.033695	0.0000
CR X DPR	-0.073809	0.4111	-0.073809	0.4111

ROA X DPR	-0.429990	0.1130	-0.429990	0.1130
Information	*Significance 10%	*Significance 5%	*Significance 1%	

Source: Processed data, (2026)

From the test above, the Moderation Regression equation is obtained as follows:

Moderated Regression Equation:

Model 1

$$\text{Model 1 EPS} = C(1) + C(2)*\text{ASSETS} + C(3)*\text{CR} + C(4)*\text{ROA}$$

Market value

$$\text{Model 1 EPS} = -2.57298184752 + 0.150102392904*\text{ASET} - 0.245480031114*\text{CR} - 0.372082578857*\text{ROA}$$

Based on the results of the regression analysis, a constant value of -2.5729 was obtained, indicating that if all independent variables, namely company size, liquidity, and profitability are assumed to be constant or zero, then the company's market value is -2.5729. The company size regression coefficient of 0.1501 indicates that every one-unit increase in company size will increase the company's market value by 0.1501 assuming other variables remain constant. Meanwhile, the liquidity regression coefficient of -0.2454 indicates that every one-unit increase in liquidity will decrease the company's market value by 0.2454. Similarly, the profitability regression coefficient of -0.3720 indicates that every one-unit increase in profitability will decrease the company's market value by 0.3720 assuming other variables remain constant.

Model 2

$$\text{Model 2 EPS} = C(1) + C(2)*\text{ASSETS} + C(3)*\text{CR} + C(4)*\text{ROA} + C(5)*\text{DPR} + C(6)*\text{ASSETS_DPR} + C(7)*\text{CR_DPR} + C(8)*\text{ROA_DPR}$$

Market value:

$$Y = 2.63114215008 - 0.0919337246558*\text{ASSET} - 0.0487889045644*\text{CR} - 0.0198878761829*\text{ROA} + 1.68959711751*\text{DPR} + 0.0336952268619*\text{ASSET_DPR} - 0.0738088653157*\text{CR_DPR} + 0.429990106581*\text{ROA_DPR}$$

Based on the results of the moderated regression analysis, a constant value of 2.631142 was obtained, indicating that if all independent variables are assumed to be constant or zero, the company's market value is 2.631142. The company size regression coefficient of -0.091934 indicates that every one-unit increase in company size will decrease the company's market value by 0.091934. Furthermore, the liquidity regression coefficient of -0.048789 and profitability of -0.019888 indicates that every one-unit increase in liquidity and profitability will decrease the company's market value by 0.048789 and 0.019888, respectively, assuming other variables remain constant. Meanwhile, the dividend policy regression coefficient of 1.689597 indicates that a one-unit increase in dividend policy will increase the company's market value by 1.689597. The interaction coefficient between company size and dividend policy of 0.033695 indicates that dividend policy strengthens the influence of company size on the company's market value. Conversely, the interaction coefficient between liquidity and dividend policy of -0.073809 indicates that dividend policy weakens the effect of liquidity on a company's market value. Furthermore, the interaction coefficient between profitability and dividend policy of 0.42990 indicates that dividend policy strengthens the effect of profitability on a company's market value.

Based on the results of the hypothesis test in Table 8, it was found that the company size variable has a coefficient of 0.091934 with a probability value of 0.0000 (<0.1), so the first hypothesis is supported which indicates that company size has a positive effect on the company's market value. The liquidity variable has a coefficient of -0.048789 with a probability value of 0.0623 (<0.1), so the second hypothesis is supported which indicates that liquidity affects the company's market value. Furthermore, the profitability variable has a coefficient of -0.019888 with a probability value of 0.0513 (<0.1), so the third hypothesis is supported which indicates that profitability affects the company's market value. The results of the moderating variable test show that the interaction between dividend policy and company size has a coefficient of 0.033695 with a probability value of 0.0000 (<0.1), so the fourth hypothesis is supported which indicates that dividend policy can strengthen the influence of company size on the company's market value. Meanwhile, the interaction between dividend policy and liquidity has a

coefficient of -0.073809 with a probability value of 0.4111 (>0.1), and the interaction between dividend policy and profitability has a coefficient of 0.42990 with a probability value of 0.1130 (>0.1). Thus, the fifth and sixth hypotheses are not supported, indicating that dividend policy is unable to moderate the effect of liquidity and profitability on a company's market value.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) is a test used to measure the extent to which a regression model can explain variations in the dependent variable, namely the company's market value, which are influenced by the independent variables in the study. The following table shows the results of the coefficient of determination test.

Table 8. Results of the Determination Coefficient Test

R-squared	0.993769	Mean dependent var	2.782540
Adjusted R-squared	0.993295	S.D. dependent var	1.993083
S.E. of regression	0.163197	Akaike info criterion	-0.711094
Sum squared resid	2.450272	Schwarz criterion	-0.502680
Log likelihood	43.55470	Hannan-Quinn criter.	-0.626745
F-statistic	2096.269	Durbin-Watson stat	0.180424
Prob(F-statistic)	0.000000		

Based on R^2 produces a value of 0.993295, meaning that the influence of company size, liquidity, profitability, dividend policy on the company's market value is 99.39%, while the remaining 0.061 or 0.61% is influenced by other variables not included in this study.

B. Discussion

1. The Influence of Company Size on Company Market Value

Based on the partial test results, the company size variable shows a t-statistic value of -8.54122 with a probability value of 0.0000, which is smaller than the 10% significance level (0.1). These results indicate that company size has a significant effect on the company's market value, thus supporting the first hypothesis. Thus, the larger the company size, the higher the company's market value. This indicates that companies with large total assets tend to have operational stability, broader access to funding, and better growth prospects, thereby increasing investor confidence and ultimately driving an increase in the company's market value.

The results of this study align with previous findings that demonstrated that company size has a positive and significant effect on market value. Research by Ghozali, (2021) and other empirical studies indicate that larger companies with greater total assets are perceived as more stable and have better growth prospects by investors, thus increasing market-to-book value, or Tobin's Q, as a proxy for market value.

2. The Effect of Liquidity on the Company's Market Value

Based on the partial test results, the liquidity variable has a t-statistic value of -1.887218 with a probability value of 0.0623, which is smaller than the 10% significance level (0.1). These results indicate that liquidity has a significant effect on the company's market value, thus supporting the second hypothesis. A good level of liquidity reflects the company's ability to meet its short-term obligations, thus providing investors with confidence regarding the company's healthy financial condition. This condition can increase investor confidence and have an impact on increasing the company's market value. The results of this study are in line with research conducted by Aldo, (2020), which found that liquidity has a positive and significant effect on company value because the company's ability to meet short-term obligations increases investor confidence in the company's prospects.

3. The Influence of Profitability on the Company's Market Value

Based on the partial test results, the profitability variable has a t-statistic value of -1.974582 with a probability value of 0.0513, which is smaller than the 10% significance level (0.1). Thus, the third hypothesis is supported, indicating that profitability has a significant effect on a company's market value. A company's high ability to generate profits reflects the effectiveness of company resource management, thus providing a positive signal to investors regarding the company's future prospects. This positive

investor response is reflected in increasing stock prices and the company's market value. The results of this study are in line with research conducted by Alifian & Susilo, (2024) who found that profitability has a positive and significant effect on company value because high profits increase investors' positive perceptions of the company's future prospects. Similar findings were also obtained by (Devi, 2025) who stated that companies with high levels of profitability tend to have greater company value because the ability to generate profits is a key indicator in investment decision making.

4. The Role of Dividend Policy in Moderating the Effect of Company Size on Company Market Value

Based on the interaction test results, the moderating variable between dividend policy and company size shows a t-statistic value of 104.4245 with a probability value of 0.0000, which is smaller than the 10% significance level (0.1). These results indicate that dividend policy can strengthen the influence of company size on the company's market value, thus supporting the fourth hypothesis. Companies with a large size and a consistent dividend distribution policy will receive a more positive response from investors. Dividend payments are seen as a signal regarding the company's ability to generate stable cash flow, thus further strengthening investor perceptions of the company and increasing its market value.

The results of this study indicate that dividend policy can strengthen the influence of company size on market value, thus supporting the fourth hypothesis. Dividend distribution provides a positive signal to investors regarding the company's ability to generate cash flow and maintain business continuity. This finding aligns with research by Sholihuddin, (2023) and Rahayu et al., (2025) which states that dividend policy contributes to increasing company value.

5. The Role of Dividend Policy in Moderating the Effect of Liquidity on a Company's Market Value

Based on the results of the interaction test between dividend policy and liquidity, a t-statistic value of -0.825715 was obtained with a probability value of 0.4111, which is greater than the 10% significance level (0.1). These results indicate that dividend policy is unable to moderate the effect of liquidity on a company's market value, so the fifth hypothesis is not supported. This indicates that the level of dividend policy does not affect the relationship between liquidity and a company's market value. Investors tend to pay more attention to a company's ability to generate profits and growth prospects than to the level of liquidity accompanied by dividend distribution, so dividend policy does not provide additional influence on this relationship.

The results of the study indicate that dividend policy is unable to moderate the effect of liquidity on a company's market value, thus disproving the fifth hypothesis. This suggests that the combination of liquidity level and dividend policy is not yet a factor considered by investors when assessing a company. This finding aligns with research by Khasbulloh et al. (2023), which states that dividend policy is unable to moderate the effect of liquidity on firm value.

6. The Role of Dividend Policy in Moderating the Effect of Profitability on Company Market Value

Based on the results of the interaction test between dividend policy and profitability, a t-statistic value of 1.600276 was obtained with a probability value of 0.1130, which is greater than the 10% significance level (0.1). Thus, the sixth hypothesis is not supported, which means that dividend policy is unable to moderate the effect of profitability on the company's market value. These results indicate that the level of dividend policy does not affect the relationship between profitability and the company's market value. Investors seem to place more emphasis on the company's ability to generate profits directly rather than on the combination of profitability levels and the company's dividend policy. Thus, the effect of profitability on the company's market value is more direct and is not influenced by dividend policy as a moderating variable.

The results of this study indicate that dividend policy is unable to moderate the effect of profitability on a company's market value, thus rejecting the sixth hypothesis. This condition suggests that high profitability accompanied by dividend distribution does not necessarily increase the market's valuation of the company. These results align with the research of (Fazria et al., (2026), which concluded that profitability is unable to moderate the relationship between dividend policy and firm value.

CONCLUSION

This study aims to analyze the influence of company size, liquidity, and profitability on company market value, with dividend policy as a moderating variable, in infrastructure sector companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The results indicate that company size, liquidity, and profitability are factors that play a role in increasing a company's market value. Companies with larger asset scales tend to receive better valuations from investors because they are perceived to have more financial stability and promising growth prospects.

The research also shows that dividend policy can strengthen the relationship between company size and market value. This indicates that dividend distribution can be a positive signal to investors regarding a company's financial condition and future prospects, thereby increasing market appreciation for relatively large companies. On the other hand, dividend policy is unable to moderate the relationship between liquidity and profitability on company market value. These findings indicate that the level of dividend policy has not been able to strengthen the influence of liquidity or profitability in shaping the market value of infrastructure companies.

Theoretically, this research contributes to enriching the study of Signaling Theory, particularly regarding the role of company size and dividend policy in shaping investor perceptions of a company's market value. Practically, the results of this study can be used as a consideration by company management in formulating financial policies oriented towards increasing company value, particularly through consistent asset management and dividend policies. Furthermore, the results of this study can also serve as a source of information for investors in making investment decisions in infrastructure sector companies listed on the Indonesia Stock Exchange.

However, this study still has several limitations. The scope of the study was limited to infrastructure sector companies with an observation period of 2020–2024, so the results cannot necessarily be generalized to other industrial sectors. The variables used in this study were also limited to company size, liquidity, profitability, and dividend policy, so there are still other factors that could potentially influence a company's market value but were not included in the research model. Furthermore, the use of panel data regression methods is not fully capable of capturing more complex relationships between variables.

Based on these limitations, further research is recommended to expand the sample size and observation period to obtain more representative results. Future research can also include other variables, such as capital structure, company growth, investment policy, corporate social responsibility, and good corporate governance as factors that potentially influence a company's market value. Furthermore, the use of moderating variables other than dividend policy and the application of more comprehensive analytical methods, such as the Generalized Method of Moments (GMM) or Structural Equation Modeling (SEM), are expected to yield a deeper understanding of the relationships between variables and provide broader empirical contributions to the development of finance and capital markets.

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