

THE EFFECT OF DIVIDEND, LEVERAGE, AND PROFITABILITY POLICIES ON COMPANY VALUE WITH CAPITAL STRUCTURE MODERATION IN THE MINING SECTOR

Olivvia Anastasya¹, Lestari Wuryanti², Hiro Sejati³

^{1,2,3} Management Study Program, Faculty of Business and Management, Universitas
Malahayati, Bandar Lampung

Email: olivviaanastasya@gmail.com

Abstract

This study aims to examine and analyze the effect of dividend policy, leverage, and profitability on firm value, with capital structure as a moderating variable in the mining sector. The research was conducted on nine mining companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period using secondary data collection. A total of 27 observations were obtained over three years through purposive sampling. The research method employed a quantitative approach using panel data regression analysis and Moderated Regression Analysis (MRA) through EViews software. The results indicate that partially, dividend policy has a significant effect on firm value. In contrast, leverage and profitability were found to have no significant effect on firm value in the mining sector during the observation period. Simultaneously, the three independent variables have a significant effect on firm value. The moderation test results show that capital structure is not able to moderate the relationship between dividend policy, leverage, and profitability and firm value.

Keywords: Dividend Policy, Leverage, Profitability, Firm Value, Capital Structure.

1. Introduction

The mining sector in Indonesia holds a strategic position in the national economy as it relies heavily on natural resource exploitation, fluctuations in global commodity prices, and long-term investment requirements from exploration to post-production stages. These conditions make firm value assessment increasingly important, particularly in the face of global market volatility that demands stable and adaptive performance. Firm value reflects investors' perceptions of a company's success, which is generally measured through stock prices. The higher the stock price, the higher the firm value and the expected rate of return. Firm value can also be measured using the price-to-book value (PBV), which compares market price to book value per share. A decline in firm value reflects weakening performance and market confidence.

Dividend policy refers to the decision of whether company profits will be distributed to shareholders or retained for future investment (Sari et al., 2022). This policy is often considered to influence firm value as it relates to investor welfare. Several



studies indicate that dividends have a positive effect on firm value under certain conditions (Setiaiswara, 2022). However, other studies show that dividend policy does not have a significant effect (Oktaviani, 2023). These inconsistent findings suggest that the impact of dividend policy is influenced by industry context, macroeconomic conditions, and the company's financial structure. Therefore, further research is needed, particularly in the mining sector.

Leverage is a ratio that measures the extent to which a company is financed by debt compared to equity (Andrian et al., 2019). The use of debt can provide benefits such as tax shields and financing flexibility, but it also increases financial risk. *Leverage* is an important factor in determining firm value as it relates to risk and return. Research findings vary, with some studies showing that leverage negatively affects firm value due to bankruptcy risk (Yuwono et al., 2021). However, under certain conditions, leverage can also have a positive impact on firm value (Anggraini & Indrawati, 2021). This indicates the need for re-examination within the context of the mining sector.

Profitability refers to a company's ability to generate profit through the utilization of its resources (Wuryanti et al., 2024). This ratio reflects management effectiveness in managing assets, sales, and capital. Profitability is often considered a key determinant of firm value as it reflects operational efficiency. Studies show that profitability, measured through ROA or ROE, has a positive effect on firm value (Leptasari & Retnani, 2018). However, other studies suggest that profitability does not always increase firm value, particularly when influenced by other factors (Triharyati, 2025). This indicates that the relationship is contextual.

The differing empirical results related to dividend policy, *leverage*, and profitability indicate the existence of a significant research gap. The mining sector has unique characteristics that have not been widely studied compared to other sectors such as manufacturing or consumer goods (Darmawan et al., 2025). In addition, this sector is influenced by environmental regulations, political stability, and technological developments. These conditions reinforce the urgency for more contextual research. Therefore, a study that comprehensively explains the relationships among financial variables in the mining sector is necessary.

Capital structure refers to the proportion between equity and long-term debt in a company's financial structure (L. Sari & Wuryanti, 2017). Capital structure is viewed as a moderating variable that can strengthen or weaken the relationship between dividend policy, *leverage*, and profitability and firm value. An optimal capital structure can create a balance between risk and return (Sejati, 2025). Several studies show the moderating role of capital structure, but the results remain inconsistent. Therefore, further testing is required in the context of the mining sector.

This study aims to analyze the effect of dividend policy, *leverage*, and profitability on firm value, with capital structure as a moderating variable in the mining sector in Indonesia. This research is motivated by inconsistencies in previous findings and the limited number of studies incorporating moderating variables. Furthermore, the mining sector has specific characteristics such as high exploration risk and strict regulations. This study also offers novelty through the use of capital structure as a moderating



variable. Thus, this research is expected to provide both theoretical and practical contributions.

This study employs a quantitative approach using secondary data obtained from the financial statements of mining companies listed on the Indonesia Stock Exchange. The analysis is conducted using multiple linear regression to examine the effects of dividend policy, *leverage*, and profitability on firm value. Capital structure is tested as a moderating variable to assess its role in these relationships. This method is chosen as it provides empirical results that are objective, systematic, and replicable. The findings are expected to contribute to both academics and practitioners in financial decision-making.

2. Literature Review

2.1. Agency Theory

Agency theory explains the relationship between principals and agents, which can create conflicts of interest, thus requiring mechanisms such as dividend policy, profitability, and capital structure to align interests and increase firm value (Alfredo et al., 2025). This theory emphasizes the importance of monitoring and incentives to ensure agents act in line with shareholders' objectives, as well as the role of corporate governance in limiting opportunistic behavior. Dividend policy reduces free cash flow, profitability reflects agent performance, and capital structure influences agent behavior and principal perception, making them instruments for aligning interests within the firm.

2.2. Dividend policy has a significant effect on firm value

Dividend policy is an important financial decision that signals a company's future prospects and stability. From a signaling theory perspective, dividends reflect management's confidence in the firm's performance, as they indicate the ability to generate sustainable cash flows. Nurhasanatang et al. (2020) found that dividend policy has a strong influence on firm value because it provides direct benefits to shareholders and reduces financial uncertainty. Investors tend to perceive companies that consistently distribute dividends as stable and reliable, which increases stock prices and firm value.

2.3. Leverage has a significant effect on firm value

Leverage, as part of a company's financing structure, plays an important role in influencing firm value. It reflects the extent to which a company utilizes debt to finance its assets, which can produce two different effects. Anggraini and Indrawati (2021) found that *leverage* has a significant effect on firm value. When managed properly to finance projects with high returns, leverage can have a positive impact by increasing profitability and capital efficiency. Conversely, excessive debt increases financial risks such as default and bankruptcy, which can reduce firm value. Suryana et al. (2018) show that *leverage* has a positive effect when used optimally to support expansion and asset productivity. However, Soedarsa and Arika (2016) found that leverage has a negative impact on stock prices in the property and real estate sector, as increasing debt reduces investor confidence under fluctuating economic conditions.



2.4. Profitability has a significant effect on firm value

Profitability is a key indicator of financial performance that has a major influence on firm value, as it reflects a company's ability to generate profit from its available resources. Sidauruk (2022) found that profitability has a positive and significant effect on firm value, as it indicates operational efficiency, competitiveness, and strong growth prospects, thereby increasing investor confidence. Nur (2018) also states that profitability significantly affects firm value, both directly and through capital structure, while Milyati et al. (2021) found that profitability contributes positively to increasing firm value in the mining sector. This suggests that profitability is a primary factor influencing firm value and an important consideration for investors.

2.5. Dividend policy, *leverage*, and profitability have a significant effect on firm value

According to Anggraini and Indrawati (2021), the relationship between dividend policy, *leverage*, and profitability on firm value is complex and not always consistent. Dividend policy is often viewed as an indicator of cash flow strength and company stability that can enhance investor confidence, although it does not always have a significant effect when earnings are retained for expansion (Iswara, 2022). Meilani et al. (2019) show that *leverage* produces varying results, with its impact depending on how debt is utilized, whether productively or in a way that increases financial risk. Meanwhile, profitability is the most consistently positive factor influencing firm value, as it reflects operational efficiency and strong growth prospects (Embun et al., 2024).

2.6. Capital structure moderates the effect of dividend policy on firm value

According to Sidauruk et al. (2022), capital structure can strengthen the relationship between dividend policy and firm value through a balance between debt and equity that creates a perception of financial stability. Under these conditions, dividend distribution becomes a strong signal of the company's ability to generate stable cash flows and maintain long-term financial performance, making it more credible and effective in increasing firm value, especially in the mining sector. Anggraini and Indrawati (2021) also show that capital structure has a significant effect on firm value, both directly and as a moderating variable. Companies with a moderate debt ratio are considered capable of utilizing *leverage* to increase profits, thereby providing a positive signal to the market and enhancing firm value.

2.7. Capital structure moderates the effect of *leverage* on firm value

According to Safitri et al. (2019), capital structure plays a role in moderating the relationship between *leverage* and firm value, where an optimal proportion of debt allows *leverage* to function as a financing tool that enhances operational capacity, efficiency, and business scale, particularly in mining companies with large capital requirements. Wicaksono et al. (2021) also show that the Debt To Equity Ratio (DER), as a representation of capital structure, is able to moderate the relationship between



financial performance and firm value. An optimal capital structure strengthens the effect of *leverage* on increasing firm value, while an imbalanced capital composition can weaken this relationship.

2.8. Capital structure moderates the effect of profitability on firm value

According to Sidauruk et al. (2022), high profitability will have a greater impact on increasing firm value when supported by a stable and efficient capital structure, as it reflects operational success and effective financial management. Companies with high profitability provide a more significant impact on firm value when balanced with a sound capital structure.

Prisilia (2006) found that capital structure strengthens the relationship between profitability and firm value, where high profitability combined with controlled debt enhances the company's ability to develop new projects without excessive liquidity risk. This is consistent with Suharli (2019), who shows that profitability positively affects firm value through capital structure efficiency. Companies with high profits and efficient capital structures are perceived as having low financial risk and strong growth potential, thereby increasing investor interest and ultimately enhancing firm value.

2.9. Research Framework

This research framework explains the relationship between dividend policy, leverage, and profitability on firm value, with capital structure as a moderating variable in the mining sector. Dividend policy serves as a positive signal to investors and increases trust and firm value. *Leverage* indicates the use of debt, with optimal levels increasing firm value, but high levels increasing risk. Profitability reflects a company's profit-generating ability, efficiency, and growth prospects. Capital structure moderates the relationship between these variables and firm value, either strengthening or weakening them. A stable and efficient capital structure is crucial in the mining sector so that dividend policy, leverage, and profitability can enhance firm value.

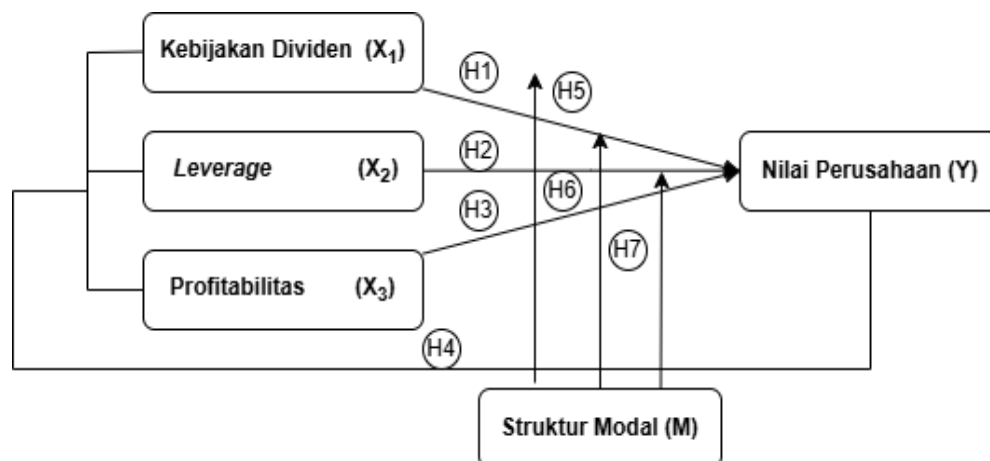


Figure 1. Research Framework

3. Research Method

3.1. Research Approach

This study adopts a quantitative approach and employs panel regression analysis, as the data analyzed consist of a combination of cross-sectional and time-series data. Panel data provide researchers with the opportunity to analyze variations across multiple companies simultaneously over a specific period. The use of panel data offers several advantages, including the ability to account for individual differences, increase the number of observations, and produce more accurate estimates with lower levels of bias compared to using cross-sectional or time-series data separately. Data analysis was conducted using EViews software. The level of significance applied in this study is 5% (0.05). The data analysis process includes descriptive analysis, selection of the panel regression model, verification of panel data model assumptions, panel regression analysis with moderating variables, and hypothesis testing.

3.2. Research Data Sources

This study uses secondary data, where the data are obtained from financial statements and annual reports of mining sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2022–2024. The data were obtained from the financial reports of mining companies, which can be accessed through the website <https://www.idx.co.id>.

3.3. Techniques for Determining Sample

Population is a domain that has certain characteristics and quantities, enabling researchers to examine it, draw conclusions, and establish meaningful relationships with the research issue (Susanto et al., 2024). The population in this study consists of 91 mining companies listed on the Indonesia Stock Exchange (IDX) during the period 2022–2024. According to Sugiyono (2018:127), a sample is part of the number and characteristics possessed by the population. In this study, the sampling technique used is purposive sampling, resulting in a total of 9 companies selected as the sample. This study uses 9 mining companies as the sample with an observation period of 3 years. Therefore, the total sample is 9 mining companies × 3 years of observation = 27 samples of financial statements of mining companies for the period 2022–2024.

3.4. Data Analysis Techniques Regression

Data analysis in this study aims to examine the effect of dividend policy, leverage, and profitability on firm value, as well as to determine the role of capital structure as a moderating variable in mining companies. This study adopts a quantitative approach and uses panel regression, as the data analyzed are a combination of cross-sectional and time-series data. Panel data provide an opportunity for researchers to analyze variations



across several companies simultaneously over a certain period. The use of panel data has advantages in accounting for individual differences, increasing the number of observations, and producing more accurate estimates with lower levels of bias compared to using cross-sectional or time-series data separately. The data analysis is conducted using EViews software. The level of significance applied in this study is 5% (0.05). The data analysis process includes descriptive analysis, selection of panel regression models, verification of panel data assumptions, panel regression analysis with moderating variables, and hypothesis testing.

4. Result

4.1. Descriptive Statistics

Table 1. Descriptive Statistics Test Results

	X ₁	X ₂	X ₃	Y	Z
Mean	0.583704	0.424815	0.164444	1.351111	0.412963
Median	0.520000	0.400000	0.140000	0.790000	0.260000
Maximum	1.560000	0.720000	0.620000	9.020000	1.630000
Minimum	0.010000	0.210000	0.020000	0.140000	0.010000
Std. Dev.	0.405862	0.156632	0.153631	1.814538	0.434527

Source: Data processed by Eviews12, (2026)

Based on Table 1. the descriptive statistics (mean, median, maximum, minimum, and standard deviation) show that the study consists of 27 observations from 9 companies over 3 years. Dividend Policy (X₁) ranges from 0.010000 to 1.560000 with a mean of 0.583704, indicating a moderate level with considerable variation. *Leverage* (X₂) ranges from 0.210000 to 0.720000, with an *leverage* of 0.424815, suggesting that debt accounts for about 42% of total assets and shows moderate dispersion. Profitability (X₃) ranges from 0.020000 to 0.620000, with a relatively low mean of 0.164444 and stable variation. Firm Value (Y) ranges from 0.140000 to 9.020000, with a mean of 1.351111, indicating that market value generally exceeds book value, with high variability. Capital Structure (Z) ranges from 0.010000 to 1.630000, with a mean of 0.412963, reflecting the proportion of debt in financing and showing moderate variation across companies.



Table 2. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.653212	(8,15)	0.0051
Cross-section Chi-square	33.683161	8	0.0000

Source: Data processed by Eviews12, (2026)

Based on Table 2. the results of the Chow test show a probability value of $0.0000 < 0.05$; therefore, the selected model is the fixed effect model.

Table 3. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	25.786332	3	0.0000

Source: Data processed by Eviews12, (2026)

Based on Table 3. the results of the Hausman test show a p-value of $0.0000 < 0.05$; therefore, it can be concluded that the selected model for estimation is the fixed effect model.

Table 4. Data Panel Regressional *Fixed Effect Model* (FEM) Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.415437	3.788157	-0.109667	0.9146
X ₁	4.278134	0.896465	4.772227	0.0006
X ₂	2.596776	7.359266	0.352858	0.7309
X ₃	-6.579747	5.059341	-1.300515	0.2200
X ₁ Z	-4.945314	2.582135	-1.915203	0.0818
X ₂ Z	-8.440083	18.80931	-0.448718	0.6623
X ₃ Z	25.38715	21.12584	1.201711	0.2547
Z	2.841721	15.58445	0.182343	0.8586

Source: Processed data (2026)

Based on Table 4. presents the results of panel data processing using the fixed effect model (FEM), which produces the regression equation: $Y = 0.415437 + 4.278134 +$

$2.597776 - 6.579747 + 2.841721 - 4.945314X1Z - 8.440083X2Z - 25.38715X3Z$. The constant value of 0.415437 indicates that when all independent variables—dividend policy (X1), *leverage* (X2), profitability (X3), capital structure (Z), and all interaction variables—are equal to zero, the dependent variable is predicted to be 0.415437. The regression coefficients show that dividend policy (4.278134), *leverage* (2.59776), and capital structure (2.841721) have positive effects, while profitability (−6.579747) has a negative effect on the dependent variable.

4.2. Classical Assumption

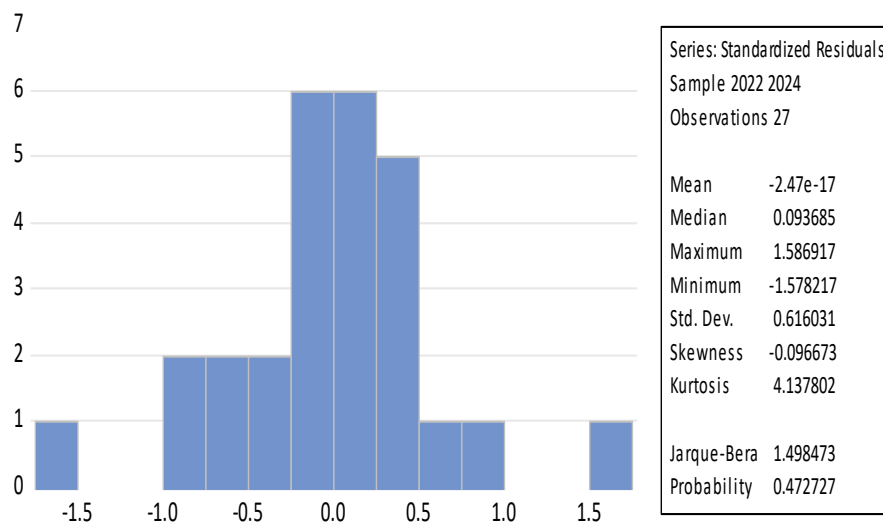


Figure 2. Normality Test Results

Table 5. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
X ₁	0.417347	3.853917	1.224275
X ₂	13.14553	49.61582	5.743335
X ₃	4.495510	4.137754	1.889568
Z	1.947933	12.69330	6.549868
C	1.407525	26.02981	NA

Source: Data processed by Eviews12, (2026)

Based on Table 5, the VIF values for the independent variables are as follows: X1 has a centered VIF value of 1.224275, X2 has a centered VIF value of 5.743335, and X3 has a centered VIF value of 1.889568. The multicollinearity test results indicate that all independent variables have centered Variance Inflation Factor (VIF) values below 10,

which suggests that there is no strong linear relationship or high correlation among the independent variables in the panel regression model. Therefore, the estimated regression model can be considered free from multicollinearity problems, meaning that each independent variable is able to explain the dependent variable independently and accurately, and there is no correlation among the independent variables.

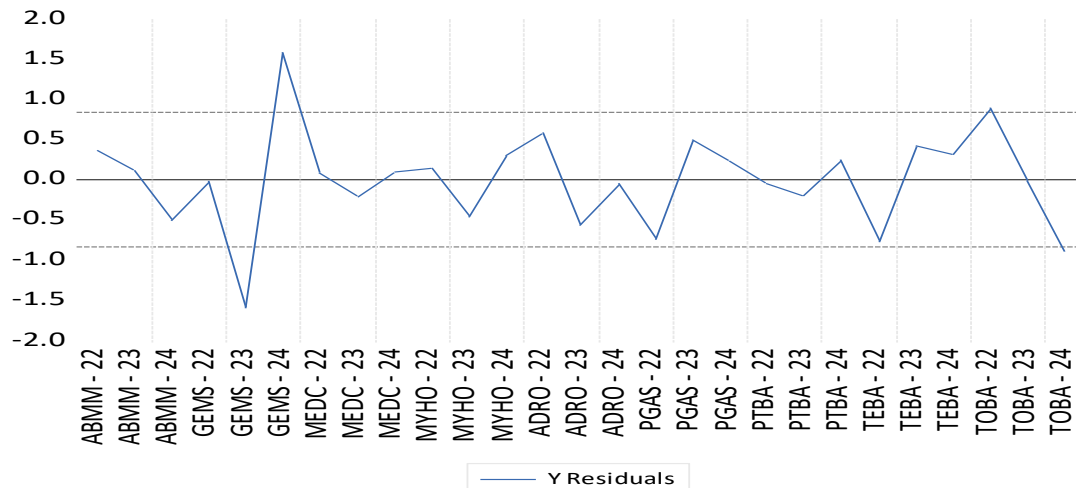


Figure 3. Heteroskedasticity Test Results

Source: Data processed by Eviews12, (2026)

Based on Figure 3. the heteroskedasticity test using the residual plot shows that the residuals are randomly distributed above and below the zero line and do not form any specific pattern. This indicates that the residual variance is constant; therefore, it can be concluded that the regression model does not exhibit heteroskedasticity.

Table 6. Results of Partial T Hypothesis Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.596884	2.915313	0.890774	0.3871
X ₁	2.014059	0.735484	2.738414	0.0152
X ₂	-5.421516	6.439234	-0.841951	0.4130
X ₃	-0.719063	3.352926	-0.214458	0.8331

Source: Data processed by Eviews12, (2026)

Based on Table 6. it can be explained that Dividend Policy (X₁) has a regression coefficient of 2.014059 with a probability value of 0.0152 < 0.05, indicating that dividend policy has a positive and significant effect on firm value. Meanwhile, Leverage (X₂) has a regression coefficient of -5.421516 with a probability value of 0.4130 > 0.05, indicating that leverage

does not have a significant effect on firm value. In addition, Profitability (X3) has a regression coefficient of -0.719063 with a probability value of 0.8331 > 0.05, indicating that profitability also does not have a significant effect on firm value.

Table 7. Results F Simultan Test Results

Keterangan	Nilai	Keterangan	Nilai
R-squared	0.878267	Mean dependent var	1.351111
Adjusted R-squared	0.788996	S.D. dependent var	1.814538
S.E. of regression	0.833512	Akaike info criterion	2.774764
Sum squared resid	10.42113	Schwarz criterion	3.350692
Log likelihood	-25.45932	Hannan-Quinn criter.	2.946018
F-statistic	9.838206	Durbin-Watson stat	2.886620
Prob(F-statistic)	0.000054		

Source: Data processed by Eviews12, (2026)

Based on Table 7. the F-statistic value is 9.838206 with a Prob(F-statistic) of 0.000054, which is smaller than the significance level of 0.05. According to the decision criteria, if the probability (F-statistic) is less than 0.05, H0 is rejected and Ha is accepted, whereas if it is greater than 0.05, H0 is accepted and Ha is rejected. Since the significance value of 0.000054 < 0.05, H0 is rejected and Ha is accepted. This is consistent with hypothesis 4 (H4), which indicates that the independent variables collectively have a significant effect on the dependent variable.

Table 8. Determinal Coefficient (R²) Test Results

Keterangan	Nilai	Keterangan	Nilai
R-squared	0.878267	Mean dependent var	1.351111
Adjusted R-squared	0.788996	S.D. dependent var	1.814538
S.E. of regression	0.833512	Akaike info criterion	2.774764
Sum squared resid	10.42113	Schwarz criterion	3.350692
Log likelihood	-25.45932	Hannan-Quinn criter.	2.946018
F-statistic	9.838206	Durbin-Watson stat	2.886620
Prob(F-statistic)	0.000054		

Source: Data processed by Eviews12, (2026)

Based on Table 8. the adjusted R-squared value of 0.878267, it shows that 87.82% of the variation in the dependent variable can be explained by the independent variables (X1, X2, and X3). The remaining 12.18% is explained by other variables outside this research model. A value close to 1 means that the independent variables provide almost all the information needed to predict the dependent variable.

Table 9. Moderated Regression Analysis (MRA) Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.438909	2.580894	0.170061	0.8674
X1Z	-1.214738	2.868400	-0.423490	0.6784
X2Z	-13.13037	27.60310	-0.475685	0.6416
X3Z	-18.04922	21.79234	-0.828237	0.4214
Z	11.85883	23.46395	0.505406	0.6211

Source: Data processed by Eviews12, (2026)

Based on Table 9. the results are as follows: The interaction variable X1Z has a regression coefficient of -1.214738 with a probability value of 0.6784 > 0.05, indicating that capital structure is not able to moderate the relationship between dividend policy and firm value; thus, the effect of X1 on Y is influenced by the presence of variable Z. The interaction variable X2Z has a regression coefficient of -13.13037 with a probability value of 0.6416 > 0.05, indicating that capital structure is not able to moderate the relationship between leverage and firm value; thus, the effect of X2 on Y is not influenced by variable Z. The interaction variable X3Z has a regression coefficient of -18.04922 with a probability value of 0.4214 > 0.05, indicating that capital structure is not able to moderate the relationship between profitability and firm value; thus, the effect of X3 on Y is also not influenced by variable Z.

4.3 Discussion

4.3.1. The Influence of Dividend Policy on Company Value

The Effect of Dividend Policy on Firm Value shows that dividend policy has a significant effect on firm value in the mining sector during the 2022–2024 period. This finding supports Signal Theory, which states that dividends serve as an indicator of a company's prospects (Fauziah et al., 2018). High dividends act as a strong signal of stable cash flows despite commodity price volatility. This increases investor confidence and stock prices. This finding is consistent with studies in the consumer goods and LQ-45 sectors, which show that dividends have a positive effect on firm value.



4.3.2. The Effect of *Leverage* on Company Value

The Effect of *Leverage* on Firm Value shows that *leverage* does not have a significant effect on firm value in the mining sector during the 2022–2024 period. This indicates that the use of debt may have a negative impact if not managed properly, as it increases risk and interest burden. This result is consistent with a study on PT. Astra International Tbk (2007–2016), which found that *leverage* has a negative effect. It is also supported by Anisa et al. (2022), who found that leverage is not significant. The higher the debt, the lower the investor confidence in the company's stability.

4.3.3. The Influence of Profitability on Company Value

The Effect of Profitability on Firm Value shows that profitability does not have a significant effect on firm value in the mining sector during the 2022–2024 period. High profits do not necessarily reflect future prospects, as they are influenced by external factors such as commodity prices. Investors tend to consider cash flow stability and long-term risk. This finding is consistent with Nafiah (2019) in the hospitality and tourism sector. Profits are often allocated for investment, so they do not increase stock attractiveness.

4.3.4. The Simultaneous Effect of Dividend Policy, *Leverage*, and Profitability on Company Value

The Simultaneous Effect of Dividend Policy, *Leverage*, and Profitability on Firm Value shows that these three variables together have a significant effect on firm value. This indicates that the combination of these variables is an important factor in investor evaluation. Theoretically, there is a relationship between financing, investment, and dividend decisions. This finding is consistent with Andriani et al. (2019) and Rahmawati et al. (2021). Investors assess companies comprehensively, not based on a single financial indicator.

4.3.5. Capital Structure Moderates the Effect of Dividend Policy on Firm Value

Capital Structure Moderates the Effect of Dividend Policy on Firm Value shows that capital structure is not able to moderate the effect of dividend policy on firm value. Dividends remain the primary signal for investors regardless of the company's level of debt. In signaling theory, dividends reflect management credibility. This finding is consistent with Riki et al. (2022), which shows no moderating effect. It indicates that dividend decisions are not influenced by capital structure.

4.3.6. Capital Structure Moderates the Effect of *Leverage* on Firm Value

Capital Structure Moderates the Effect of *Leverage* on Firm Value shows that capital structure is not able to moderate the relationship between leverage and firm value. High leverage is already a common characteristic of the mining sector. Investors focus more on the company's ability to manage debt and cash flow. This finding is consistent with Purnama et al. (2014). An aggressive capital structure actually increases risk and reduces firm value.



4.3.7. Capital Structure Moderates the Effect of Profitability on Firm Value

Capital Structure Moderates the Effect of Profitability on Firm Value shows that capital structure is not able to moderate the relationship between profitability and firm value. High profitability does not always increase firm value if not accompanied by proper capital structure management. Investors pay more attention to long-term risk rather than short-term profits. This finding is consistent with Mardeyi et al. (2020) and Novianty (2016). Profitability and capital structure do not always reinforce each other in increasing firm value.

5. Conclusion

The research results show that dividend policy has a significant effect on firm value in the mining sector. This indicates that dividend distribution serves as an important signal for investors in assessing company performance and prospects. Dividend decisions are able to increase market confidence, which in turn contributes to an increase in firm value. Thus, dividend policy becomes a key factor in investors' evaluation. *Leverage* and profitability partially do not have a significant effect on firm value, indicating that the use of debt and earnings capability are not yet the main considerations for investors. However, simultaneously, the three variables still have a significant effect on firm value, meaning that the combination of these variables plays a role in shaping market perception, which is relevant to the characteristics of the mining sector. Capital structure is also unable to moderate the relationship between dividend policy, *leverage*, and profitability on firm value, indicating that the financing composition neither strengthens nor weakens these relationships. Overall, management needs to focus on dividend policy, as consistent and credible policies have proven to be the dominant factor in increasing firm value.

Based on the results of the analysis and the conclusions drawn from this study, it is suggested that future research increase the number of observation years, expand or vary the sample of companies, and include additional variables such as firm size, liquidity, and managerial ownership to obtain more comprehensive results. In addition, future research is expected to review more references from previous studies and to ensure that the research findings can be better generalized.

References

- Abdullah, S. (2002). Free Cash Flow , Agency Theory Dan Signaling Theory : Konsep dan Riset Empiris. 3(2), 151–170.
- Alfredo, H. K., Pratama, M. I., & Sejati, H. (2025). Empirical Testing of Corporate Governance , and ESG Risk Scores : Their Effect on Company Value. 6(3), 2246–2262.
- Anggraini, S., & Indrawati, N. (2021). Pengaruh Struktur Modal , Profitabilitas , dan Kebijakan Dividen terhadap Nilai Perusahaan Industri Barang Konsumsi di Bursa Efek Indonesia. 32(1), 66–72.



- Branch, M. (2013). Dividend Policy from the Signaling Perspective and its Effects on Information Asymmetry among Management and Investors R . Zare , H . Kiafar , M . A . Kanani and F . Farzanfar. 6(21), 4090–4097. <https://doi.org/10.19026/rjaset.6.3516>
- Cr.,, Dan, R. O. A., & Terhadap, R. O. E. (2024). Analisis cr, dar, der, npm, roa dan roe terhadap pertumbuhan laba periode triwulan dari tahun 2016-2022. 1(4), 257–269.
- Gumelar, G., & Evianty, D. (2022). Analisis Rasio Profitabilitas dan Solvabilitas Untuk Menilai Kinerja Keuangan. 10(3). <https://doi.org/10.37641/jiakes.v10i3.1489>
- Gz, A. A., & Lisiantara, G. A. (2022). Pengaruh profitabilitas , struktur modal , ukuran perusahaan , likuiditas dan kebijakan dividen terhadap nilai perusahaan. 6, 3974–3987.
- Ilah, N. U. R., & Muniarty, P. (2024). Pengaruh Debt To Asset Ratio (Dar) Terhadap Kualitas Laba Pada Pt Mulia Industrindo , TBK. 869–876.
- Investasi, P. K., Pendanaan, K., Keuangan, K., Tukar, N., Dividen, D., Harga, T., Pada, S., Manufaktur, P., Terdaftar, Y., Bursa, D., Sari, R., Lia, I., Muhammad, P., Wuryanti, L., Ekonomi, F., Malahayati, U., Lampung, B., Decisions, F., Rates, E., ... Investasi, K. (2022). Jurnal Riset Akuntansi dan Manajemen, Vol.11, No. 4, Desember 2022. 11(4), 272–278.
- Kusumowati, D., & Tere, M. (2025). Pengaruh Profitabilitas , Ukuran Perusahaan dan Struktur Modal Terhadap Nilai Perusahaan. 05(01), 29–35.
- Marpaung, D. A., & Kurniati, E. (2022). Pengaruh Profitabilitas , Leverage dan Ukuran Perusahaan terhadap Nilai Perusahaan pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia. 5(1), 19–26.
- Sari, D. P., Suryani, W., & Sabrina, H. (2021). Jurnal Ilmiah Manajemen dan Bisnis (JIMBI) Pengaruh Debt To Asset Ratio dan Debt To Equity Ratio terhadap Kinerja Keuangan pada Perusahaan Otomotif yang Terdaftar di BEI Periode 2015-2018 The Effect of Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) on Financial Performance in Automotive Companies Listed on the Stock Exchange for the 2015-2018 Period. 2(1), 72–80. <https://doi.org/10.31289/jimbi.v2i1.484>
- Sari, L., & Wuryanti, L. (2017). Pengaruh Working Capital To Total Assets , Debt To Equity Ratio , Total Asset Turnover Dan Net Profit Margin Terhadap Pertumbuhan Laba Pada PT Bukit Asam (Persero) Tbk Periode 2009-2014 perbandingan antara laba bersih dengan total penjualan . NPM mengukur kemampuan perusahaan untuk menghasilkan laba bersih dari penjualan yang dilakukan perusahaan . Rasio ini mencerminkan efisiensi seluruh bagian , yaitu produksi , personalia , pemasaran , dan. 6(1), 56–66.
- Sejati, H. (2025). Strategi Kebijakan Utang dan Implikasinya terhadap Return Saham : Studi Volatilitas Ekonomi Global pada Perusahaan Properti di Bursa Efek Indonesia langsung . Misalnya , (Myers , 1984) menemukan bahwa perusahaan dengan struktur pembiayaan utang untuk mendanai proyek-proyeknya . 4(6), 3036–3046.
- Sugiyono, P. D. (2018). Metode Penelitian Kuantitatif, Kualitatif, Dan R&D. Alfabeta.
- Susanto, P. C., Arini, D. U., Yuntina, L., & Panatap, J. (2024). Konsep Penelitian Kuantitatif : Populasi



, Sampel , dan Analisis Data (Sebuah Tinjauan Pustaka). 3(1), 1–12.

Triharyati, E. R. I. (2025). Pengaruh Struktur Modal Dan Profitabilitas Terhadap Nilai Moderasi Pada Perusahaan Industri Barang Konsumsi 2019-2023. 5(2), 303–312.

Yuliani, R., Widyatama, U., Widajatun, V. W., & Widyatama, U. (2023). Pengaruh Kebijakan Dividen Terhadap Nilai Perusahaan (Studi Kasus Perusahaan Lq-45). 1(2).

