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Effect of Company Growth, Debt Policy, Dividends, and Profitability on Company Value

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ARTICLES INFORMATION	***ABSTRACT***

The purpose of this study was to examine the effect of firm growth, debt policy, dividend policy, and profitability on firm value. This research was conducted on property and real estate companies listed on the Indonesia Stock Exchange for the 2016-2020 period. In selecting the sample, purposive sampling technique was used. Hypothesis testing is done by using panel data regression. Based on the test results, it is known that simultaneously the company's growth, debt policy, dividend policy, and profitability have an effect on firm value. Partially, only profitability has an effect on firm value, while firm growth, debt policy, and dividend policy have no significant effect on firm value

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A. INTRODUCTION

There are many purposes in which an enterprise is established. One of the goals is to seek maximum profit. In addition to seeking profit, Wongso (2012) said the company's goal is to prosper its owners and achieve community welfare as its social responsibility. Based on this, it can be concluded that the company wants to achieve one goal, which is to maximize the value of the company itself (company value). The same thing was also expressed by Septariani (2017) who stated that the company has short-term and long-term goals. The short-term goal of an enterprise is to get the maximum profit and its long-term goal is to increase the value of the enterprise.

There are many ways that companies can maximize the value of their companies. One of them is through mergers and acquisitions. As reported by cnbcindonesia.com a number of companies have carried out mergers and acquisitions ranging from mini banks (banks with core capital below Rp 6 trillion) to the telecommunications sector. However, the share price of issuers who carry out mergers and acquisitions is still considered expensive or overvalued in terms of price to book value (PBV). PBV is one way to measure the value of a company by comparing the book value of the issuer with the stock price. The lower the PBV, usually the company will be rated cheaper. Another measurement in determining the value of a company is to use the Tobin approach q. Q Tobin is an indicator to measure the performance of a company, especially regarding the value of the company which shows management performance in managing company assets. Tobin's q value is obtained from the sum of the stock's market value and the market value of the debt compared to the total assets. A company is considered to have a good value if the company has a greater amount of stock market value and debt market value than the value of its assets.

Santoso (2021) said that investors need to measure the value of the company as a benchmark and consideration in making investment decisions. Therefore, companies are racing to increase the value of the company, which is reflected in the value of the shares. This will give a signal to investors that the company is performing well so that investors are interested in investing in the company. There are several variables that can affect the value of the company. One of them is the growth of the company.

The higher the growth rate of an enterprise, the higher the value of the enterprise. With the increase in company assets, it is hoped that the company will be able to increase its ability to make a profit so that it will attract investors and ultimately increase the value of the company. This is in line with research conducted by Suastini, et al (2016) and Suryandani (2018) which found that the company's growth has a positive effect on company value. On the other hand, according to Suwadika and Mustanda (2017) the company's growth has a negative influence on the company's growth. This can happen because the faster the company's growth, the greater the funds needed for investment activities. Both the funds obtained from external companies, as well as internal companies. Therefore, the profit generated from the company's operational activities will be used for reinvestment activities not for dividend payments to shareholders. This activity will receive a negative response from investors so that it will reduce the company's share offering in the capital market. Unlike the results of previous studies, Dhani and Utama (2017) did not find evidence of the influence of significant company growth so that company growth could not be used to predict company value.

Any decisions and policies taken by the company can undermine the value of the company. One such policy is the debt policy. According to Pertiwi, et al (2016) debt policy is a company's policy on how far a company uses debt for its funding sources. By acquiring debt as part of funding, the company can generate higher profits than before. This will send a positive signal to investors so that it will increase the value of the company. However, the increasing portion of debt makes the risks borne by the company even greater. A high proportion of debt can pose a risk of bankruptcy if it is not accompanied by an adequate ability to pay off the debt. This will make investors react negatively so that high debt levels can reduce the value of the company. This is supported by the results of research conducted by Bandanuji and Khoirudin (2014) and Septariani (2017) which found that debt policy affects the value of the company. Different results were found by Putri and Rachmawati (2017). In their research, Putri and Rachmawati (2017) did not get evidence that debt policies can affect the value of a company. This can happen because investors do not make the size and size of debt the basis for making investment decisions.

Furthermore, another variable that can affect the value of stocks is the dividend policy. Lumapow and Tumiwa (2017) say dividend policy essentially determines the amount of profit to be distributed to shareholders. In their research, Lumapow and Tumiwa (2017) found that dividend policies have a negative effect on the value of the company. Investors consider that the high payment of dividends reflects the company's inability to properly manage free cash flow. This kind of investor perception will reduce the value of the company. Accordingly, the higher the payment of dividends will reduce the value of the company. In contrast, Prastuti and Sudiartha (2016) found evidence of a significant positive influence of dividend policy. The higher the dividend rate, the more it will increase the value of the company. The market considers that the increase in dividends will signal an improvement in the company's performance both now and in the future. Unlike the previous two studies, research conducted by Anita and Yulianto (2016) did not find evidence of a significant dividend policy influence. This indicates that the high and low dividends distributed by the company are not related to the company's high and low value.

A variable that also affects the value of the company is Profitability. Profitability is a ratio used to assess a company's ability to seek profit. The higher the profitability, the better the performance of an enterprise because the greater the rate of return (return). This will provide a positive signal for shareholders or external parties which will certainly increase the value of the company. Research conducted by Robiyanto, et al (2020) and Nurrahman, et al (2018) found that profitability has a significant effect on company value. This is in contrast to septriana and Mahaeswari's (2019) research which states profitability has no significant effect on the value of companies proxied with tobins'q,

Based on the background description, phenomena and inconsistencies of the results of previous studies described above, this study aims to test the effect of company growth, debt policy, dividend policy, and profitability on the value of the company.

B. LITERATURE REVIEW

Signaling Theory

Signaling theory indicates the existence of information asymmetry between the company's management and interested parties to the information. Signal theory states that a company of good quality will deliberately give a signal to the market, so that the market is expected to be able to distinguish between a company of good quality and a poor quality one (Hartono, 2005: 38). For the signal to be effective, it must be able to be captured by the market and perceived well, and not easily imitated by companies with poor quality (Hartono, 2005: 46). Companies that give good signals will certainly get good value from interested parties, and vice versa when the company gives a bad signal, the response given (in this case it is the value of the company) will also be bad.

Agency Theory

Jensen and Meckling (1976) define an agency relationship as a contract in which one or more parties (principals) recruit another party (agent) to perform duties on behalf of the principal that involve delegating authority in making decisions. If both parties are equally willing to maximize each other's interests then there is good reason to believe that the agent will not always act according to the principal's wishes. According to Nurhasanatang, et al (2020), in the process of maximizing company value, agency problems will occur. In the perspective of agency theory, agents who are at risk of harm and who tend to be self-serving will allocate resources that do not increase the value of the company. This problem indicates

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that the value of the company will increase if the company owner can control management behavior so as not to damage the company's resources. Jensen and Meckling (1976) argue that agency conflicts occur due to separation of ownership and control. Agency conflicts lead to a decrease in the value of the company. The decline in the value of the company will affect the wealth of shareholders so that shareholders will carry out supervisory actions on management behavior.

Company Values

Basically, the establishment of a company is to obtain maximum profits, improve the welfare of shareholders, and maximize the value of the company reflected in its stock price. Measuring the value of a company is very important to do as a benchmark used by investors as a consideration to invest their funds in a company. Company value is the selling price of a company in the form of the market value of debt and equity that prospective buyers are willing to pay.

Company Growth

Hendraliany (2019) stated that the company's growth is highly expected by many parties both internally and externally, because good growth gives a sign for the company's development. The growth of a company is a sign that the company has a profitable aspect, because it is considered capable of making better profits over time. Suastini, et al (2016) said, companies that continue to grow will generally have good prospects. This will be responded positively by investos so that it will increase the stock price. Raising the stock price means that the value of the company has also increased. This is supported by the results of research conducted by Suryandani, (2018) which found evidence that company growth affects the company's value. Companies that have a high growth rate tend to be in demand by investors. In order to be able to do so, the higher the growth rate of the company, the higher the value of the company.

Debt Policy

Debt policy is a policy taken by the company regarding how far the company is financed by debt. Debt is the company's external source of funding to carry out its operational activities. Investors and creditors consider this debt policy to be a positive signal. The company is considered to have good prospects in the future and this can increase the value of the company. The increase in debt is also related to the company's ability to pay off bonds in the future. The higher the debt owned by the company, the greater the opportunity for the company to develop its business. On the other hand, the use of debt that is too high will also increase the risk of the company, where the cost of equity will increase which will further lower the stock price, which means lowering the value of the company. Thus, an increase in debt will increase the value of the company, however, at some point it will be able to lower the value of the company. Septariani (2017), and Bandanuji and Khoirudin (2014) found evidence that debt policy affects the value of companies.

Dividend Policy

According to Lumapow and Tumiwa (2017) dividend policy basically determines the amount of profit to be distributed to shareholders. The dividend payment policy is important because it determines whether the company's cash will be given to shareholders or held back to be reinvested into the company. The dividend payment policy is important because it determines whether the company's cash will be given to shareholders or held back to be reinvested into the company. In their research, Lumapow and Tumiwa (2017) found that dividend policy affects the value of companies. This is in line with the results of research conducted by Bandanuji and Khoirudin (2014) and Septariani (2017) which stated that dividend policies affect the value of the company. Where the high and low dividends paid to shareholders are related to the high and low value of the company.

Profitability

Profitability is the ability of the enterprise to make a profit in the future and is an indicator of the success of the company's operations. The profitability of an enterprise can be used as an indicator to assess whether a company is capable of increasing its profits, which means that it also increases the wealth of its shareholders. In the end, the increase in profitability will give a positive signal to shareholders and will increase the value of the company. Nurrahman (2018) and Robiyanto, et al (2020) in their research found evidence that profitability affects the value of the company**.**

Research Hypothesis

Based on the foregoing, the hypotheses in this study are as follows:
Ha1: It is suspected that the company's growth, debt policy, dividend policy, and profitability while affecting the value of the company
Ha2: It is suspected that the growth of the company affects the value of the company.
Ha3: It is suspected that debt policy affects the value of the company
Ha4: It is suspected that the dividend policy affects the value of the company.
Ha5: Alleged profitability affects the value of the enterprise.

C. RESEARCH METHODOLOGY

Population Samples and Research

The population in this study was property and real estate companies listed on the Indonesia Stock Exchange for the 2016-2020 period as many as 49 companies. Property and real estate companies are chosen because the development and stability of the property and real estate companies market will have a significant impact on social and economic stability. The sampling technique used is purposive sampling with the following criteria: Property and real estate companies listed on the Indonesia Stock Exchange for the 2016-2020 period Companies that have complete financial data for use in research for the 2016-2020 period. Companies that use Rupiah in their financial statements. Based on the above criteria, there were 14 companies selected as samples. Therefore, there are 70 obsessions or observations in this study.

OPerational Variables

Dependent Variables

1. Company Value. The measurement of the value of the company in this study uses Q Tobin because this ratio is considered the best information, since in Q Tobin includes all elements of debt and share capital of the company, not only ordinary shares and not only the equity of the company included but all the assets of the company. The value of the enterprise can be formulated by means of:

$$\text{Tobin's Q} = \frac{Market\ Value\ Equity + \ Debt}{Total\ Assets}$$

Source : (Mediyanti, et al, 2021)

2. Market Value Equity is the market value of a stock obtained from multiplying the number of shares outstanding at the end of the year by the closing share price at the end of the year (also known as the market capitalization value). Debt is the book value of the debt and the total assets are the book value of the total assets of the company.

Independent Variables

1. Company Growth
   In this study, the company's growth variable was measured using the Total Asset Growth (TAG) proxy which compares the current year's total assets minus the previous year's total assets with the previous year's total assets (Aurelian and Lie sha, 2020)

$$\text{TAG} = \frac{Total\ Asset_{(t)} - Total\ Asset_{(t-1)}}{Total\ Assets_{(t-1)}}$$

2. Kebijakan Hutang
   The debt policy proxy in this study is the Debt to Equity Ratio (DER). The purpose of this ratio is to measure the company's ability to repay its debts with existing capital or equity (Setyani, 2018). The debt-to-equity ratio formula is as follows:

$$\text{DER} = \frac{Total\ Kewajiban}{Ekuitas\ Pemegang\ Saham}$$

3. Dividend Policy
   The indicator used to measure dividend policy in this study is *dividend payout ratio* with the following formula :

$$\text{DPR} = \frac{Dividend\ Per\ Share}{Earning\ Per\ Share} \times 100\%$$

4. Profitability
   The size of profitability can be assorted as: operating profit, net profit, rate of return on investments or assets, and the rate of return on the owner's equity. The profitability ratio used in this study is Return on Asset (ROA). To calculate the Return On Asset (ROA) as follows:

$$ROA = \frac{Laba\ Bersih\ setelah\ Pajak}{Total\ Aset} \times 100\%$$

D. RESULT AND DISCUSSION

Model Conformity Test

Chow test is used to choose between the common OLS model or the Most appropriate Fixed Effect Model (FEM) in estimating panel data. Here are the test results:

Table 1 Chow Test

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	7.652019	(13,52)	0.0000
Cross-section Chi-square	74.842955	13	0.0000

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Based on the results of the table above, it can be known that the probability value of 0.0000 < 0.05. Therefore it can be concluded that the test uses a Fixed Effect Model (FEM). Furthermore, it is continued by conducting a Hausman test to choose between a Fixed Effect Model (FEM) or a Random Effect Model (REM).

Table 2 Hausman Tests

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	6.493825	4	0.1652

Based on the table above, it can be known that the probability value of 0.1652 > 0.05. Therefore, it can be concluded that H0 is accepted, that is, testing using the Random Effect Model (REM). Since REM is selected, the next step is to test the Lagrance Multiplierance to choose between a Random Effect Model (REM) and a Common Effect Model (CEM)

Table 3 Lagrance Multiplierance Multiplier test

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	33.75327 (0.0000)	0.749202 (0.3867)	34.50247 (0.0000)
Honda	5.809756 (0.0000)	0.865564 (0.1934)	4.720165 (0.0000)
King-Wu	5.809756 (0.0000)	0.865564 (0.1934)	3.575060 (0.0002)
Standardized Honda	6.853506 (0.0000)	1.299539 (0.0969)	2.352080 (0.0093)
Standardized King-Wu	6.853506 (0.0000)	1.299539 (0.0969)	1.397111 (0.0812)
Gourieroux, et al.	--	--	34.50247 (0.0000)

Based on the table above, it is known that the Breusch-Pagan value is 0.0000 < 0.05 so Ha is accepted. Therefore, it can be concluded that the best model used to test hypotheses in this study is the Random Effect Model (REM). The results obtained are as follows:

Table 4 *Random Effect Model* (REM).

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 05/05/22 Time: 23:23
Sample: 2016 2020
Periods included: 5
Cross-sections included: 14
Total panel (balanced) observations: 70
Swamy and Arora estimator of component variances

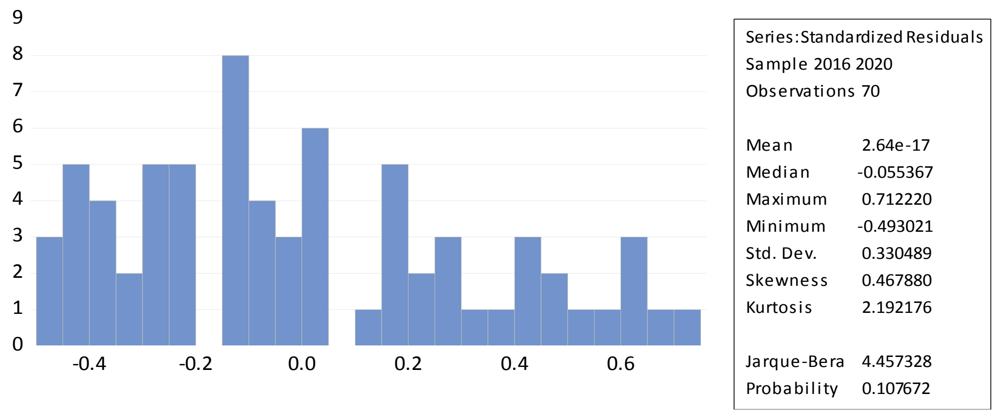
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.835211	0.121148	6.894158	0.0000
X1	0.365600	0.305933	1.195033	0.2364
X2	0.086927	0.097998	0.887037	0.3783
X3	0.083231	0.099071	0.840107	0.4039
X4	2.174555	0.694958	3.129043	0.0026

Based on the table above, then the equation is as follows:

Y= 0,835211 + 0,365600X1 + 0,086927X2 + 0,083231X3 + 2,174555X4 + ε

Test of Classical Assumptions
Normality Test

Penelitian ini menggunakan uji Jarque-Fallow (JB) untuk menguji normalitas residual. Berikut ini adalah hasil tesnya:



Gambar 1 Uji Normalitas

Based on the figure above, it can be known that the prob value is 0.107672 > 0.05. That is, the residual in the study is normally distributed.

Multicholinearity Test

The multicolonierity test aims to test whether in the regression model there is a high or perfect correlation between variables. The following are the results of multicomlinearity testing.

Table 5 Multicholinearity Tests

	X1	X2	X3	X4
X1	1.000000	0.272037	-0.333547	0.075641
X2	0.272037	1.000000	-0.013228	-0.441858
X3	-0.333547	-0.013228	1.000000	0.138058
X4	0.075641	-0.441858	0.138058	1.000000

It says no multicholinearity occurs if the correlation value between all free varabels tested < 0.9. Based on the table above, there is no correlation value of >0.9 so it can be concluded that there is no multicholinearity between the research variables.

Heteroskedasticity Test

The heteroskedasticity test aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another. The heteroskedasticity test used in this study was the Glejser test.

Table 6 Heteroskedasticity Test

Heteroskedasticity Test: Glejser

Null hypothesis: Homoskedasticity

F-statistic	0.976667	Prob. F(4,65)	0.4265
Obs*R-squared	3.968655	Prob. Chi-Square(4)	0.4103
Scaled explained SS	3.154144	Prob. Chi-Square(4)	0.5324

Based on the above results, the prob value. Chi-Square of Obs*R-Squared is 0.4103 > 0.05 so it can be concluded that there is no heteroskedasticity in the study model.

Autocorrelation Test

The autocorrelation test tests whether in a linear regression model there is a correlation between coupling (residual) error in the t period and the error in the t-1 period) (previously). If there is a correlation, then there is a problem of autocorrelation. Based on the model selection test, the model selected in this study is the Random Effect Model (REM).

The REM model uses Generalized Least Square (GLS) as its estimation technique. Nurdin, et al (2018) said, the Generalized Least Square (GLS) method is one of the methods used to overcome the problem of autocorrelation. This means that it can be considered that the REM model is already free from autocorrelation.

Coefficient of Determination Test

The coefficient of determination basically measures how far the model's ability to describe variations in dependent variables is. The value of the coefficient of determination is between zero and one.

Table; 7 Coefficient of Determination Test

Weighted Statistics

Root MSE	0.212465	R-squared	0.175997
Mean dependent var	0.401377	Adjusted R-squared	0.125289
S.D. dependent var	0.235748	S.E. of regression	0.220485
Sum squared resid	3.159897	F-statistic	3.470810
Durbin-Watson stat	1.245287	Prob(F-statistic)	0.012446

From the table above, it is known that the R-squared value is 0.176. The R-squared value reflects the ability of the dependent variable Y which can be described using the free variable X. That is, the ability of the independent variable in explaining the dependent variable is 0.176 or 17.6% while the remaining 82.4% is explained by other variables.

Hypothesis Test

Simultaneous Significance Test (Statistical Test F)

The simultaneous significance test (Statistical test f) shows whether all independent variables included in the model have a joint or simultaneous influence on the dependent variables. Here are the results of the F statistical test:

Table 8 F Test Result

Weighted Statistics

Root MSE	0.212465	R-squared	0.175997
Mean dependent var	0.401377	Adjusted R-squared	0.125289
S.D. dependent var	0.235748	S.E. of regression	0.220485
Sum squared resid	3.159897	F-statistic	3.470810
Durbin-Watson stat	1.245287	Prob(F-statistic)	0.012446

Based on the table of test results above, it is known that the Prob Value (F-statistics) is 0.012446 < 0.05 so it can be concluded that the four independent variables, namely Sales Growth, Debt Policy, Dividend Policy, and Profitability together affect the Company's Value. Therefore, Ha1 is accepted

Partial Parameter Significance Test (Statistical Test T)

Table 9 T Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.835211	0.121148	6.894158	0.0000
X1	0.365600	0.305933	1.195033	0.2364
X2	0.086927	0.097998	0.887037	0.3783
X3	0.083231	0.099071	0.840107	0.4039
X4	2.174555	0.694958	3.129043	0.0026

Based on the table above, it can be known that:

1. The Company's growth (X1) has a t-statistical value of 1.195033 with a significance value of 0.2364.> 0.05 so it can be concluded that the Company's Growth (X1) is insignificant. This makes Ha2 rejected which means that Company Growth (X1) does not have a significant effect on Company Value.
2. Debt Policy (X2) has a t-statistical value of 0.887037 with a significance of 0.3783 > 0.05 which makes Ha3 rejected which means that debt policy (X2) has no effect on the Company's value.
3. The Dividend Policy (X3) has a t-statistical value of 0.840107 with a significance of 0.4039 > 0.05 so it can be concluded that the Dividend Policy (X3) is insignificant. This resulted in Ha4 being rejected which means that the Dividend Policy (X3) has no significant effect on the Company's Value.
4. Profitability (X4) has a t-statistical value of 3.129043 with a significance of 0.0026 < 0.05 which makes Ha5 accepted which means Profitability (X4) has a positive influence on Company Value.

Research Discussion

Effect of Company Growth, Debt Policy, Dividend Policy, and Profitability simultaneously on Company Value

Based on the test results, it is known that the value of Prob (F-statistic) is 0.012446 < 0.05 so it can be concluded that simultaneously the variables of Company Growth, Debt Policy, Dividend Policy and Profitability affect the value of the company. Companies with good growth will generally have good prospects. This will increase the stock price and in the end the value of the company will also increase. Every decision and policy taken by the company can affect the value of the company. One such policy is the debt policy. By acquiring debt as part of funding, the company can generate higher profits than before. This will send a positive signal to investors so that it will increase the value of the company.

Another policy that can increase the value of the company is the dividend policy. The higher the dividend rate, the more it will increase the value of the company. The market considers that the increase in dividends will signal an improvement in the company's performance both now and in the future. pay dividends when going to buy shares of the company.

Profitability is a ratio used to assess a company's ability to seek profit. A company's Return On Asset (ROA) can be used as an indicator to assess whether a company is capable of increasing its profits, which means it also increases the wealth of its shareholders. The greater the ROA indicates the better the performance of the company, because the greater the rate of return.. This will provide a positive signal for shareholders or external parties which will certainly increase the value of the company.

The Effect of Company Growth on Company Value

Based on partial testing of the influence between Company Growth and Company Value, a significance value of 0.2364> 0.05 was obtained, which means that Company Growth does not affect the value of the company. If you look at the calculation results, it can be seen that in 2020 there were seven sample companies with negative growth. The Covid-19 pandemic seems to have played a role in the decline in the growth of property and real estate companies in 2020. However, this did not have a significant effect on the rise and fall of the company's value in 2020. Similarly, when the growth of the company increases, this will not necessarily increase the value of the company. According to Dewi and Candradewi (2018) if the company's growth is high, the funds needed for the company's operational activities are also high. When the company focuses on the growth of the company, it will use all its funds to finance the growth of the company and not pay attention to the welfare of shareholders.

Effect of Dividend Policy on Company Value

Based on the test results of part of the effect of Debt Policy on Company Value, a significance value of 0.3783 > 0.05 was obtained. This means that the Debt Policy has no effect on the Value of the Company. This can happen because investors do not use the size and size of debt as the basis for making investment decisions.

Sukmawardini and Ardiansari (2018) said investors are more interested in the amount of profit the company earns regardless of the amount of debt the company has. In their research, Sukmawardini and Ardiansari (2018) million did not find evidence that debt levels affect the value of the company. The use of debt must be managed properly. The higher the proportion of debt that the company sets at a certain level, the higher the value of the company. However, if the level of debt exceeds the specified proportion of debt, then what happens is a decrease in the value of the enterprise. Therefore, investors do not make money policy the basis for making investment decisions.

The Effect of Profitability on Company Value

Based on the test results, it was found that part of the evidence that Profitability affects the value of the company with a significance value of 0.0026 < 0.05. From the results of previous tests, it is known that profitability has a constant value of 2.174555 so that it has a positive direction of influence. That is, the higher the profitability of an enterprise, the higher the value of the enterprise.

Profitability is a ratio used to assess a company's ability to seek profit. Profitability can be used as an indicator to assess whether a company is capable of increasing its profits, which means also increasing the wealth of its shareholders. From that profit will be determined how much profit is distributed and how much profit will be owned. The greater the ROA indicates the better the company's performance, because the greater the rate of return.. This will provide a positive signal for shareholders or external parties which will certainly increase the value of the company.

Horne and Wachowicz (2005:222) in Suwardika and Mustanda (2017) say that if a company has high profitability, it means that the company works efficiently and effectively in managing the company's wealth to make a profit every period. This will certainly increase investors' interest in buying company shares. The effect of profitability on the rise and fall of the company's value indicates that in making investment decisions investors consider the company's ability to make more profit from debt policy, dividend policy or company growth.

E. CONCLUSION

1. Based on the results of this study, it can be concluded that:
2. Simultaneously, the Company's Growth, Dividend Policy, Debt Policy, and Profitability affect the Company's Value. Companies with good growth will generally have good prospects. This will increase the stock price and in the end the value of the company will also increase. The level of debt can affect the high and low value of the enterprise. The higher the proportion of debt that the company sets at a certain level, the higher the value of the company. The higher the dividend rate, the more it will increase the value of the company. The market considers that the increase in dividends will signal an improvement in the company's performance both now and in the future. pay dividends when going to buy shares of the company. The greater the profitability indicates the better the performance of the enterprise, since the rate of return is greater. This will provide a positive signal for shareholders or external parties which will certainly increase the value of the company.
3. The Company's growth has no effect on the Company's Value. The growth rate of the company does not have a significant influence on the rise and fall of the company's value. If the company's growth is high, the funds needed for the company's operational activities are also high. When the company focuses on the growth of the company, it will use all its funds to finance the growth of the company and not pay attention to the welfare of shareholders.
4. The Debt Policy has no effect on the Value of the Company. This can happen because investors do not use the size and size of debt as the basis for making investment decisions. Investors are more interested in the amount of profit that the company earns regardless of the amount of debt held by the company. The use of debt must be managed properly. The higher the proportion of debt that the company sets at a certain level, the higher the value of the company. However, if the level of debt exceeds the specified proportion of debt, then what happens is a decrease in the value of the enterprise. Therefore, investors do not make money policy the basis for making investment decisions.
5. The Dividend Policy has no effect on the Value of the Company. This indicates that the high and low dividends distributed by the company are not related to the company's high and low value. This proves that investors tend to like returns in the form of capital gains compared to dividends. The opposite of what is stated in the Bird in The Hand theory, where on the contrary, investors prefer returns in the form of dividends compared to capital gains.
6. Profitability has a positive effect on Company Value. Profitability is a ratio used to assess a company's ability to seek profit. Profitability can be used as an indicator to assess whether an enterprise is capable of increasing its profits. The greater the profitability indicates the better the performance of the enterprise, since the rate of return is greater. This will provide a positive signal for shareholders or external parties which will certainly increase the value of the company. The effect of profitability on the rise and fall of the company's value indicates that in making investment decisions investors consider the company's ability to make a profit compared to debt policy, dividend policy or company growth.

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