

The Influence of Capital Structure, Profitability, Tax Planning, and Dividend Policy on the Value of Basic Material Manufacturing Companies in the 2021-2024 Period

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ABSTRACT

This study aims to determine the "Effect of Capital Structure, Profitability, Tax Planning, and Dividend Policy on Company Value." Where the independent variables in this study consist of Capital Structure, Profitability, Tax Planning, and Dividend Policy proxied by *Debt to Equity Ratio* (DER), *Return on Equity* (ROE), *Effective Tax Rate* (ETR), and *Dividend Payout Ratio* (DPR) and the dependent variable is Company Value proxied by *Price to Book Value* (PBV). This study uses a quantitative approach with a sampling technique, namely *purposive sampling*, which resulted in 15 companies from a population of 113 over four years, resulting in 60 research samples. The data analysis method used is panel data regression analysis processed using *E-views* 13. The test results show that simultaneously DER, ROE, ETR, and DPR have a significant effect on PBV. Partially, DER, ROE, ETR, and DPR do not have a significant effect on PBV of *basic material manufacturing* for the period 2021-2024.

Keywords: *Capital Structure, Profitability, Tax Planning, Dividend Policy, Company Value*

INTRODUCTION

The manufacturing industry plays a crucial role in the Indonesian economy, contributing to economic growth, job creation, and increasing the competitiveness of the national industry.

This is reflected in the classification of industries listed on the Indonesia Stock Exchange (IDX). According to *Trading Economics data*, Indonesia's manufacturing GDP increased from IDR 559 trillion in 2021 to IDR 672 trillion in 2024. Furthermore, data from the Ministry of Investment/BKPM shows that investment in the manufacturing industry increased from IDR 325.4 trillion in 2021 to IDR 721.3 trillion in 2024, indicating significant growth over four years. This increase in investment is influenced by several factors, including an increase in the number of companies. According to data from the Indonesia Stock Exchange (IDX), registered manufacturing companies continued to experience an upward trend from 2021 to 2024. The number of manufacturing companies listed on the IDX in 2021 was 476, and in 2024, it reached 602. This is what makes the manufacturing industry the industry with the largest number of companies in Indonesia.

The manufacturing industry consists of several sectors, one of which is the basic materials sector. This sector encompasses various types of raw materials, including coal, metals, and minerals, which are used in the production of various industrial products (Muflihah and Pamungkas, 2024). Furthermore, this sector is a prominent one, as evidenced by the increase in the number of companies in the basic materials sector from 2021 to 2024. The basic materials sector has the third-largest number of companies in the manufacturing industry, behind the Consumer Non-Cyclical and Consumer Cyclical sectors.

Table 1. Number of Manufacturing Companies Listed on the IDX in 2024

No	Manufacturing Industry	Number of Companies
1	Consumer Cyclical	164
2	Consumer Non-Cyclical	131
3	Basic Material	113
4	Energy	91
5	Industrial	65
6	Healthcare	38
TOTAL		602

Source: Indonesia Stock Exchange (IDX)

Despite being in third place in terms of number of companies, the basic materials sector, in terms of market capitalization, had the highest market capitalization in the manufacturing industry in 2024.

Table 2. Market Capitalization Value of Manufacturing Industry 2021-2024

No	Manufacturing Industry	Year			
		2021	2022	2023	2024
1	Energy	549.95 T	1,182.84 T	1,254.6 T	1,405.87 T

2	Basic Material	849.02 T	928.28 T	988.2 T	1,953.24 T
3	Industrial	384.38 T	411.88 T	432.38 T	369.7 T
4	Consumer Non-Cyclical	1,037.17 T	1,157.54 T	1,189.84 T	1,089.53 T
5	Consumer Cyclical	378.04 T	356.35 T	370 T	409.82 T
6	Healthcare	252.91 T	249 T	285.63 T	259.28 T

Source: Financial Services Authority (OJK)

Based on market capitalization data for the manufacturing industry from 2021 to 2024, the basic materials sector showed significant growth and even had the highest market capitalization compared to other manufacturing sectors in 2024. This indicates a high level of investor confidence in the long-term prospects of companies in this sector. The increase in market capitalization in the basic materials sector reflects an increase in company value as perceived by investors.

According to Novita *et al.* (2022), firm value is a shareholder assessment of a company's performance, which is usually reflected in its share price. Meanwhile, Muren and Pangaribuan (2023) state that firm value is one of the benchmarks used by investors to invest their capital. Thus, firm value can be defined as a reflection of how investors analyze a company's performance and future opportunities as a basis for investment decisions.

Company value is influenced by various internal company factors, including capital structure, profitability, tax planning, and dividend policy (Taufiq and Trianti, 2021). Capital structure is an effort to finance the company in the long term, both internally and externally (Zul Bay *et al.*, 2023). Effective capital structure management can help companies achieve ideal financial conditions, thereby increasing company value. In previous research results, there are inconsistencies in research regarding the effect of capital structure on company value. Previous research shows that capital structure has a significant effect on company value (Angelina and Wahyuni, 2025; Santika *et al.*, 2024), while (Agustin *et al.*, 2024; Haswandy and Friyani, (2024) found that capital structure does not have a significant effect on company value.

Profitability describes a company's ability to generate profits by using available resources efficiently and effectively. A high level of profitability indicates that a company can achieve maximum profits, thereby increasing investor confidence in the company's prospects. There is also inconsistency in previous research regarding the effect of profitability on firm value. Previous studies (Luis, 2022; Santika *et al.*, 2024) found profitability to have a significant effect on firm value, while (Agrivina and Lutfi, 2025; Saragih and Forever, 2024) found profitability to have an insignificant effect on firm value.

Tax planning is a company's effort to properly manage its tax obligations and avoid violating applicable tax regulations. Through proper tax planning, companies can legally minimize their tax burden, thereby increasing their after-tax profits. Inconsistent research

findings also exist regarding the effect of tax planning on firm value. Previous research by (Luis, 2022; Purnomo *et al.* , 2024) showed that tax planning had no significant effect on firm value. Meanwhile, research by (Anggriani *et al.* , 2025; Dewi *et al.* , 2026) indicates that tax planning significantly impacts firm value.

Dividend policy is a decision made by a company regarding whether the profits earned will be distributed to shareholders in the form of dividends or retained as earnings to fund the company's future growth (Antari *et al.* , 2022) . This decision can influence investor decisions regarding the company and ultimately impact the company's value. Research conducted by (Hidayat, 2024; Purnomo *et al.* , 2024) found that dividend policy significantly influences company value. Meanwhile, research by (Puspitaningrum and Hanah, 2024; Wuryanti and Burhanudin, 2026) showed that dividend policy does not significantly influence company value.

Researchers conducted research at the Indonesia Stock Exchange (IDX) with a focus on *basic materials manufacturing companies* . This was based on the researchers' view that *basic materials manufacturing companies* have high market capitalization values. Furthermore, *basic materials* also have large capital requirements, dependency on raw materials, and high sensitivity to changes in economic conditions and commodity prices. These characteristics make the dynamics of company value in *the basic materials sector* more complex and interesting to study. Furthermore, this study also follows up on recommendations from previous research that suggested the need to re-examine the effects of capital structure, profitability, tax planning, and dividend policy on company value in different objects and sectors (Taufiq and Trianti, 2021) .

Based on this description, this study focuses on analyzing the "Effect of Capital Structure, Profitability, Tax Planning, and Dividend Policy on the Value of *Basic Material Manufacturing Companies* for the 2021–2024 Period."

METHOD

This research uses quantitative methods. According to Waruwu *et al.* (2025), quantitative research methods play a crucial role in scientific studies, particularly in producing objective and measurable data. This approach is typically applied to answer research questions that require analysis focused on numbers and statistics.

Secondary data is the type of data used in this study, according to Sallis *et al.* , (2021) secondary data is a data source that does not directly provide data to data collectors, the data can be obtained through third parties or through documents. In this study the data used is the financial report data of *basic material manufacturing companies*. *The population of this study is all basic material manufacturing companies* listed on the IDX for the 2021-2024 period, namely 113 companies. In determining the sample, the researcher used a *purposive sampling* method which was measured from several criteria including:

1. *Basic material* sector manufacturing companies listed on the IDX for the 2021-2024

period .

2. A manufacturing company in *the basic materials sector* that published its financial report on the IDX for the 2021-2024 period.
3. A manufacturing company in *the basic materials sector* that uses the rupiah currency in its financial reports .
4. A manufacturing company in *the basic materials sector* that recorded profits in the 2021-2024 period .
5. A manufacturing company in *the basic materials sector* that distributed dividends in the 2021-2024 period.

From purposive sampling measured by the 5 criteria, 15 companies were obtained with an observation period from 2021-2024 (four years), so that the number of samples in this study was 60.

Table 3. Research Variables and Indicators

Category	Variables	Indicators & Codes
Independent Variables		
X1	Capital Structure	Debt to Equity Ratio (DER) (Zul Bay et al ., 2023)
X2	Profitability	Return on Equity (ROE) (Haswandy and Friyani, 2024)
X3	Tax Planning	Effective Tax Rate (ETR) (Sandra et al ., 2022)
X4	Dividend Policy	Dividend Payout Ratio (DPR) (Rahma and Andhani, 2025)
Dependent Variable		
Y	Company Values	Price to Book Value (PBV) (Debora, 2021)

The framework was developed based on a literature review and research objectives by describing the relationship between capital structure, profitability, tax planning and dividend policy on firm value (Figure 1).

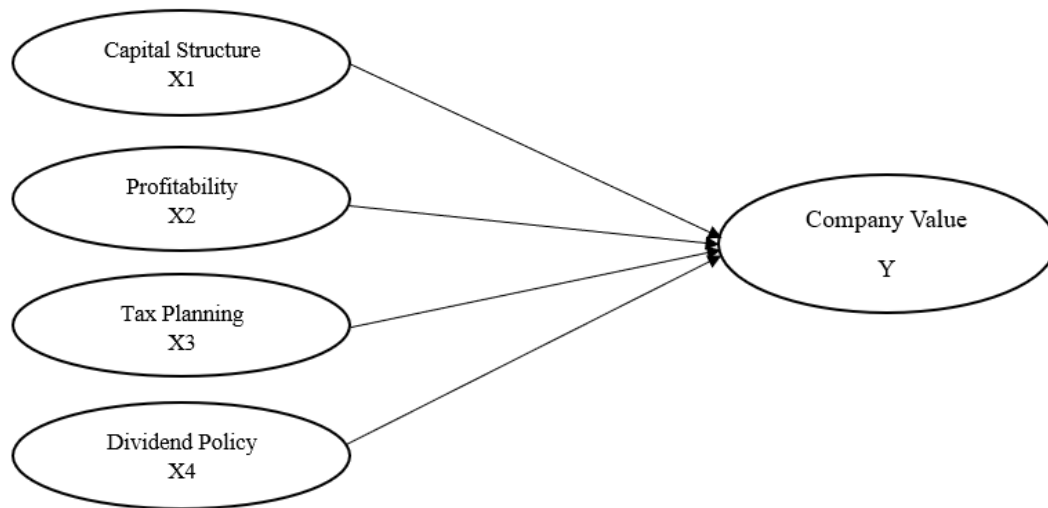


Figure 1. Research Conceptual Framework

1. Operational Variables and Measurement

A. Independent Variables

- a. Capital Structure (X1): Proxied use *Debt to Equity Ratio* (DER) (Zul Bay *et al* ., 2023)

$$DER = \frac{\text{Total Utang}}{\text{Total Ekuitas}}$$

- b. Profitability (X2): Proxied using *Return on Equity* (ROE) (Haswandy and Friyani, 2024)

$$ROE = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Ekuitas}} \times 100\%$$

- c. Tax Planning (X3): Proxied using *Effective Tax Rate* (ETR) (Sandra *et al* ., 2022)

$$ETR = \frac{\text{Beban Pajak Penghasilan}}{\text{Laba Sebelum Pajak}}$$

- d. Dividend policy (X4): Proxied using *the Dividend Payout Ratio* (DPR) (Rahma and Andhani, 2025)

$$DPR = \frac{\text{Total Dividen Tunai}}{\text{Laba Bersih}}$$

B. Dependent Variable

- a. Firm Value (Y): Proxied using *Price to Book Value* (PBV) (Debora, 2021)

$$PBV = \frac{\text{Harga Saham per Lembar}}{\text{Nilai Buku per Lembar Saham}}$$

2. Relationship Between Variables

A. The Influence of Capital Structure on Company Value

Zul Bay et al., (2023) defines capital structure as a company's long-term financing efforts, both internally and externally. Previous research indicates that capital structure, as measured by the debt-to-equity ratio (DER), significantly impacts firm value (Taufiq and Trianti, 2021).

H1: It is assumed that the Capital Structure is proxied using Debt to Equity Ratio (DER) has a significant impact on the value of manufacturing companies in the basic material sector listed on the IDX for the 2021-2024 period.

B. The Influence of Profitability on Company Value

Adhyasta and Sudarsi (2023) define profitability as a company's ability to generate profits from utilizing its assets. Previous research indicates that profitability, as measured by return on equity (ROE), significantly influences firm value (Manggale and Widyawati, 2021).

H2: It is assumed that Profitability is proxied using Return on Equity (ROE) has a significant effect on the value of manufacturing companies in the basic material sector listed on the IDX for the 2021-2024 period.

C. The Influence of Tax Planning on Company Value

Hakki et al., (2023) stated that tax planning is a method of tax management carried out in an appropriate, efficient, and economical manner. This approach is implemented by companies and organizations that interact to achieve maximum profits while still contributing to the tax sector. Previous research indicates that tax planning, as proxied by the Effective Tax Rate (ETR), has a significant effect on company value (Sandra et al., 2022).

H3 : It is suspected that Tax Planning is proxied using Effective Tax Rate (ETR) has a significant influence on the value of manufacturing companies in the basic material sector listed on the IDX for the 2021-2024 period.

D. The Effect of Dividend Policy on Company Value

Dividend policy is a decision made by a company regarding whether to distribute profits to investors in the form of dividends or retain them to fund the company's future earnings (Antari et al., 2022). Previous studies have shown that dividend policy, as measured by the dividend payout ratio (DPR), significantly impacts firm value (Novianti et al., 2022).

H4: It is assumed that Dividend Policy is proxied using The Dividend Payout Ratio (DPR) has a significant impact on the value of basic material manufacturing companies listed on the IDX for the 2021-2024 period.

E. The Influence of Capital Structure, Profitability, Tax Planning and Dividend Policy on Company Value

This hypothesis states that capital structure, profitability, tax planning, and dividend policy simultaneously influence the value of manufacturing companies in the basic materials sector. These four factors can influence investor assessments of a company, thus impacting its value. Based on the description above, the hypotheses proposed in this study are:

H5: It is suspected that Capital Structure (DER), Profitability (ROE), Tax Planning (ETR) and Dividend Policy (DPR) simultaneously have a significant effect on the Firm Value (PBV) of basic material manufacturing companies listed on the IDX for the 2021-2024 period.

RESULTS AND DISCUSSION

1. Description of Research Object

This study uses a quantitative method with secondary data obtained from the financial reports of basic material manufacturers listed on the Indonesia Stock Exchange (IDX) for the 2021-2024 period.

The sample was determined using purposive sampling in accordance with the criteria established in the research methodology. Based on this selection process, 15 companies were selected as samples from a population of 113, multiplied by the four-year research period, resulting in 60 samples.

2. Descriptive Statistical Analysis

Descriptive statistical analysis aims to provide an overview of the characteristics of the research data (Table 4).

Table 4. Results of Descriptive Statistical Analysis

Variables	N	Minimum um	Maximum	Mean	Standard Deviation
DER (X1)	60	0.040	1,760	0.617	0.429
ROE (X2)	60	0.960	32,660	10,203	7,028
ETR (X3)	60	0.030	0.530	0.229	0.088
DPR (X4)	60	0.280	18,140	3,559	3,306
PBV (Y)	60	0.180	6,710	1,205	1,054

Source: Data processed using *E-views* 13 (2026)

3. Panel Data Regression Model Selection

appropriate estimation model. The panel data regression model used includes the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The best model was determined using the Chow and Hausman tests, followed by the Lagrange Multiplier test if necessary. The results of the model selection are presented in the following table.

Table 5. Chow Test Results

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

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.452908	(14,41)	0.0010
Cross-section Chi-square	46.733116	14	0.0000

Table 6. 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	21.904426	4	0.0002

Source: Data processed using *E-views* 13 (2026)

Based on Table 5 and Table 6 which show both prob values below 0.05, it can be concluded that both tests consistently choose the Fixed Effect Model (FEM). Therefore, there is no need to carry out the Lagrange multiplier test (Susanto et al., 2024). So that all subsequent hypothesis tests use the Fixed Effect Model.

4. Classical Assumptions

With the Fixed Effect Model selected, classical assumption tests were performed, including multicollinearity and heteroscedasticity tests. This is consistent with the characteristics of panel data regression using the Fixed Effect Model, where normality and autocorrelation tests are not essential requirements.

A. Multicollinearity Test

This test was carried out using a correlation matrix with the criteria of the correlation coefficient value between independent variables being no more than 0.85 (Table 7).

Table 7. Multicollinearity Test Results

	X1	X2	X3	X4
X1	1.000000	-0.005773	0.409612	0.193890
X2	-0.005773	1.000000	-0.365078	0.100013
X3	0.409612	-0.365078	1.000000	-0.087864
X4	0.193890	0.100013	-0.087864	1.000000

Source: Data processed using *E-views* 13 (2026)

The results of the correlation coefficient of X1 and X2 are $-0.005773 < 0.85$, X1 and X3 are $0.409612 < 0.85$, X1 and X4 are $0.193890 < 0.85$, X2 and X3 are $-0.365078 < 0.85$, X2 and X4 are $0.100013 < 0.85$, and X3 and X4 are $-0.087864 < 0.85$. So it can be concluded that it is free from Multicollinearity or passes the Multicollinearity test.

B. Heteroscedasticity Test

The heteroscedasticity test was conducted to determine whether there was any imbalance in the residual variance in the panel data regression model. This study used the Glejser method by regressing the absolute value of the residual against the independent variable. If the probability value of the independent variable is less than 0.5, the model is indicated to be experiencing heteroscedasticity. (Table 8)

Table 8. Glejser Test Results

Dependent Variable: ABS(RESID)				
Method: Panel Least Squares				
Date: 08/25/26 Time: 18:10				
Sample: 2021 2024				
Periods included: 4				
Cross-sections included: 15				
Total panel (balanced) observations: 60				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.442571	0.270490	1.636185	0.1095
X1	0.238775	0.280568	0.851042	0.3997
X2	-0.033112	0.014145	-2.340865	0.0242
X3	0.278020	0.650571	0.427348	0.6714
X4	0.009145	0.016039	0.570152	0.5717

Source: Data processed using *E-views* 13 (2026)

the glejser test indicate that variables X1, X3 and X4 have a probability value > 0.05 , while variable X2 has a probability value of 0.0242 which is < 0.05 . This condition indicates an indication of heteroscedasticity based on the glejser test. Thus, the next Fixed Effect model estimation is carried out using White Period (Cross-section Cluster) Robust Standard Errors.

The use of White Period (Cross-section Cluster) is a robust covariance approach designed to create standard errors that are robust to heteroscedasticity and serial correlation in cross-section units. (Riset et al., 2026). With this approach, the regression coefficients remain using the Fixed Effect Model estimation, while the standard error, t-statistic, and coefficient probability are adjusted based on a robust covariance matrix. Thus, the results of the hypothesis testing refer to the standard error that has been corrected for potential violations of the heteroscedasticity assumption.

Thus, parameter significance testing is performed based on robust standard errors, resulting in more reliable estimation results. (Table 9)

Table 9. White Period Results (Cross-section Cluster)

Dependent Variable

Table 9. Continued

Method: Panel Least Squares

Date: 08/26/26 Time: 10:43

Sample: 2021 2024

Periods included: 4

Cross-sections included: 15

Total panel (balanced) observations: 60

White period (cross-section cluster) standard errors & covariance (df corrected)

Standard error and t-statistic probabilities adjusted for clustering

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.504774	1.318971	1.140869	0.2731
X1	0.506999	0.639684	0.792576	0.4412
X2	-0.045602	0.077172	-0.590915	0.5640
X3	0.255593	1.620442	0.157730	0.8769
X4	-0.057775	0.051050	-1.131741	0.2768

Source: Data processed using *E-views* 13 (2026)

The estimation results show that the regression model is estimated using Panel Least Squares with Cross-section Fixed Effect and White Period (Cross-section Cluster) Robust Covariance . Based on the estimation output, the regression coefficient of each variable of capital structure (DER) is 0.506999, profitability (ROE) is -0.045602, tax planning (ETR) is 0.255593, and dividend policy (DPR) is -0.057775. The standard error, t-statistic, and probability values have been adjusted using the cluster-robust covariance method so that statistical inference no longer relies on the assumption of constant residual variance.

Based on these results, the use of White Period (Cross-section Cluster) Robust Standard Errors can improve the reliability of statistical inferences on the research model by providing corrections to standard errors if there are indications of heteroscedasticity. Therefore, the regression estimation results in this study are considered more robust than those using conventional standard errors.

5. Panel data regression equation

The estimation results using the Fixed Effect Model (FEM) with White Period (Cross-section Cluster), obtained the panel data regression equation as follows:

$$Y = 1.504 + 0.507 \cdot X1 - 0.046 \cdot X2 + 0.255 \cdot X3 - 0.058 \cdot X4$$

The regression equation indicates the relationship between the independent variables, consisting of capital structure (DER), profitability (ROE), tax planning (ETR), and dividend policy (DPR), and firm value (PBV). The interpretation of each regression coefficient is as follows:

- a. The constant value of 1.504 indicates that if the variables DER (X1), ROE (X2), ETR (X3), and ETR (X4) are considered constant or have a value of zero, then the PBV variable (Y) is 1.504.
- b. The regression coefficient value of the DER capital structure variable (X1) is 0.507, indicating a positive relationship. This means that, assuming the value of other independent variables is constant (*ceteris paribus*) and variable X1 increases by one unit, then the PBV variable (Y) will increase by 0.507 units. Likewise, assuming the value of other independent variables is constant (*ceteris paribus*) and variable X1 decreases by one unit, then variable Y will decrease by 0.507 units.
- c. The regression coefficient value of the ROE profitability variable (X2) is -0.046, indicating a negative relationship. This means that assuming the value of the other independent variables is constant (*ceteris paribus*) and the X2 variable increases by one unit, the PBV (Y) variable will decrease by 0.046 units. Likewise, assuming the value of the other independent variables is constant (*ceteris paribus*) and the X2 variable decreases by one unit, the Y variable will increase by 0.046 units.
- d. The regression coefficient value of the ETR tax planning variable (X3) is 0.255, indicating a positive relationship. This means that assuming the value of the other independent variables is constant (*ceteris paribus*) and the X3 variable increases by one unit, the PBV (Y) variable will increase by 0.255 units. Conversely, assuming the value of the other independent variables is constant (*ceteris paribus*) and the X3 variable decreases by one unit, the Y variable will decrease by 0.255 units.
- e. The regression coefficient value of the DPR dividend policy variable (X4) is -0.058, indicating a negative relationship. This means that assuming the value of the other independent variables is constant (*ceteris paribus*) and the variable X4 increases by one unit, the PBV variable (Y) will decrease by 0.058 units. Likewise, assuming the value of the other independent variables is constant (*ceteris paribus*) and the variable X4 decreases by one unit, the variable Y will increase by 0.058 units.

Based on the regression equation, it can be seen that capital structure and tax planning have a positive relationship with firm value, while profitability and dividend policy have a negative relationship. However, the direction of the regression coefficients only indicates the tendency of the relationship between the variables and cannot be used as a basis for concluding an influence. Therefore, hypothesis testing is necessary to determine the significance of each independent variable on the dependent variable.

6. Hypothesis Testing

A. Coefficient of Determination Test

The coefficient of determination essentially aims to measure the extent to which a model can explain variations in the dependent variable. The coefficient of determination can be measured using the Adjusted R-Squared. The following are the results of the coefficient of determination test in this study:

Table 10. Results of the Determination Coefficient Test

R-squared	0.718749
Adjusted R-squared	0.595274
SE of regression	0.670558
Sum squared residual	18.43555
Log likelihood	-49.73439
F-statistic	5.820971
Prob(F-statistic)	0.000002

Source: Data processed using *E-views* 13 (2026)

Based on the research results above, it is known that the Adjusted R-Squared value is 0.595274, the coefficient of determination value explains that the independent variables consisting of (DER, ROE, ETR and DPR) are able to explain the dependent variable (PBV) of basic material manufacturing by 59.5274% while the remainder is 40.4726%.

B. F Significance Test (Simultaneous Test)

Simultaneous test done to determine how much the independent variables influence the dependent variable together or simultaneously. The hypothesis of the simultaneous test is:

H0: The independent variables together do not have a significant effect on the dependent variable.

Ha: The independent variables together have a significant effect on the dependent variable.

Based on this hypothesis, to determine whether or not the independent variables simultaneously influence the dependent variable, the prob value can be seen. If the prob value is <0.05 , it means that the independent variables simultaneously have a significant effect on the dependent variable. Conversely, if the prob value is >0.05 , the independent variables simultaneously do not have a significant effect on the dependent variable. The following are the results of the F-Significance test (Simultaneous Test):

Table 11. Results of the Determination Coefficient Test

R-squared	0.718749
Adjusted R-squared	0.595274
SE of regression	0.670558
Sum squared residual	18.43555
Log likelihood	-49.73439
F-statistic	5.820971
Prob(F-statistic)	0.000002

Source: Data processed using *E-views* 13 (2026)

The results of the study above show that the probability value of Prob (F-statistic) is 0.000002, which means the prob value is below the significance value of 0.05. Therefore, it can be concluded that H_a is accepted and H_0 is rejected, which means that the independent variables simultaneously have a significant effect on the dependent variable.

C. Significance Test t (Partial Test)

The hypothesis of the partial test in this study is as follows:

H1: The capital structure variable (DER) has a significant effect on the company value variable (PBV).

H2: The profitability variable (ROE) has a significant effect on the company value variable (PBV)

H3: The tax planning variable (ETR) has a significant effect on the firm value variable (PBV).

H4: The dividend policy variable (DPR) has a significant effect on the company value variable (PBV).

Based on this hypothesis, to determine whether or not the independent variable has an influence on the dependent variable, its probability value (Prob) can be seen. If the probability value is <0.05 , it means the independent variable has a significant influence on the dependent variable. Conversely, if the probability value is >0.05 , the independent variable does not have a significant influence on the dependent variable. The following are the results of the t-test (partial) in this study:

Table 12. Partial Test Results

Dependent Variable: Y				
Method: Panel Least Squares				
Date: 08/26/26 Time: 10:43				
Sample: 2021 2024				
Periods included: 4				
Cross-sections included: 15				
Total panel (balanced) observations: 60				
White period (cross-section cluster) standard errors & covariance (df corrected)				
Standard error and t-statistic probabilities adjusted for clustering				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.504774	1.318971	1.140869	0.2731
X1	0.506999	0.639684	0.792576	0.4412
X2	-0.045602	0.077172	-0.590915	0.5640
X3	0.255593	1.620442	0.157730	0.8769
X4	-0.057775	0.051050	-1.131741	0.2768

Source: Data processed using E-views 13 (2026)

Based on the results of the t-test above, it can be concluded that the partial influence of the independent variable on the dependent variable is as follows:

a. The effect of capital structure DER (X1) on company value PBV (Y)

The results of the study above show that the DER probability value is 0.4412, which means that the probability value is above the significance value of 0.05, namely $0.4412 > 0.05$, meaning that H1 is rejected, so it can be concluded that the capital structure variable (DER) does not have a significant effect on Company Value (PBV).

b. The effect of ROE profitability (X2) on company value PBV (Y)

The results of the study above show that the probability value of ROE is 0.5640, which means that the probability value is below the significance value of 0.05, namely $0.5640 < 0.05$, meaning that H2 is rejected, so it can be concluded that the profitability variable (ROE) does not have a significant effect on Company Value (PBV).

c. The effect of ETR tax planning (X3) on company value PBV (Y)

The results of the study above show that the ETR probability value is 0.8769, which means that the probability value is above the significance value of 0.05, namely $0.8769 > 0.05$, meaning that H3 is rejected, so it can be concluded that the tax planning variable (ETR) does not have a significant effect on Company Value (PBV).

d. The influence of DPR dividend policy (X4) on company value PBV (Y)

The results of the study above show that the DPR probability value is 0.2768, which means that the probability value is above the significance value of 0.05, namely $0.2768 > 0.05$, meaning that H4 is rejected, so it can be concluded that the DPR dividend policy variable does not have a significant effect on Company Value (PBV).

7. Discussion

A. The Influence of Capital Structure (DER) on Company Value (PBV)

The partial test results (t-test) show that the capital structure variable (DER) obtained a regression coefficient value of 0.506999 with a probability value of 0.4412, greater than the 0.05 significance level. These results indicate that capital structure does not significantly influence firm value. Therefore, the first hypothesis (H1), which states that capital structure has a significant effect on firm value, is rejected.

The insignificant DER effect on PBV indicates that changes in the level of debt usage compared to equity are not yet a direct determinant of a company's value on a material basis. In other words, an increase or decrease in DER during the observation period is not strong enough to change investors' assessment of the company. This situation occurs because the use of debt has two sides: it can be used to finance operational and investment activities, but at the same time, it also increases the company's liabilities and financial risk. Therefore, investors should not only look at the DER level but also consider how the debt is used and the company's ability to manage its obligations.

Basic materials are characterized by significant capital requirements, dependence on raw materials, and high sensitivity to changes in economic conditions and commodity prices. Under such conditions, the same DER level does not necessarily have the same impact on each company's prospects, as companies' abilities to generate revenue and manage financial risks

can vary. Furthermore, basic materials also require significant financing for operational and investment activities, so the use of debt is not always viewed as a positive signal by investors.

This research is in line with the research results (Agustin et al., 2024; Haswandy and Friyani, (2024) which stated that capital structure does not affect company value.

B. The Effect of Profitability (ROE) on Company Value (PBV)

The partial test results show that the profitability variable (ROE) has a regression coefficient of -0.045602 with a probability value of 0.5640, greater than 0.05. Thus, profitability has no effect on firm value, thus rejecting the second hypothesis (H2).

This research shows that a company's ability to generate profits based on equity is not a direct determinant of its value. This is because a company's profitability level does not necessarily reflect its ability to maintain that performance in subsequent periods. Investors should consider the sustainability of a company's profits and prospects, not just the ROE for a given period.

basic materials companies is predominantly influenced by changes in commodity prices, raw material costs, economic conditions, and industry demand levels. These conditions can cause company profits to fluctuate over time. Therefore, an increase in ROE in a given period is not necessarily viewed as a strong enough signal by investors if it does not demonstrate the company's ability to maintain its performance sustainably. Furthermore, *basic materials companies* generally require substantial investment and capital to support operational activities and business capacity development.

Thus, the insignificant ROE in this study suggests that investors in *basic materials companies* focus not only on the current period's return on capital but also consider the company's long-term prospects, performance stability, and market conditions. This could also be attributed to the sector's characteristics, which have high market capitalization and relatively complex dynamics. In 2024, the *basic materials sector* even recorded the highest market capitalization among manufacturing industries.

This research is in line with the findings (Agrivina and Lutfi, 2025; Saragih and Forever, 2024) which states that profitability does not have a significant effect on company value.

C. The Effect of Tax Planning (ETR) on Company Value (PBV)

The results of the partial test show that the tax planning variable (ETR) has a regression coefficient of 0.255593 with a probability value of 0.8769, greater than 0.05. Thus, tax planning does not have a significant effect on company value, so the third hypothesis (H3) is rejected.

Research shows that changes in a company's effective tax rate are not yet a primary factor used by investors in determining company value. This may be because the benefits of tax planning are not always immediately visible in a company's market value. While tax management can help companies control their tax burden, investors still consider various other factors, such as the company's profitability, operational conditions, financial risks, and growth

prospects. Basic materials companies, this situation is even more pronounced because they face significant capital requirements and changing economic conditions and commodity prices. These characteristics make investors focus not only on tax efficiency but also on the company's ability to maintain operations and cope with changing market conditions.

This research is in line with the findings (Luis, 2022; Purnomo et al ., 2024) which states that tax planning does not have a significant effect on company value.

D. The Effect of Dividend Policy (DPR) on Company Value (PBV)

The partial test results show that the dividend policy variable (DPR) has a regression coefficient of -0.057775 with a probability value of 0.2768, greater than 0.05. Therefore, profitability has no effect on firm value, thus rejecting the fourth hypothesis (H4).

These findings indicate that the size of dividends distributed by a company is not yet a primary factor influencing company value. This situation may occur because investors consider not only the profits received in the form of dividends but also the use of company profits to support future business activities. The basic materials sector , which requires substantial funding for production, requires internal funding sources to support business activities for long-term company sustainability. Therefore, changes in the DPR (Regional Dividend Payout Ratio) are not necessarily immediately followed by changes in the PBV (Price to Payout Ratio), as investors can see that retained earnings also provide benefits to the company, particularly for financing expansion and investment.

This research is in line with the findings of (Puspitaningrum and Hanah, 2024; Wuryanti and Burhanudin, 2026) which state that dividend policy does not have a significant effect on company value.

E. The Influence of Capital Structure, Profitability, Tax Planning, and Dividend Policy on Company Value

Based on the results of the simultaneous test (F-test), the Prob(F-statistic) value was obtained at 0.000002, which is smaller than the 0.05 significance level. Thus, capital structure (DER), profitability (ROE), tax planning (ETR), and dividend policy (DPR) simultaneously have a significant effect on company value. Therefore, the fifth hypothesis (H5) is accepted.

These results indicate that although DER, ROE, ETR, and DPR do not significantly influence PBV partially, these four variables together are still able to explain changes in company value. Thus, company value is not determined by a single factor, but rather by a combination of various financial aspects. The capital-intensive nature of basic materials companies , their significant investment needs, and their sensitivity to changes in commodity prices and global economic conditions, leads investors to evaluate companies holistically.

Thus, the significant simultaneous test results do not contradict the insignificant partial test results. The t-test results indicate that no variable individually has a significant effect on firm value, while the F-test results indicate that DER, ROE, ETR, and DPR together have a

significant effect on PBV. This demonstrates the importance of integrated financial management in increasing and maintaining the value of basic materials companies.

CONCLUSION

This study concludes that capital structure, profitability, tax planning, and dividend policy simultaneously significantly influence the value of basic material manufacturing companies in the 2021-2024 period. However, partially, the variables of capital structure, profitability, tax planning, and dividend policy do not significantly influence firm value. This finding suggests that firm value is not significantly influenced by each variable individually but rather by several variables collectively.

Based on this research, companies are advised to continue improving profitability through more efficient operational management to increase company value. Future research is recommended to expand the observation period and incorporate other variables that could potentially influence company value, such as company size, liquidity, company growth, and macroeconomic factors, to obtain a more comprehensive model. This study is limited by its observation period of only four years, making it difficult to fully generalize.

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