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The Effect of Profitability, Company Size, Capital Structure on Companies Value and *Corporate Governance* as Moderation Variables

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ABSTRACT

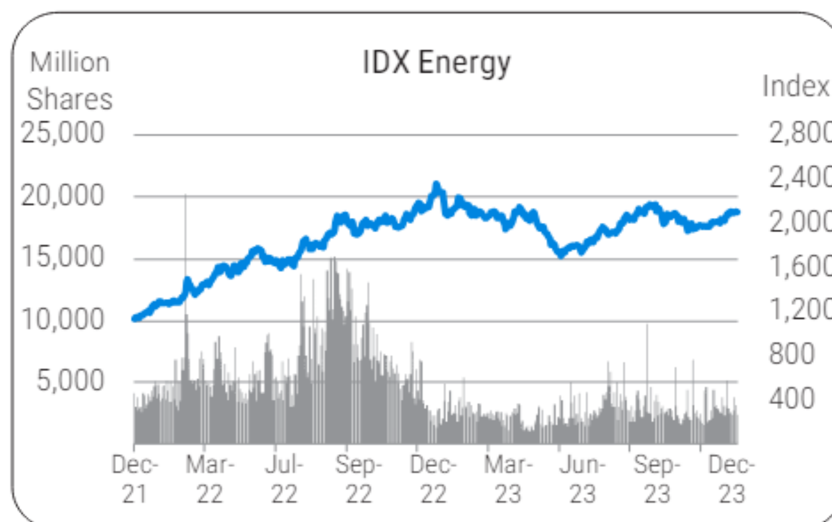
The purpose of this study is to examine the influence of Profitability, Company Size, Capital Structure on the value of Good Corporate Governance companies as moderation variables in the energy sector listed on the Indonesia Stock Exchange in 2020-2023. The sample of this study was selected using the purposive sampling method. This study looked at 14 companies in the energy sector. The content analysis method is used to collect information about the company's value in the company's annual financial report. This study shows that Profitability has no effect on company value, Company Size has no effect on company value, Capital Structure has no effect on company value, and Managerial Ownership has no effect on company value.

Keywords: Profitability, Company Size, Capital Structure, Managerial Ownership, and Company Value

INTRODUCTION

In the increasingly competitive business world, many companies must be able to maintain their business continuity. This competition arises from the increasing number of new companies that have similar but different capabilities and innovations. The existing competition requires companies to always follow modern trends and develop their businesses in facing existing challenges. To achieve the company's goals in the future, company managers are also required to compete and manage all company activities to increase the company's value. (Hanun et all*.,* 2023). Company value is an investor's view of the success rate of a company that allows the company to provide maximum wealth to shareholders by increasing its share price. On the other hand, maximizing the company's value in the long term is the company's main goal. In principle, the value of a company can be measured based on several factors. One way is by using the stock price of a company. This is because the stock price of a company reflects the overall investor's assessment of each stock (Nurcahyono & Purwanto, 2024).

The value of a company that is influenced by the stock price can affect investors because if a stock is considered to have a high value, investors can give a positive assessment. The value of a company is characterized by considering the level of investment that is valuable to investors. An increase in stock prices can increase the value of a company. Companies that *go public* have a company value that can be explained by the supply and demand value of the stock price in the listing section of the stock exchange chapter. Increasing the value of a company means success and prosperity for its shareholders, which can also improve the company's reputation (Khansa et al., 2022; Roqijah et al., 2022). Maximizing the value of a company is a key goal of financial management and can be achieved if the company has good financial performance and capital structure. Macroeconomic factors are external factors that can affect financial performance, capital structure and company value. Unstable macroeconomic conditions generally have a negative impact on a company's value. Poor financial performance and poor capital structure decisions reflected in financial statements reduce investor demand for the company's shares. (Lestari & Al Ghani, 2020).



Based on data from the Indonesia Stock Exchange (IDX), the energy stock sector since the beginning of the year has weakened by 10.02% to rank 2nd. Meanwhile, stocks whose prices are still strong and support the energy sector index are TCPI and DSSA. On the other hand, stocks that weigh on this sector include PT Medco Energy

Internasional Tbk (MEDC), PT Indika Energy Tbk (INDY), and BYAN. Right now, in my opinion, it's just a residual effect of the rise in oil prices in the last two years," Desmond said. The previous increase in coal prices was thought to be caused by the geopolitical situation between Russia and Ukraine which caused disruptions in energy supplies in several countries and triggered a crisis. Analysts are optimistic that as long as demand from China remains strong, the sector remains attractive and Indonesia still has room to meet demand from China. "Therefore, there is support in the market," explained CGS-CIMB Securities Indonesia Analyst Peter Steja in Money Buzz, Tuesday (April 18, 2023). For example, in the first trading session today, Tuesday, April 18, 2023, ADRO's share price rose 4.9 percent and closed at 3. In the last session, ADMR's share price decreased by 4.76%. Overall, ITMG's share price is around 11.18%. However, ITMG's share price still increased by 16.57% last year (Sukesti et al., 2024). Our fundamentals remain the same this year. After the quarterly results are released, investors can try to rotate the sector to the equity sector that performed well earlier this year. Therefore, we can switch to other sectors that are performing well, such as BFI Finance Tbk (BFIN) and Adaro Minerals Tbk (ADMR), he concluded.

The profitability ratio is used to measure the level of profit of a company because it is expected that a company will be able to achieve goals that have been set and designed in advance. The profitability of a company shows the amount of net profit earned if it makes a profit. The bigger a company, the greater the company's ability to pay dividends. Improving a company's ability to pay dividends can attract investors and show a company's good performance, because the company's value is reflected in its ability to generate profits (Fajaria, 2018). Research conducted by Munzir et al (2023), Hanun et al (2023), and Ambarwati & Vitaningrum (2021) shows that profitability has a positive effect on a company's value, because profitability reveals a company's performance, gets a positive response from investors, and can increase a company's value. Meanwhile, according to Robiyanto et al (2020), Hidayat & Khotimah (2022), and Khotimah et al (2023), profitability has a negative effect on the company's value. This is because the view of investors does not make profitability a parameter for assessing the company's performance, thus giving rise to the view that profitability is not a guarantee to increase the company's value.

The size of a company reflects the total assets of a company. Based on their size, existing companies can be divided into two categories of businesses: small and medium enterprises and large enterprises. The size and scale of a company are suspected of affecting the value of the company. Companies both large and small are always in the spotlight of investors because the size of the company determines the level of trust that investors enjoy. The bigger a company is, the more known it will be to the general public and investors. The size of a company can be known from the total company assets used to fund the company's operations. (Damayanti & Darmayanti, 2023). Previous research conducted by several researchers examining the influence of company size on company value has yielded mixed results. The results of research by Irawati et al (2022), Damayanti & Darmayanti (2022), and Setiawati et al (2023) found in their research that company size has a positive effect on company value. Meanwhile, research conducted by Prasetyo & Hermawan (2023), Novitasari & Krissnando (2021) shows that company size has a negative effect on company value.

Capital structure is an important thing because the good and bad have a direct impact on the financial condition of a company and ultimately on the value of the company. A capital structure is a combination of debt, preferred shares, or common shares that a company wants to include in its capital structure (Yanti & Darmayanti, 2019). The capital structure is the result of funding decisions and basically determines whether a company uses debt or equity to finance its activities. Capital structure is a comparison between

total debt and total equity. Capital structure theory explains that a company's financial policy in determining its capital structure with a combination of debt and equity aims to optimize the company's value (Wardani et al., 2021). Several studies have been conducted to examine the influence of capital structure on company value, but there are different conclusions. Research conducted by Setiawati et al (2023), Nurhaliza & Azizah (2023) and Prasetyo & Hermawan (2023) shows that capital structure has a positive effect on the value of companies. Meanwhile, research according to Damayanti & Darmayanti (2022), Irawati et al (2022) and Ayem & Ina (2023) shows that capital structure has a negative effect on the value of companies.

Based on previous research on the influence of profitability, company size and capital structure on company value, there are still inconsistencies between variables. Researchers believe that there is a variable that strengthens or weakens this influence, namely *good corporate governance* as a moderation variable. The implementation of good corporate governance is expected to balance various interests to generate profits for the company (Nurcahyono et al., 2023a; Timoty et al., 2023). Good corporate governance is chosen as a moderation variable because corporate governance variables determine the direction of company performance and help create trust in the community and become the foundation for the development of a company (Puspitasari & Ermayanti, 2019). This research is a form of development replication of research conducted by Hanun et al (2023) on the influence of social responsibility, profitability and intellectual capital on company value with *good corporate governance* as a moderation variable. The difference with the study of Hanun et al (2023) is that the researcher followed the advice of previous research by changing the independent variables and the measurement ratio. The research variables used are profitability, company size, and capital structure. This study still uses *the variable of good corporate governance*, namely managerial ownership, as a moderation variable such as research conducted by Puspitasari & Ermayanti (2019) which states that corporate governance has a positive influence on company value.

LITERATURE REVIEW

Agency Theory

The agency *theory* was put forward by Jensen & Meckling (1976) to explain how the relationship between company managers and shareholders is. Agency theory describes the interaction between agents and clients. The agent plays the role of a person who is entrusted with carrying out tasks that are beneficial to the company, while the principal is the party who rewards the agent and entrusts him with the management of funds in the hope of making a profit in the future (Jensen & Meckling, 1976). Agency theory also explains that agency conflicts can arise due to the separation of control and ownership in a company. The separation between management and customers can create conflicts of interest in some situations (Jensen & Meckling, 1976). Agency relationship refers to the existence of a contractual relationship between an agency and a client, where the client represents decision-making responsibilities to the agent (managing director) based on an agreed business agreement (Jensen & Meckling, 1976). In this case, the shareholders theoretically enter into a contract with the management that aims to achieve the shareholders' objectives, the management is given the authority to make decisions in the best interests of the shareholders. Agency theory also focuses on information inequality that can lead to opportunistic behavior because managers have access to more information. In contrast, shareholders have limited access to information making it difficult for them to monitor management actions.

Relationship theory *agency* between profitability, company size, capital structure, and managerial ownership structure to the value of the company. High profitability reflects

the company's ability to generate profits. The higher the company's profitability, the more the company's value will increase (Dina & Wahyuningtyas, 2022). The larger the size of a company, the greater the attention of the principal (shareholders) and the higher the agency fee. Therefore, managers will comply with shareholders and disclose more information to reduce agency costs (Widayanti & Rikah, 2021). The existence of a capital structure will be able to suppress *agency problem. Agency problem* can be reduced by the existence of debt (Chandrarin & Cahyaningsih, 2019). Managerial ownership plays a role as a balancing factor between the interests of management and shareholders (Ajiza & Mar'ah, 2019). Based on the description above, it can be concluded that by analyzing profitability, company size, capital structure, and managerial ownership structure, it can be used to predict factors that affect the value of companies in the energy sector. The analysis aims to find out whether there are changes in the increase or decrease in the value of companies in the energy sector and this is a signal for investors to make investments.

Company value is an investor's perception of the success rate of a company and is generally related to its stock price. When the stock price is high, the value of the company also increases and stakeholders have high confidence in the company's current performance and good future prospects. Company value is an indicator of the market valuation of a company as a whole. This is because a high company value indicates high shareholder wealth (Jufrizen & Fatin. 2020). Profitability reflects the company's success in obtaining profits. Profitability plays an important role for investors in assessing a company which reflects how well profit growth in a company is. High profitability reflects a company's ability to make a profit. The higher the profitability of a company, the value of the company will increase. The higher the rate of return on investment, the better the reflection of a company to generate a return on company assets (Dina & Wahyuningtyas, 2022).

Company size is an indicator that shows a characteristic or a condition of the company where there are parameters or gauges used to measure the size of a company. The size of a company is calculated by a natural logarithmic assessment of the total assets owned by the company because the total assets are very large when compared to other financial variables. The size of the company also has a significant influence on the assessment of financial statement users in making investment decisions and decisions in providing guarantees (Dewi & Ekadjaja, 2020). The capital structure is related to the use of funds both from within and outside the company. Capital structure is very important because it is related to the financial condition of a company. A good capital structure is a prerequisite for achieving equilibrium (Herianto et al., 2023; Muhimatul Ifada et al., 2024). Companies can make strategic decisions regarding the optimal capital structure to maximize the wealth of their shareholders with risks and returns that can maximize the company's value (Aslindar & Lestari, 2020).

Managerial ownership is the number of shares owned by the manager against the total share capital of the company he manages. The greater the managerial ownership, the more persistent the executive team is in optimizing its performance and the greater the responsibility they have to achieve the goals. There are two roles of managers in business ownership. In other words, as a manager and as a shareholder. In these two roles, managers want the company to avoid financial difficulties or bankruptcy. In addition, managers also increase management involvement within the company by improving relationships between people and shareholders. Managers also facilitate more effective decision-making and increase shareholder value (Ni et al., 2022).

The effect of profitability on company value
Profitability is one of the main indicators of a company's performance. Increased profitability shows that the company's management (agents) are successfully running operations well, generating higher profits, and managing costs efficiently. This good performance tends to increase investor confidence and, increase the value of the company. Agency theory suggests that by aligning interests between principals and agents through appropriate incentive and oversight mechanisms, management will be more motivated to make decisions that increase profitability and, indirectly, company value. When managers (agents) receive incentives attributed to the company's long-term performance, such as stock options or performance-based bonuses, they will be more likely to take actions that increase the company's value. Agency fees are costs that arise as a result of a conflict of interest between the principal and the agent. These costs include the cost of supervision, incentives, and other control mechanisms.

High profitability can help reduce agency costs by creating enough surplus to cover those costs. By lowering agency costs, a company can increase its net worth, which is reflected in a higher company value. Consistent and increased profitability indicates that the company is well managed, which increases investor confidence. Investors tend to value more profitable companies higher, so the company's stock price and market value increase (Hastuti et al., 2024; Nurcahyono et al., 2023b). Agency theory plays a role in ensuring management works in accordance with the interests of shareholders, which supports profitability and, ultimately, the value of the company through good control and supervision mechanisms suggested by agency theory, companies can ensure more efficient use of resources. This operational efficiency can increase profitability, which in turn increases the company's value.

Overall, the relationship between profitability and agency theory has a significant impact on the value of the company. By reducing conflicts of interest between principals and agents, increasing the effectiveness of incentives, and managing agency costs, companies can increase their profitability, which in turn increases the company's value in the eyes of investors and the market. (Dina & Wahyuningtyas, 2022). This statement is supported by research by Hanun et al (2023), Akbar & Fahmi (2020) and Saputri & Giovanni (2021) profitability has a positive effect on the value of a company because profitability can show the performance of a company that can attract a positive response for investors and then be able to increase the value of the company.
H1: Profitability has a positive effect on the value of the company.

The effect of company size on company value
Larger companies tend to have more complex organizational structures and a more diverse range of business lines. This complexity increases the potential for conflicts of interest between principals and agents. Management (agents) in large companies may have more opportunities to act in their own interests than the interests of shareholders (principals). Therefore, the implementation of effective control and incentive mechanisms is becoming increasingly important in large companies to ensure management decisions are aligned with the increase in corporate value. In larger companies, agency costs tend to be higher due to the need for more sophisticated oversight, audit, and incentive systems (Gufranita et al., 2022; Kristianingrum et al., 2022). Stricter oversight and a good incentive system are needed to reduce opportunistic behavior from management. These high agency costs can reduce profitability if not managed properly, thus affecting the company's value. Large companies can often take advantage of economies of scale, which can improve profitability and operational efficiency.

With this increase in efficiency, large companies have the potential to increase the value of the company. However, to achieve economies of this scale, management must ensure

that they manage the company in an efficient and effective manner, which again requires appropriate control and incentive mechanisms according to agency theory. Large companies often have a more diversified business portfolio, which can reduce overall risk and make revenue streams more stable. This stability can increase investor confidence and, thus, increase the value of the company. However, management needs to be monitored to ensure that diversification is done for the benefit of shareholders, not to expand management power or to take unnecessary risks. Large companies are often under public scrutiny and stricter regulation. Higher transparency and compliance with these regulations can reduce the risk of opportunistic behavior from management, increase investor confidence, and ultimately, increase company value.

The application of good corporate governance practices, as suggested by agency theory, becomes very important here. Large companies typically have easier access to the capital markets, which allows them to obtain funds at a lower cost. This better access to capital can be used for profitable investments, increasing profitability and company value. However, the management of the funds obtained must be done carefully to avoid unproductive investments or waste (Nurcahyono & Sinarasri, 2023). Overall, company size plays an important role in the relationship between agency theory and company value. In large companies, the implementation of effective control and incentive mechanisms, agency cost management, as well as the utilization of economies of scale and risk diversification, all contribute to the increase in corporate value (Noviliyan, 2016). This statement is supported by research by Irawati et al (2022) and Damayanti & Darmayanti (2022) which states that company size has a positive effect on company value.

H2: The size of the company has a positive effect on the value of the company.

The effect of capital structure on the value of a company

The capital structure of a company, which consists of debt and equity which can create a conflict of interest between shareholders (principals) and creditors (agencies). Shareholders may be tempted to take higher risks because they receive benefits if the investment is successful, while creditors cover most of the losses if the investment fails. This can lead to opportunistic behavior from management that seeks to increase value for shareholders at the expense of creditors. The use of debt in a capital structure can result in agency costs arising from the risk of bankruptcy and the need to manage relationships with creditors (Kristiana et al., 2021; Setiawan et al., 2021). These costs include supervision fees by creditors, restrictions through debt covenants, and potential bankruptcy costs. However, debt can also serve as a discipline tool for management, forcing them to be more efficient and avoid unproductive spending due to the pressure to meet interest and principal obligations.

According to agency theory, the use of debt can reduce agency costs associated with excess cash. If management has easy access to cash, they may be tempted to invest those funds in unprofitable projects or in their personal interests. Debt can serve as a discipline tool, forcing management to use funds wisely and focus on projects that increase the company's value. The optimal capital structure is one that minimizes the total cost of capital and agency costs, while maximizing the value of the company. In the context of agency theory, this means finding the right balance between debt and equity that reduces the agency's conflicts of interest and costs, both between shareholders and management, as well as between shareholders and creditors. This optimal capital structure can vary depending on the industry, market conditions, and the specific characteristics of the company. The use of debt can affect a company's value through its influence on cash flow, risk, and management incentives.

Agency theory suggests that moderate leverage can increase a company's value by reducing agency costs and forcing management to be more efficient. However, too high leverage can increase the risk of bankruptcy and bankruptcy costs, which can lower the value of the company. The capital structure also affects management incentives and compensation structures. Management that is incentivized based on the company's performance (for example, through stock options) may be more motivated to make decisions that increase the company's value. However, these incentives must be balanced with a capital structure that reduces the risk of moral hazard and ensures that management remains focused on the long-term interests of shareholders. Overall, capital structure plays an important role in the relationship between agency theory and company value. By effectively managing the capital structure, companies can reduce conflicts of interest and agency costs, improve management discipline, and maximize company value. This statement is supported by research conducted by Setiawati et al (2023), Novitasari & Krissnando (2021), and Nurhaliza & Azizah (2023) showing that capital structure has a positive effect on the value of a company.
H3: Capital structure has a positive effect on the value of the company.

The effect of profitability on company value through managerial ownership
When managers own shares in a company, their interests are more aligned with those of other shareholders. This is because they directly benefit from increased company value. Therefore, managers tend to be more motivated to increase profitability, which in turn can increase the company's value. Managerial ownership can reduce conflicts of interest between managers (agents) and shareholders (principals). Managerial ownership can reduce agency costs by reducing opportunistic behavior and encouraging managers to act in the interests of shareholders. When managers own a significant portion of a company's equity, they are more likely to focus on sustainable, long-term performance, which increases the company's profitability and value.

Managers who own shares in the company have direct financial incentives to improve the company's performance. This can increase their dedication and motivation to achieve profitability targets, which can ultimately increase the company's value. These strong incentives ensure managers work hard to achieve positive outcomes for the company. Significant managerial ownership can affect managers' attitudes towards risk. Managers who own a lot of stocks may be more conservative in their risk-taking because they have more at stake. Conversely, if their holdings are too low, they may take unnecessary risks because they don't have enough incentives to hedge the company's value. Balanced managerial ownership can help managers make wise decisions that increase the company's profitability and value (A'yun et al., 2022). When a manager owns a stake in the company, it can give investors a positive signal about the management's commitment to the company's success. Investors tend to trust companies whose management owns shares, which can increase the company's market value.

High profitability, combined with significant managerial ownership, can increase investor confidence and, in turn, increase the value of the company. While managerial ownership is generally beneficial, over-holdings can also pose problems. Managers with very large holdings may feel too secure in their positions and less responsive to other shareholders. This can reduce the pressure to increase the profitability and value of the company. Therefore, it is important to have the right balance in managerial ownership. Overall, managerial ownership moderates the relationship between profitability and company value by aligning the interests of managers with shareholders, reducing agency costs, increasing incentives and motivations, and influencing managers' attitudes toward risk and business decisions (Rahma et al., 2022). Optimal managerial ownership can increase the profitability and value of the company in a sustainable and balanced way.

H4: Managerial ownership strengthens the relationship between profitability and company value.

The effect of company size on company value through managerial ownership
In large companies, conflicts of interest between management and shareholders can be more prominent due to the complexity and scale of operations. Managerial ownership can help align the manager's interests with shareholders, ensuring that the manager is focused on increasing the company's value. With managers who own shares, they are more likely to make decisions that benefit shareholders, even though large companies are more difficult to manage. Large companies need more sophisticated control and supervision systems to ensure management acts in accordance with the interests of shareholders. Managerial ownership can reduce the need for strict external control because managers themselves have financial incentives to maximize the value of the company. This can reduce supervision costs and improve operational efficiency, which ultimately increases the company's value. Managers with significant ownership in large companies may be more cautious about taking large risks that could harm the company. They tend to take wiser and longer-term oriented decisions, which is essential for the success and stability of large companies. This can increase the value of the company by maintaining long-term stability and growth. Managerial ownership can increase managers' commitment to the long-term performance of large companies.

In large companies, long-term performance is crucial because investment decisions and strategies often have a broader impact and take longer to realize. Managers who own stocks tend to focus more on achieving long-term targets that increase the company's value on a sustainable basis. Significant managerial ownership in a large company can give investors a positive signal about management's commitment to the company's success. Investors tend to trust large companies whose management owns shares, which can increase the market value of the company (Evia et al., 2022). This trust is important in large companies that often need access to the capital markets for funding. In large companies, agency issues can be more complicated due to longer management hierarchies and more complex division of responsibilities.

Managerial ownership can help alleviate these agency problems by providing direct incentives to managers to act in the interests of shareholders. This can reduce opportunistic behavior and improve operational efficiency, ultimately increasing the company's value. While managerial ownership is generally beneficial, in large companies, too high ownership can also create problems such as resistance to change or innovation, and potential lack of accountability because managers feel too secure in their positions (Agustin et al., 2023). Therefore, it is important to ensure the right balance of ownership in order to maximize benefits and reduce potential problems. Overall, managerial ownership moderates the relationship between company size and company value by helping to align interests, increase control and oversight, manage risk, and increase commitment to long-term performance. In large companies, optimal managerial ownership can contribute significantly to an increase in the value of the company.
H5: Managerial ownership strengthens the relationship between the size of the company and the value of the company.

The effect of capital structure on the value of the company through managerial ownership
Managers who own shares in a company tend to have interests that are more similar to those of other shareholders. This can reduce conflicts of interest between management and shareholders, especially in decisions related to capital structure. Managers who own shares may be more likely to support a capital structure that minimizes the cost of capital and increases the value of the company, as they directly benefit from an increase in the

value of the shares. Managerial ownership can provide additional incentives to managers to manage capital structures in a way that reduces the company's capital costs (Agustin et al., 2023; Timoty et al., 2022). For example, managers who own stocks may be more likely to choose a combination of debt and equity that optimizes the company's cost of capital, which in turn can increase the company's value. Managers with significant shareholdings may be more conservative in taking risks associated with capital structures. They will be more careful in choosing a safe debt level and considering the impact on the company's financial stability. This can help reduce the risk of bankruptcy and increase the company's value in the long run.

Significant managerial ownership can increase management's credibility in the eyes of investors. Investors may have more faith in a company whose management owns shares, as this indicates a greater commitment to the company's long-term success. This can reduce the company's capital costs and increase market value. In the context of corporate governance, significant managerial ownership can be considered good practice (Khasanah & Nurcahyono, 2021; Timoty et al., 2022). This is because shareholding can encourage managers to act more transparently and responsibly towards shareholders, which in turn can increase the company's value. However, there are also potential problems associated with significant managerial ownership, such as potential greater personal interests, resistance to change, or conflicts with creditors' interests. Therefore, it is important to strike the right balance in managerial ownership in order to maximize its benefits to the company's value without sacrificing the company's long-term interests.
H6: Managerial ownership strengthens the relationship between capital structure and company value.

RESEARCH METHOD

This study uses quantitative research with a descriptive approach. The quantitative descriptive approach in this study is a study that shows variables supported by data in the form of numbers and measurable. The purpose of this study is to determine the influence of profitability, company size, capital structure and managerial ownership on the value of energy companies listed on the Indonesia Stock Exchange (IDX) in the period of 2020-2023. The population of this study is energy companies listed on the Indonesia Stock Exchange in 2020-2023, the sampling method used is purposive sampling. The operational definition of variables is as follows:

Table 1. Variable Operations

Variable	Measurement
Company values	Tobin's Q = $\frac{MVS+D}{TA}$
Profitability	$ROA = \frac{Laba\ Bersih}{Total\ Asset}$
Company size	Company Size = $Ln\ Total\ Asset$
Capital structure	DER = $\frac{Total\ Utang}{Total\ Ekuitas}$
Managerial ownership	KM = $\frac{Jumlah\ Saham\ yang\ dimiliki\ Manajemen}{Total\ Saham\ Beredar} \times 100\%$

The data analysis in this study used multiple linear regression analysis. The regression equation is as follows.

$$NP=\alpha + \beta1(prof) + \beta2(size) + \beta3(SM) + \beta4(prof)(KM) + \beta5(size)(KM) + \beta6(SM)(KM) + \epsilon$$

Based on the regression equation above, NP is a dependent variable of this study in the context of company value. α shows the value of the constant, β is the regression coefficient of each independent variable in this study, namely profitability (ROA), company size (SIZE), capital structure (DER), and managerial ownership (KM). While e represents the error value.

RESULTS

Descriptive statistics are statistics that aim to provide an overview and describe the object of research using data from a sample or population, without conducting analysis or drawing generally accepted conclusions. Descriptive statistics can see the distribution of data through min, max, mean and standard deviation values. The results of the descriptive statistical test show that the company's value shows a standard deviation of 0.05717 This variable has the highest value of 3.49 and the lowest value of 3.29 and the average value of 3.3875. A standard deviation that is smaller than average indicates that it has a small or homogeneous data distribution. The average value that is close to the highest value illustrates that the majority of companies in the energy sector tend to have high corporate values.

Table 2. Descriptive Statistical Test

Variable	Minimum	Maximum	Mean	Std. Deviation
LN_NP	3.29	3.49	3.3875	0.05717
LN_Prof	-4.61	7.95	-1.9085	2.74329
LN_SIZE	2.43	3.36	2.9157	0.24714
LN_SM	-1.77	2.38	0.2779	1.01542
LN_KM	-4.61	1.91	-2.2594	2.57343

The profitability variable has a range between the highest value of 7.95 and the lowest value of -4.61. This variable has a standard deviation value of 2.74329 and an average of -1.9085 which shows that the higher the profitability of a company, the higher the company's profit. The company size variable had the lowest value of 2.43 and the highest value of 3.36. This variable yields an average of 2.9157 with a standard deviation of 0.24714. A standard deviation of a smaller than average value indicates that the distribution of variable data on firm size is small or homogeneous. An average value that is close to the highest value indicates that the company has large assets, because generally the larger the number of company assets, the larger the size of the company.

The capital structure variable has a range between the highest value of 2.38 and the lowest value of -1.77. This variable has a standard deviation value of 1.01542 and an average of 0.2779 which indicates that a standard deviation greater than the mean value indicates that the data distribution of the variable capital structure is large or heterogeneous. The managerial ownership variable had the lowest value of -4.61 and the highest value of 1.91. This variable has a standard deviation value of 2.57343 and

an average value of -2.2594. An average value close to the highest value means that managerial shareholding in the sample is still very high, so managerial shareholding to control the company.

Table 3. Multiple Linear Regression Test

Variable	Beta	Sig
Profitability	0.203	0.273
Company size	0.376	0.004
Capital structure	-0.262	0.066
Managerial ownership	0.350	0.090

DISCUSSION

The Effect of Profitability on Company Value

Based on table 2, it can be seen that based on the results of the SPSS output, the research shows that the profitability variable has a beta of 0.203 and a significant value of 0.273 > 0.05. From these results, there is no clear relationship between the profitability variable and the company's value. Therefore, the first hypothesis (H1) that states that profitability has a positive effect on the value of the company **is rejected**. This is in line with research conducted by Ambarwati & Vitaningrum, 2021 which has a negative and insignificant effect on the company's value. The measurement of GCG through profitability shows that the higher the company's governance, the higher the financial performance referred to in small expenses and high income for the company (Anisa et al., 2022; Caroline et al., 2023).

The effect of the company size board on the value of the Company

Based on the results of the SPSS, the test on the company size has a beta of 0.376 and a significant value of 0.004> 0.05. Therefore, the second hypothesis (H2) which assumes that the Board of Directors has a positive effect on the company's performance **is accepted.** The larger the size of a company, the more effective the company's operations can run. The larger a company will attract investors to invest in the company. Therefore, the size of the company affects the value of the company. This research supports the agency theory that explains that the larger the size of a company, the greater the agency cost and can trigger concerns by shareholders (Nurcahyono et al., 2021). Information related to the size of the company can also be used as a basis for investors in making investment decisions and checking whether the company's financial statements are presented honestly. The results of this study are in line with the findings of Irawati et al., 2022 and Damayanti & Darmayanti, 2022 which stated that company size plays an important role in company value. The larger the size of the company, the more investors will be interested in investing their assets in the company.

The effect of capital structure on the value of the Company

Based on the results of SPSS, the test results on the capital structure have a beta of -0.262 and a significant value of 0.06 > 0.05. Therefore, the third hypothesis (H3) which assumes that capital structure has a positive effect on the value of a company **is rejected.** It can be said that the capital structure has no effect on the value of the company. This means that the higher the capital structure, the lower the value of the company, so that the value of the assets of a company financed by high-interest debt has a high risk of repayment of obligations as well. As a result, managers will carry out

profit management which has an impact on decreasing the integrity of financial statements. This study is not in accordance with the agency theory which explains that conflicts of interest occur between agents and principals, which is not proven in this study where the higher the leverage, the longer the reporting process and the longer the time it takes, triggering managers to manipulate financial statement data (Putra et al., 2021). The high debt ratio does not cause managers to manipulate to display healthy financial statements, but it also does not make them act cautiously in presenting financial statements, so high or low leverage does not affect the integrity of financial statements. The results of this study are in line with the findings of Prasetyo & Hermawan (2023) which proves that capital structure has no effect on the company's value, because the company can still control and pay off its debts with high profits.

The Influence of Managerial Ownership on Company Value
Based on the test results, it shows that managerial ownership has a beta value of 0.350 and a significant value of 0.090> 0.05. From these results, there is no clear relationship between the variables of managerial ownership and company value. Therefore, the hypothesis (H4) that states that managerial ownership has a positive effect on the value of the company **is rejected**. It can be said that the condition of managerial ownership has no effect on the value of the company, because the ownership of shares owned by management cannot guarantee the value of the company.

This research cannot support the agency theory. To reduce agency costs, namely by increasing managerial ownership shares so that managers get direct benefits from decision-making. In addition, it can also minimize the problem of conflict of interest between the management and the principal by harmonizing the interests of the two (Permatasari et al., 2023). However, this is not in line with the hypothesis test where an increase or decrease in managerial shares cannot minimize agency problems arising from the relationship between managers and principals so that the company cannot meet the company's value by presenting financial statement information that has integrity. The results of this study are in line with the findings of Nurhaliza & Azizah (2023) which revealed that managerial ownership has no effect on the company's value.

CONCLUSION

This study aims to provide an empirical influence on profitability, company size, capital structure, managerial ownership as moderating variables on company value in energy sector companies listed on the Indonesia Stock Exchange (IDX) in 2020-2023. Based on the results and discussion, the following conclusions were obtained:

1. Profitability has no effect on the value of the company in the energy sector, because the company has high expectations of the company's value, so even if high profitability is not enough to increase the company's value. Despite high profitability, if a company operates in an industry with high risk or high uncertainty, the value of the company remains low. Additionally, investors may focus more on future performance prospects than current performance. If the company's future prospects are unfavorable, the company's value may not rise.
2. The size of the company affects the value of the company in the energy sector, because the company that more often has better access to resources either financial capital, quality labor, or raw materials that can increase operational efficiency and growth potential. In addition, large companies often have greater market power, which allows them to set prices, negotiate better with suppliers and capture a larger market share. This bias increases revenue and profit margins.

3. Capital structure has no effect on the value of companies in the energy sector because investors may view equity and debt as interchangeable substances. If one source of funds is not more expensive or cheaper than another, the capital structure will not affect the value of the company. In a highly efficient capital market, all relevant information is already reflected in the stock price. Therefore, changes in the capital structure will not change investors' valuation of the company.
4. Managerial ownership has no effect on the value of a company in the energy sector because in a highly efficient market information about managerial ownership may already be reflected in the stock price, so changes in ownership will not affect the value of the company. Even though management owns shares, they may still have better information than external investors that can lead to decisions that favor management over shareholders.

This study has limitations that are taken into consideration, while some of the limitations in this study are that there is only one variable that affects the value of the company, namely the variable of company size. So that researchers can then add other variables that affect the value of the company. Another limitation of this study is that the research period is only 3 years, so that for the next research it is expected to extend the research period

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