

## THE EFFECT OF INVESTMENT DECISIONS, FINANCING DECISIONS, AND DIVIDEND POLICY ON FIRM VALUE IN THE FOOD AND BEVERAGE SUBSECTOR FOR THE 2019–2024 PERIOD

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### Abstract

This study aims to analyze the effect of investment decisions proxied by the Price Earnings Ratio (PER), financing decisions proxied by the Debt to Equity Ratio (DER), and dividend policy proxied by the Dividend Payout Ratio (DPR) on firm value, measured by Price to Book Value (PBV), in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2019–2024 period. This research employs a quantitative approach with a sample of 20 companies selected through purposive sampling. Data analysis techniques include descriptive statistics, classical assumption tests, and multiple linear regression analysis. The results indicate that investment decisions, financing decisions, and dividend policy have a significant effect on firm value.

**Keywords:** Firm Value, Investment Decisions, Financing Decisions, Dividend Policy.

### INTRODUCTION

Companies aim to maximize profits and firm value in order to enhance shareholder welfare, which is reflected in stock prices and financial policies adopted by management. Firm value represents market perceptions of a company's performance and future prospects, making it a crucial indicator for investors' decision-making. This study uses Price to Book Value (PBV) as a proxy for firm value because it reflects market assessments of a company's fundamental value in a relatively stable and objective manner. Meanwhile, dividend policy, proxied by the Dividend Payout Ratio (DPR), is viewed as a managerial signal to investors regarding profit distribution strategies and long-term corporate growth.

The use of DPR is considered relevant because dividend policy is often perceived as a signal reflecting a firm's condition and future outlook. A consistent and proportional DPR can enhance investor confidence and strengthen a company's image in the market. This positively affects perceptions of firm value, as investors view the company as capable of providing short-term returns while maintaining business sustainability. Conversely, excessively low or high DPR levels may raise investor concerns and reduce corporate attractiveness, potentially lowering firm value.

Based on the foregoing discussion, investment decisions, financing decisions, and dividend policy play a crucial role in influencing firm value. Firm value fundamentally reflects market perceptions of corporate performance and future prospects. Every financial decision made by management has implications for shareholder welfare, either directly through dividend distribution or indirectly through increases in firm value. Therefore, understanding the interrelationships among these variables is essential in the context of corporate financial management.

Although the relationship between investment decisions, financing decisions, dividend policy, and firm value has been widely discussed in the literature, further examination remains necessary. Differences in research context, observation periods, and firm characteristics may influence how these relationships are formed and interpreted. This condition provides an opportunity to revisit existing findings to obtain a more comprehensive understanding of the dynamics among these variables.

Previous research by Jesilia and Purwaningsih (2020) found that investment decisions had a positive and significant relationship with firm value, while financing decisions and dividend policy showed no positive or significant relationship. In contrast, Veronica et al. (2024) reported positive, albeit insignificant, effects of financing decisions and dividend policy on firm value. These findings align with Novitasari and Andayani (2021), who also identified positive effects of financing decisions and dividend policy on firm value in manufacturing companies listed on the Indonesia Stock Exchange during 2015–2019.

Bahrin et al. (2021) examined the effects of investment decisions, financing decisions, and dividend policy on firm value in consumer goods industry companies listed on the Indonesia Stock Exchange from 2016 to 2019 and found negative relationships between investment decisions and dividend policy with firm value. Similar results were reported by Maulidina and Kusumayadi (2024) in their study of healthcare subsector companies.

Sundari et al. (2024) and Janah and Ariani (2022) identified negative relationships between financing decisions and firm value in food and beverage subsector companies listed on the Indonesia Stock Exchange, using different observation periods (2016–2020 and 2018–2021). These findings are consistent with Sabandhia and Wahidahwati (2024), who reported similar results in manufacturing companies within the same sector during 2018–2021.

Furthermore, Foreski et al. (2024) found a negative relationship between dividend policy and firm value in food and beverage manufacturing companies listed on the Indonesia Stock Exchange during 2017–2021. Handayani and Kurnianingsih (2021) reported similar findings in the basic and chemical industry sectors from 2015 to 2019.

These prior studies reveal varying results regarding the relationships between investment decisions, financing decisions, dividend policy, and firm value, indicating inconsistency in empirical findings. This discrepancy creates an important research gap that warrants further investigation, particularly within the food and beverage subsector. This gap is further reinforced by fluctuating average changes in financial management policy variables during and after the COVID-19 period, emphasizing the need for continued research in this area.

Accordingly, this study aims to extend the existing literature and provide deeper insights for stakeholders regarding the importance of formulating appropriate financial policies to enhance firm value.

## **METHOD**

This study employs a quantitative approach with a causal associative and explanatory design to examine the cause-and-effect relationships between investment decisions, financing decisions, dividend policy, and firm value. Secondary data were

obtained from the financial statements of food and beverage subsector companies listed on the Indonesia Stock Exchange for the 2019–2024 period, collected from the official IDX website, Yahoo Finance, and company websites. The selection of this subsector is based on its strategic role in the manufacturing industry, relatively strong stability, and sustainable growth prospects, making it relevant for analyzing determinants of firm value (Sugiyono, 2019; Kasmir, 2018).

The object of this study is the effect of investment decisions, financing decisions, and dividend policy on firm value. Firm value is proxied by Price to Book Value (PBV), investment decisions by Price Earnings Ratio (PER), financing decisions by Debt to Equity Ratio (DER), and dividend policy by Dividend Payout Ratio (DPR). The population consists of all food and beverage subsector companies consistently listed during the study period, with a sample of 20 firms selected using purposive sampling based on continuous dividend distribution criteria. The data were analyzed as panel data over six years of observation (Brigham & Houston, 2014; Ghozali, 2018).

Data analysis techniques include descriptive statistics to describe data characteristics, classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation), and multiple linear regression analysis to examine the effects of independent variables on firm value. Hypothesis testing was conducted using partial tests (t-test), simultaneous tests (F-test), and the coefficient of determination ( $R^2$ ) to assess model strength and significance. This approach is expected to provide accurate estimates and explain the contribution of each variable in influencing firm value (Ghozali, 2016; Nachrowi & Usman, 2012).

## RESULT AND DISCUSSION

### Overview

**Table 1. List of Sample Companies in the Food and Beverage Subsector (2019–2024)**

No	Code	Company Name
1	AALI	Astra Agro Lestari Tbk.
2	BISI	Bisi International Tbk.
3	BUDI	Budi Starch & Sweetener Tbk.
4	CEKA	Wilmar Cahaya Indonesia Tbk.
5	CPIN	Charoen Pokphand Indonesia Tbk.
6	DLTA	Delta Djakarta Tbk.
7	DSNG	Dharma Satya Nusantara Tbk.
8	FISH	FKS Multi Agro Tbk.
9	GOOD	Garudafood Putra Putri Jaya Tbk.
10	HOKI	Buyung Poetra Sembada Tbk.
11	ICBP	Indofood CBP Sukses Makmur Tbk.
12	INDF	Indofood Sukses Makmur Tbk.
13	JPFA	Japfa Comfeed Indonesia Tbk.
14	LSIP	PP London Sumatera Indonesia Tbk.

No	Code	Company Name
15	MYOR	Mayora Indah Tbk.
16	ROTI	Nippon Indosari Corpindo Tbk.
17	SKLT	Sekar Laut Tbk.
18	TBLA	Tunas Baru Lampung Tbk.
19	TGKA	Tigaraksa Satria Tbk.
20	ULTJ	Ultra Jaya Milk Industry & Trading Company Tbk.

Source: Processed data, 2025

The sample selection process emphasized food and beverage subsector companies that were consistently listed on the Indonesia Stock Exchange during 2019–2024 and distributed dividends. This approach was intended to ensure that the selected firms represented companies with stable financial performance and sustainable corporate policies throughout the observation period.

During the 2019–2024 period, food and beverage subsector companies exhibited dynamic developments in financial performance and decision-making strategies. Industry growth was driven by increasing public consumption of food and beverage products, enabling this subsector to maintain resilience and positive prospects amid changing economic conditions. Throughout this period, corporate management focused on maintaining firm value stability through strategic financial decisions, including investment, financing, and dividend policies.

Overall, these dynamics indicate that every financial decision undertaken by firms has direct implications for investor perceptions and firm value. Investment decisions were directed toward supporting expansion and improving operational efficiency, while financing decisions were structured to maintain an optimal capital structure and control financial risk. Meanwhile, dividend policies were implemented cautiously to balance shareholder interests with internal funding needs. This research period reflects the efforts of food and beverage companies to sustain stable performance while enhancing firm value through appropriate financial decision-making.

## Descriptive Statistical Analysis

**Table 2. Results of Descriptive Statistics**

Variable	N	Minimum	Maximum	Mean	Std. Deviation
PER	120	4.61	44.83	20.0863	9.57613
DER	120	0.16	3.41	0.9523	0.85126
DPR	120	0.02	2.51	0.6109	0.49306
PBV	120	0.37	61.13	5.6112	11.39608
Valid N (listwise)	120				

Source: SPSS 25 output, processed data, 2025

Based on the SPSS output above, the following results were obtained:

### a. Firm Value

Firm value, proxied by Price to Book Value (PBV), shows considerable variation across the 20 sample companies, with a minimum value of 0.37, a

maximum of 61.13, a mean of 5.6112, and a standard deviation of 11.39608. This indicates substantial differences in market valuation among firms. Such variation reflects unequal capabilities of food and beverage companies in creating shareholder value, where high PBV represents strong investor confidence in corporate performance and growth prospects, while low PBV indicates weaker market perceptions. The standard deviation exceeding the mean confirms high heterogeneity in investor assessments. Within the signaling theory framework, this condition is reinforced by economic dynamics before, during, and after the COVID-19 pandemic, making PBV a relevant proxy for firm value under fluctuating economic conditions.

#### **b. Investment Decisions**

Investment decisions, proxied by the Price Earnings Ratio (PER), show a minimum value of 4.61, a maximum of 44.83, a mean of 20.0863, and a standard deviation of 9.57613 across the 20 sample firms. These figures indicate relatively controlled variation in investment decisions among companies. Differences in PER reflect diverse market perceptions of future earnings growth, where higher PER values signal more optimistic investor expectations, while lower PER values suggest more conservative views. The standard deviation being lower than the mean indicates relatively homogeneous investment decision patterns, which, under signaling theory, reflect consistent investment signals conveyed by firms to investors, thereby helping build market confidence and influence firm value.

#### **c. Financing Decisions**

Financing decisions, proxied by the Debt to Equity Ratio (DER), exhibit a minimum of 0.16, a maximum of 3.41, a mean of 0.9523, and a standard deviation of 0.85126, indicating relatively high variation in debt utilization among firms. Differences in DER reflect heterogeneous financing strategies, where lower DER values suggest more conservative capital structures, while higher DER values indicate more aggressive use of external financing to support operations and investments. Within the signaling theory and trade-off theory frameworks, DER variation represents risk signals and firms' efforts to achieve optimal capital structures, highlighting the importance of financing decisions in shaping investor perceptions and firm value.

#### **d. Dividend Policy**

Dividend policy, proxied by the Dividend Payout Ratio (DPR), shows a minimum of 0.02, a maximum of 2.51, a mean of 0.6109, and a standard deviation of 0.49306 across the sample companies, indicating relatively controlled variation in dividend distribution. The standard deviation being lower than the mean reflects fairly consistent dividend policy patterns. Under signaling theory, this consistency functions as a positive signal to investors regarding performance stability and firms' ability to generate cash flows, thereby potentially influencing firm value.

## Classical Assumption Tests

**Table 3. Normality Test**

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
<b>Normal Parameters</b>	Mean	.0000000
	Std. Deviation	.92355029
<b>Most Extreme Differences</b>	Absolute	.077
	Positive	.077
	Negative	-.054
<b>Test Statistics</b>		.077
<b>Asymp. Sig. (2-tailed)</b>		.200

Source: SPSS 25 output, processed data, 2025

The normality test results show an Asymp. Sig. (2-tailed) value of 0.200 ( $> 0.05$ ), indicating that the residuals are normally distributed. Therefore, the regression model satisfies the normality assumption and is suitable for further analysis. In addition, multicollinearity testing based on tolerance values ( $> 0.10$ ) and Variance Inflation Factor (VIF) values ( $< 10$ ) indicates the absence of multicollinearity among the independent variables. With the fulfillment of the normality and multicollinearity assumptions, the regression estimates are considered valid, and the relationships between investment decisions, financing decisions, dividend policy, and firm value can be analyzed accurately and scientifically.

**Table 4. Multicollinearity Test Results**

Model	Coefficients <sup>a</sup>						
	Unstandardized	Standardized	Beta	t	Sig.	Collinearity Tolerance	Statistics VIF
	Coefficients	Coefficients					
B	Std. Error						
(Constant)	-13.647	2.178		-.5022	.000		
PER	.463	.116	.389	3.978	.000	.879	1.138
DER	7.035	1.256	.526	5.604	.000	.956	1.046
DPR	5.330	2.263	.231	2.355	.022	.877	1.140

Source: SPSS 25 output, processed data, 2025

The multicollinearity test shows that all variables have tolerance values greater than 0.10 and VIF values below 10, indicating that the regression model is free from multicollinearity. Each independent variable is therefore able to explain its effect on firm value independently. This condition ensures stable regression coefficients and allows the results to be interpreted reliably.

**Table 5. Heteroscedasticity Test**

Model	Coefficients <sup>a</sup>				
	Unstandardized	Standardized	Beta	t	Sig.
	Coefficients	Coefficients			
B	Std. Error				
(Constant)	18.215	9.047		2013	.046

<b>PER</b>	.027	0.95	.299	.284	.777
<b>DER</b>	-.013	0.68	-.018	-.196	.845
<b>DPR</b>	-2954	9.778	-.318	-.302	.763

Source: SPSS 25 output, processed data, 2025

Based on the Glejser test results presented in Table 5, all independent variables have significance values exceeding 0.05. Thus, the regression model does not exhibit heteroscedasticity and satisfies the homoscedasticity assumption. This indicates that the residual variance is constant across observations. The absence of heteroscedasticity confirms that the regression model provides efficient and unbiased estimates, allowing accurate analysis of the effects of investment decisions, financing decisions, and dividend policy on firm value. Consequently, the hypothesis testing results obtained are considered reliable.

**Table 6. Autocorrelation Test**

<b>Model Summary<sup>b</sup></b>					
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>	<b>Durbin-Watson</b>
1	.023	.001	-.025	93.86959	2.023

Sumber: Output SPSS 25, data diolah, 2025

Based on the autocorrelation test results, the Durbin–Watson (DW) statistic is 2.023. This value is compared with the Durbin–Watson critical values ( $d_l$  and  $d_u$ ) at the 5% significance level, using a sample size of 120 observations ( $n = 120$ ) and three independent variables ( $k = 3$ ).

**Table 7. Durbin-watson d Statistic:**

Significance point for  $d_l$  and  $d_u$  at 0.05 level of significance

<b>N</b>	<b>K=3</b>	
	<b>d1</b>	<b>d2</b>
8	0.3674	2.2866
-	-	-
-	-	-
-	-	-
57	1.4637	1.6845

Source: SPSS 25 output, processed data, 2025

The Durbin–Watson (DW) statistic obtained from the autocorrelation test is 2.023, which is greater than the upper bound ( $d_u$ ) value of 1.6845 and lower than  $4 - d_u$  ( $4 - 1.6845$ ). Based on the decision criteria, this result satisfies the condition  $d_u < d < 4 - d_u$ , or  $1.6845 < 2.023 < (4 - 1.6845)$ . Therefore, it can be concluded that the proposed regression model does not exhibit either positive or negative autocorrelation and is suitable for further analysis. This finding indicates that the residuals are not correlated across observation periods. With the autocorrelation assumption fulfilled, the regression model produces consistent and efficient coefficient estimates. Consequently, the relationships between investment decisions, financing decisions, and dividend policy on firm value can be analyzed validly, and the conclusions derived from hypothesis testing are considered reliable.

## Multiple Linear Regression Analysis

**Table 8. Multiple Linear Regression Results**

Coefficients <sup>a</sup>					
Model	Unstandardized	Standardized	Beta	t	Sig.
	Coefficients	Coefficients			
	B	Std. Error			
(Constant)	18.215	9.047		-.5022	.000
PER	.027	.095	.389	3.978	.000
DER	-.013	.068	.526	5.604	.000
DPR	-2954	9.778	.231	2.355	.022

Source: SPSS 25 output, processed data, 2025

Based on the results above, the multiple linear regression equation is formulated as follows:

$$Y = 18,215 + 0,027 X_1 - 0,013 X_2 - 2,954 X_3$$

where Y denotes firm value (PBV),  $X_1$  investment decisions (PER),  $X_2$  financing decisions (DER), and  $X_3$  dividend policy (DPR).

The regression results can be interpreted as follows:

### a. Constant

The constant value of 18.215 indicates that when investment decisions (PER), financing decisions (DER), and dividend policy (DPR) remain unchanged, firm value (PBV) increases by 18.215 units. This finding suggests that even without changes in the three independent variables, food and beverage companies maintain a relatively high baseline firm value. The positive constant implies the presence of other contributing factors outside the research model, such as macroeconomic conditions, corporate reputation, management quality, and market confidence. Thus, the constant reflects an inherent level of firm value when the independent variables are held constant.

### b. Investment Decisions ( $X_1$ )

The regression coefficient of  $X_1$  is 0.027, indicating that a 1% increase in investment decisions leads to a 0.027% increase in firm value. This result demonstrates a positive relationship between investment decisions and firm value. Improvements in investment decisions, reflected by the Price Earnings Ratio (PER), provide positive signals to investors regarding growth prospects and firms' ability to generate future earnings. Within the signaling theory framework, better investment decisions enhance investor confidence, thereby increasing firm value.

### c. Financing Decisions ( $X_2$ )

The regression coefficient of  $X_2$  is 0.013, indicating that a 1% increase in financing decisions increases firm value by 0.013%. This finding suggests that financing decisions positively influence firm value. Increased utilization of funding, particularly debt, reflects management's confidence in the firm's capacity to manage obligations and generate future cash flows. From the signaling theory perspective, such financing decisions are perceived as positive signals regarding corporate prospects and financial stability. This result also

aligns with trade-off theory, which posits that optimal debt usage can enhance firm value through tax advantages, provided financial risks remain manageable.

**d. Dividend Policy ( $X_3$ )**

The regression coefficient of  $X_3$  is 2.954, indicating that a 1% increase in dividend policy leads to a 2.954% increase in firm value. Dividend policy exhibits the strongest positive effect on firm value among the independent variables. Higher dividend payouts, reflected by the Dividend Payout Ratio (DPR), convey positive signals to investors regarding profitability and cash flow stability. Within the signaling theory framework, increased dividend distributions are perceived as indicators of sound financial conditions and favorable corporate prospects, thereby significantly strengthening investor confidence and enhancing firm value.

**Coefficient of Determination Test (Adjusted  $R^2$ )**

**Table 9. Results of the Coefficient of Determination Test (Adjusted  $R^2$ )**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 <sup>a</sup>	.554	.529	7.82029

Sumber: Output SPSS 25, data diolah, 2025

The Adjusted  $R^2$  value obtained in this study is 0.529, indicating that 52.9% of the variation in firm value (PBV) can be explained by the three independent variables, namely investment decisions (PER), financing decisions (DER), and dividend policy (DPR). The remaining 47.1% is explained by other factors not included in this research model.

This result suggests that the proposed model has relatively strong explanatory power in describing firm value variations in the food and beverage subsector. The 52.9% contribution indicates that investment decisions, financing decisions, and dividend policy are important determinants of firm value. Meanwhile, the unexplained 47.1% implies the influence of other factors, such as macroeconomic conditions, inflation rates, government policies, corporate reputation, and non-financial variables, which also play a role in shaping firm value.

**Simultaneous Test (F-Test)**

**Table 10. Results of the Simultaneous Test (F-Statistic)**

ANNOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4031.442	3	1343.814	21.973	.000 <sup>b</sup>
	Residual	3241.315	53	61.157		
	Total	7272.757	56			

Source: SPSS 25 output, processed data, 2025

Based on Table 10, the calculated F-statistic is 21.973 with a significance value of 0.000 (< 0.05). This indicates that investment decisions, financing decisions, and dividend policy simultaneously have a positive and significant effect on firm value in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2019–2024 period.

These results demonstrate that the regression model used in this study adequately explains the relationship between the independent and dependent variables. The significant simultaneous effect suggests that investment decisions, financing decisions, and dividend policy complement one another in influencing firm value. Therefore, the combination of these three financial decisions plays a crucial role in shaping investor perceptions and enhancing firm value in the food and beverage subsector over the study period.

### Hypothesis Testing (t-Test)

**Table 11. Partial Test Results (t-Statistics)**

Model	Coefficients <sup>a</sup>		Beta	t	Sig.
	Unstandardize	Standardize			
	d Coefficients	d Coefficients			
B	Std. Error				
(Constant)	18.215	9.047		-.5022	.000
PER	.027	.095	.389	3.978	.000
DER	-.013	.068	.526	5.604	.000
DPR	-2954	9.778	.231	2.355	.022

Sumber: Output SPSS 25, data diolah, 2025

Based on the partial test results, the following findings are obtained:

#### 1. Hypothesis 1

The t-test yields a p-value of 0.000 ( $< 0.05$ ), leading to the rejection of  $H_0$  and acceptance of  $H_1$ . This indicates that investment decisions significantly affect firm value in the food and beverage subsector. This finding suggests that more accurate investment decisions lead to higher firm value, reflected in increased market valuation. Within the signaling theory framework, investment decisions are perceived as positive signals regarding growth prospects and firms' ability to generate future earnings, thereby enhancing investor confidence and increasing firm value.

#### 2. Hypothesis 2

The t-test produces a p-value of 0.000 ( $< 0.05$ ), resulting in the rejection of  $H_0$  and acceptance of  $H_2$ . This indicates that financing decisions significantly influence firm value in the food and beverage subsector. This finding implies that capital structure management, particularly debt utilization, plays an important role in increasing firm value by sending positive signals to investors regarding firms' ability to manage financial risk. This result is consistent with signaling theory and trade-off theory, which emphasize that optimal debt usage can enhance firm value as long as its benefits outweigh the associated risks.

#### 3. Hypothesis 3

The t-test yields a p-value of 0.022 ( $< 0.05$ ), leading to the rejection of  $H_0$  and acceptance of  $H_3$ . This indicates that dividend policy significantly affects firm value in the food and beverage subsector. Simultaneously, investment decisions (PER), financing decisions (DER), and dividend policy (DPR) are proven to have

positive and significant effects on firm value, consistent with signaling theory, which views financial policies as managerial signals regarding corporate performance and future prospects. These findings remain consistent across pre-, during-, and post-COVID-19 periods, where firms maintaining stable investment activities, optimal financing structures, and consistent dividend distributions received more favorable market responses, reflected in higher firm values.

## **Discussion**

### **Effect of Investment Decisions (PER) on Firm Value**

Based on the partial test (t-test), the effect of investment decisions on firm value yields a regression coefficient of 0.463 and a t-statistic of 3.978 with a significance level of 0.000. These results indicate that investment decisions, proxied by the Price Earnings Ratio (PER), have a positive and significant effect on firm value in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2019–2024 period.

This finding is consistent with previous studies conducted by Esilia and Purwaningsih (2020), Effendy and Handayani (2021), Hendry (2021), Veronica et al. (2022), and Sundari et al. (2024), which also reported that investment decisions significantly and positively affect firm value. These results suggest that investment decisions represent a strategic factor in enhancing corporate performance and firm value from investors' perspectives. Appropriate investment decisions reflect management's ability to allocate corporate resources efficiently to generate future growth and profitability. Such conditions send positive signals to investors regarding corporate prospects, thereby increasing investor confidence and willingness to invest. Increased investor interest subsequently raises stock demand, which ultimately contributes to higher firm value.

### **Effect of Financing Decisions (DER) on Firm Value**

Based on the partial test results, financing decisions exhibit a regression coefficient of 7.035 and a t-statistic of 5.604 with a significance value of 0.000. Thus, financing decisions proxied by the Debt to Equity Ratio (DER) have a positive and significant effect on firm value in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2019–2024 period.

This finding aligns with prior research by Rakhimsyah and Gunawan (2011), Novitasari and Andayani (2021), Bahrún et al. (2021), Veronica et al. (2022), and Maulidina and Kusumayadi (2024), which reported positive effects of financing decisions on firm value. These results indicate that financing decisions play an important role in enhancing firm value. Optimal debt utilization increases firms' funding capacity to support operational activities and investment, thereby promoting performance growth. This condition provides positive signals to investors regarding firms' ability to manage capital structures effectively. Increased investor confidence subsequently raises investment interest and stock demand, ultimately contributing to higher firm value.

### **Effect of Dividend Policy (DPR) on Firm Value**

Based on the partial test, dividend policy shows a regression coefficient of 5.330 and a t-statistic of 2.355 with a significance level of 0.022. Accordingly, dividend policy proxied by the Dividend Payout Ratio (DPR) has a positive and significant effect on firm

value in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2019–2024 period.

This result is consistent with the findings of Meryana et al. (2021), Janah and Ariani (2022), Veronica et al. (2022), Sabandhia and Wahidawati (2024), Setiawan et al. (2024), and Salim and Ludfi (2024), which indicate that dividend policy is a key factor influencing investor investment decisions. Investors tend to consider not only firm value but also the magnitude of returns distributed to shareholders. Higher dividend distributions increase investor interest, whereas the absence of dividends or unexplained earnings retention may reduce investor confidence and willingness to invest.

## CONCLUSION

Based on the results of data analysis regarding the partial and simultaneous effects of investment decisions, financing decisions, and dividend policy on firm value in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2019–2024 period, the following conclusions can be drawn:

1. Investment decisions, proxied by the Price Earnings Ratio (PER), have a positive and significant effect on firm value in food and beverage subsector companies listed on the Indonesia Stock Exchange during 2019–2024.
2. Financing decisions, proxied by the Debt to Equity Ratio (DER), have a positive and significant effect on firm value in food and beverage subsector companies listed on the Indonesia Stock Exchange during 2019–2024.
3. Dividend policy, proxied by the Dividend Payout Ratio (DPR), has a positive and significant effect on firm value in food and beverage subsector companies listed on the Indonesia Stock Exchange during 2019–2024.

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