The Influence of Capital Structure, Dividend Policy, Fixed Asset Turnover and Audit Opinion on Company Value Case Study: Pharmaceutical Companies Listed on The Indonesian Stock Exchange

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Abstract. The amount that buyers want to spend to purchase a single share of a corporation determines the value of its stock. Buyers will show a greater interest in funding a firm whose worth is steady and growing. For a business to overcome different obstacles, its values must remain constant. This research endeavors to examine the effects of capital structure, dividend policy, fixed asset turnover, and audit opinion on the market value. The sample is pharmaceutical sub-sector businesses listed on the Indonesia Stock Exchange (IDX) from 2018 to 2022 and utilized the panel data regression analysis. The findings show that capital structure, dividend policy, audit opinion and fixed asset turnover affect business value, where capital structure positively affects business value, whereas audit opinions, fixed asset turnover, and dividend policy have negative effects.

Keywords: Company value, Capital structure, Dividend policy, Fixed asset turnover and Audit opinion.

1 INTRODUCTION

The company's aim is to accomplish goals for both the short and long term (Dr. Majidah, 2018). Optimizing a business's worth is a long-term goal; maximizing earnings is a short-term one (Majidah & Ummie Habiebah, 2019; in Suzan & Ardiansyah, 2023). The company's worth is reflected in the stock price. better stock prices translate into better profits for shareholders when a business's equity rises (Suffah & Riduwan, 2016; in Dr. Majidah, 2018). Buyers look at the worth of an organization before choosing to place money in it. As a result, investors will be more eager to invest in the company due to the increase in stock prices since they believe it has competent business management..The PBV approach is used in the study to determine the company's value. (Indrarini 2019) claims that PBV links and contrasts stock prices and book value to ascertain the worth of the company. Most (2019)

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states that PBV is determined by multiplying the market worth by the book worth of the business.

According to Chasanah and Adhi (2017) and Akmalia (2023), a higher PBV indicates market confidence in the company's future and is the owner's goal because it represents an increase in shareholder wealth. Therefore, the PBV approach is utilized to determine the worth of the firm since, in theory, the market value of stocks equals their book value (Sari & Jufrizen, 2019). PBV and other market-based measures, according to Hassel et al. (2013) in Gavrilakis & Floros, 2023, show how investors perceive the company's present and future revenue potential. These measurements also take into consideration the market value of stocks, which is higher than the net equity of the corporation. A truly reliable firlms have a PBV ratio above one, meaning investors are willing to pay more than the accounting book value, expecting to receive valuable dividends.PBV is one of the events studied in research that predominantly occurs in the pharmaceutical category. To observe signs of an increase or decrease in PBV between 2018 and 2022, it is essential to track its movement year by year. The authors can make guesses about which variables might affect PBV based on the findings of visual analysis, supported by previous studies. In the period 2018-2022, the ideal PBV point for pharmaceutical subvision companies is shown in the following graph.

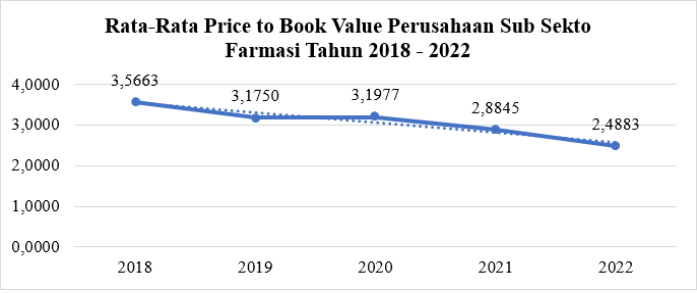

Figure 1. Average PBV Value of Pharmaceutical subvesion Companies
Source: Annual Report, data processed by the author (2023)

Pharmaceutical category companies typically saw a decline in PBV as a measure of company value from 2018 to 2022, as shown in Figure 1. The average stock price of pharmaceutical businesses was four times their net asset value in 2018, corresponding to a PBV value of 3.5663. In 2019, the average PBV was 3.1750, which was three times the company's net asset value. Additionally, in 2020, the average PBV was 3.1977, indicating that the stock price of pharmaceutical companies was generally three times higher than their net asset value. In 2021, stocks were traded at a premium of 2.8 times their net asset value, with an average PBV of 2.8845, indicating a decline in value. Furthermore, in 2022, the average PBV was 2.4883, meaning it was 2.4 times the net asset value of pharmaceutical category companies. The average PBV trend indicates a decline, suggesting that the total wealth of the companies has not been maximized. The continuous decline in company value might

indicate a decrease in shareholder wealth. The drop in stock prices during this period also supports this theory. The graph demonstrating the average stock prices from 2018–2022, grouped by year.

Figure 2. Average Stock Prices of Pharmaceutical Subsector Companies
Source: Annual Report, data processed by the author (2023)

The usual value tends to decline, as shown in Figure 2, which dominates stock prices. The average stock price in 2018 was Rp 1,949; in 2019, it fell to Rp 1,489. There was a rise to Rp 2,038 in 2020, but another decrease to Rp 1,871 and Rp 1,751 in 2021 and 2022, respectively. The other the key factors influencing the cost of stocks, according to the Financial Services Authority (OJK), is investor expectations regarding the company's future performance. Following the phenomena shown in the average PBV and average stock prices discussed above, it is critical to comprehend the factors that might lead to a decline in what the business is worth. Payout regulations, system of capital, and fixed company's capital structure, including cost of capital, debt-to-equity ratio, and other factors, can affect its business value (Tunggal & Ngatno, 2018). Therefore, Atwi (2012) emphasizes, as Tunggal & Ngatno (2018) mention, that in general, businesses aim to reduce capital expenditure to maximize their value. The amount of a business's dividend strategy aims to maximize assets by incentivizing shareholders to purchase additional shares (Ovami & Nasution, 2020). Dividends from the company's profits are given to owners based on how many shares they own. Dividends can be given in two forms: cash or stock. Fixed asset turnover, an essential component of the company's total assets, is also known as fixed assets (Anggraini & Widhiastuti, 2020). Companies allocate investments in fixed assets with the expectation of achieving sustainable income. Making correct investment decisions and utilizing them efficiently can lead to optimal outcomes. Companies that deliver high returns on investment generally attract more investors, which ultimately can optimize the company's value (Santoso & Willim, 2022).

As a standard and generally accepted component of investment decision-making, the auditor's opinion reflects an investor's perspective driven by profitability. Here, investor trust in the reliability of financial reports is crucial in choosing investments (Sanulika, 2018). This is why it is essential to evaluate the accuracy and reliability of financial statements. Investor trust in a company's financial reports will increase due to an audit opinion (Fadhilah & Afriyenti, 2021). An unqualified opinion is the most sought-after by companies. It reinforces the notion that the company's financial representations are accurate and align with accounting guidelines (Ardiana, 2014, in Diantari & Suryanawa, 2019). Capital structure, dividend policy, fixed asset turnover, and audit opinion are the main factors affecting company value, according to research. To achieve the desired results, the research process must align with the conceptual framework shown in Figure 3 if we are to achieve the expected results:

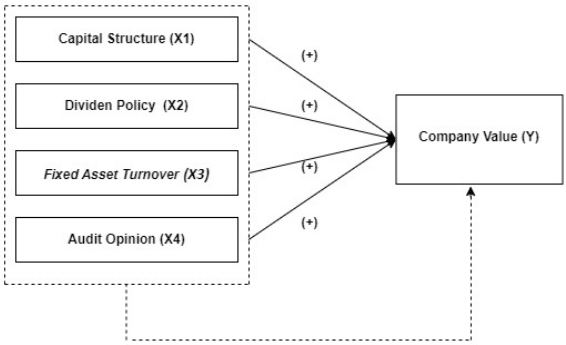

Figure 3. Conceptual Framework
Source: Data processed by the author, (2023)

From the existing conceptual framework, we present the following issues and hypotheses:

H1 : Capital structure, dividend policy, fixed asset turnover, and audit opinion have a significant simultaneous effect on company value in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange.

H2 : Capital structure has a positive partial effect on company value in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange.

H3 : Dividend policy has a positive partial effect on company value in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange.

H4 : Fixed asset turnover has a positive partial effect on company value in pharmaceutical sub-sector companies listed on the Indonesia Stock.

H5 : Audit opinion has a positive partial effect on company value in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange.

2 LITERATURE REVIEW

The Signaling Theory offers recommendations on how companies can interact with stakeholders via their financial reporting. The message informs interested parties, including owners, of the company's current state. As a result, depending on these indications, investors may respond positively or negatively. Signaling theory takes into account two factors: company size and value. Reducing uncertainty about the company's current state and potential for growth can maximize its worth by giving outside parties' access to accurate financial data. According to Pieristina and Khairunnisa (2019), there is a clear correlation between the quality of signals and the quality of results gained via information disclosure.

A company's financial performance needs to be strong in order for it to have favorable business possibilities. A company's stock price and its value are typically correlated. Investors can assess a company's success through stock prices, and shareholders are constantly examining the company's worth (Dudi Pratomo, 2023). One of the most important metrics for determining a company's worth is (PBV).

The financial proportions of a company are represented by its capital structure, specifically the ratio of debt to equity acquired through long- and short-term loans (Fahmi, 2017). The capital structure of the firm is linked to its long-term investment outlays. Capital structure is one aspect of financial structure that influences corporate operations. The capital structure approach expects enough profits to increase the (DER) while taking risks with predicted returns higher than the debt level. This leads to excessive debt.

The percentage of net profit given to shareholders as cash dividends or other distributions is known as the dividend policy, or dividend payout ratio (Iswahyuni, 2018). One important metric for determining an organization's business value is its dividend policy. Dividend policy refers to the amount of money that a firm plans to pay to its shareholders as dividends (Piristina & Khairunnisa, 2019). A high DPR is advantageous to investors, but a decline in retained profits might have an impact on the company's internal finances (Dr. Majidah, 2018). Studies on dividend policy employ the Dividend Payout Ratio (DPR), which is the percentage of earnings distributed to shareholders based on net profit.

By looking at the fixed asset turnover ratio, Fixed Asset Turnover (FAT) enables managers to evaluate how well their organization uses fixed assets to support their sales efforts (Jufrizen, 2015). Efficient asset utilization drives optimal profitability and entices stock price rises for investors. An increase in the company's stock price indicates solid financial performance and profitability. According to Kasmir (2019), we may look at the Fixed Asset Turnover ratio to find out how often money invested in fixed assets is recovered within a given period of time. A scale ratio based on proxies from earlier research is used in research to evaluate Fixed Asset Turnover (FAT) (Alexander and Hengky, 2017 in Maricar & Almalita, 2022).

Opinion of Audit Independent auditors who offer an audit opinion assess the veracity of a business's financial records (Nurbaiti & Yanti, 2022). Following an examination of an organization's financial accounts, an auditor issues an audit opinion addressing the accuracy of the information provided (Manurung et al., 2021). In this way, auditors provide their professional views based on expertise. As per the research conducted by Suryani & Pinem (2018) and Farida et al. (2019), the study used a dummy variable to quantify the Audit Opinion variable. Companies receiving an unqualified opinion on their financial accounts are given a value of 1 (one), whereas those receiving an opinion other than unqualified (other than unqualified opinion) are given a value of 0.

3 RESEARCH METHODOLOGY

The descriptive strategy is used in this quantitative research. X1: Capital structure; X2: Dividend policy; X3: Fixed asset turnover; and X4: Audit opinion; and Y: Company valuation. Based on the financial statements of pharmaceutical sub-sector companies listed on the IDX from 2018-2022, the researchers compiled the data for the study. The population in this study consists of pharmaceutical sub-sector companies listed on the IDX from 2018-2022. At the time of the research, there were a total of 10 pharmaceutical sub-sector companies that met the criteria. The study uses secondary data because the researcher's obtained information from previously collected sources, specifically secondary data from pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange according to the criteria. Data processing in this study was conducted with the help of Eviews-12. Based on these criteria, 10 companies were selected as the sample for this study, with a research period of 5 years. Therefore, the total number of observations used in this study is 50 observations.

According to Sugiyono (2019), a hypothesis is a provisional answer to the research problem, which has been formulated in the form of a question. In this study, the research hypothesis is tested simultaneously, using the coefficient of determination, and partially. Below is the description of the partial hypothesis testing in this study:

1. The Effect of Capital Structure on Company Value
   - H01: $\beta 1 \leq 0$ Capital structure does not affect company value
   - Ha1: $\beta 1 > 0$ Capital structure has a positive effect on company value
2. The Effect of Dividend Policy on Company Value
   - H02: $\beta 2 \leq 0$ Dividend policy does not affect company value
   - Ha2: $\beta 2 > 0$ Dividend policy has a positive effect on company value
3. The Effect of Fixed Asset Turnover on Company Value
   - H03: $\beta 3 \leq 0$ Fixed asset turnover does not affect company value
   - Ha3: $\beta 3 > 0$ Fixed asset turnover has a positive effect on company value
4. The Effect of Audit Opinion on Company Value

- H04: $\beta 4 \leq 0$ Audit opinion does not affect company value
- Ha4: $\beta 4 > 0$ Audit opinion has a positive effect on company value

When making decisions, the criteria in the t-statistic test are as follows:

a. If the significance value is < 0.05, then H0 is rejected and Ha is accepted, meaning the independent variable partially affects the dependent variable.
b. If the significance value is > 0.05, then H0 is accepted and Ha is rejected, meaning the independent variable does not partially affect the dependent variable.

4 RESULT

The goal about the current study is to determine the correlation between the dependent variable, firm valuation, and its separate components, capital structure, dividend policy, fixed asset turnover, and audit opinion. The goal of the investigation is to find out why these independent variables affected the firm valuation of pharmaceutical sector companies that were listed between 2018 and 2022 from the Jakarta Stock Exchange (BEI). Consequently, this investigation can add towards a better understanding regarding how these variables interact and impact the evaluation or appraisal of businesses in the context of Indonesia's pharmaceutical sector.

Table 1. Descriptive Statistical Analysis

	Y	X1	X2	X3	X4
Mean	2,259054	1,272886	1,082834	3,574852	0,660000
Median	1,986519	0,51378	0,389141	3,226798	1,000000
Maximum	6,240401	16,76522	33,746	10,00671	1,000000
Minimum	0,107346	0,14987	-0,08219	0,986876	0,000000
Std Dev.	1,50381	2,391795	4,731554	1,988935	0,478518
Observation	50	50	50	50	50

Source: EViews 12 Results

The pharmaceutical subsector's business value study yielded consistent results, as seen in Table 1, at an average of 2.259054 as well as an accepted variation of 1.503810. This proves that businesses in this industry are wisely managed financially. The loan in stock ratio (DER), who is a mean of 1.272886 and a standard deviation of 2.391795, is a good indicator of capital structure. The following figure shows how the capital structure data for enterprises in the pharmaceutical subsector changed between 2018 and 2022, with an average value below the standard deviation. One indicator on the payout policy is the, which

has an average of 1.082834 or an average variation of 4.731554. Between 2018 and 2022, there were variations in the dividend policy data in the pharmaceutical category, as shown by an average value that was below the standard deviation. The ratio of sales to fixed assets, or average fixed asset turnover, is 3.574852, with a standard deviation of 1.988935. From 2018 to 2022, the drugs subsector's fixed asset turnover data is aggregated, consistent, and has a typical worth that is higher than the usual a deviation. By employing the values (1) and (0) as stand-ins for unqualified and other audit views, respectively, we can see that the nominal variable for audit opinion has an average of 0.660000 and a variance of 0.478518. An attached chart shows that a pharmaceutical category audit opinion data from

Table 2. Multicollinearity Test Results

Variabel	Coefficient Variance	Uncentered VIF	Centered VIF
C	0,32375	7,97589	NA
X1	0,008158	1,45407	1,126766
X2	0,001932	1,100036	1,04423
X3	0,010584	4,343049	1,010842
X4	0,209381	3,404484	1,157525

Source: EViews 12 Results

The results in Table 2 show that all of the coefficient values are below the VIF value of less than 10, indicating that the study data does not break the multicollinearity assumption.

Table 3. Results of Heteroskedasticity Test

F-Statistic	1,489332 Prob. F (13,36)	0,1691
Obs*R-squared	17,48632 Prob. Chi-Square (13)	0,178

Source: EViews 12 Results

The Chi-square. likelihood for unevenness evaluation is 0.1780 > 0.05, as demonstrated by Table 3. This suggests there may be a lack of irregularity among the elements at the approach of regression.

Table 4. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	10,181663	(9,36)	0,0000
Cross-section Chi-Square	63,282773	9	0,0000

Source: EViews 12 Results

On that probe, data from panels was evaluated with EViews version 12. One technique for estimating regression models with panel data is the established effects model. The Chow Test findings in Table 4 indicate that H0 has been disregarded or H1 gets authorization with a value of 0.0000 < 0.05. It indicates that the repaired impacts designs are the proposed approach.

Table 5. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	26,319238	4	0,0000

Source: EViews 12 Results

The Hausman assessment conclusions, with reference to table 5, show a test statistic of 0.000, which is less than 0.05. Once accepting H1 and rejecting H0, it can be said that a secured impacts simulation is an ideal fit to the current study. The theory of simulation effects represents a single among the suitable theories for the study's purpose. In an outcome, the input to the panel coefficient boasts the fixed impact approach.

Table 6. Results of the Fixed Effect Model Test

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	0,130911	0,155425	0,84228	0,4052
LOGX1	0,340757	0,146718	2,322529	0,026
X2	0,001739	0,00747	0,232824	0,8172
X3	0,029464	0,037835	0,778734	0,4412
X4	0,027296	0,078118	0,349424	0,7288

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0,175111	R-squared	0,839012
Mean dependent var	0,201748	Adjusted R-squared	0,780877

S.D. dependent var	0,440863	S.E. of regression	0,206371
Akaike info criterion	-0,086789	Sum squared resid	1,5332
Schwarz criterion	0,448577	Log likelihood	16,16973
Hannan-Quinn criter.	0,117081	F-statistic	14,43221
Durbin-Watson stat	2,884476	Prob(F-statistic)	0,000000

Source: EViews 12 Results

The fixed impacts system is determined to be the most suitable model for this study due to what came out of a panel data regression evaluation. The output of the panel regression model's equation, which describes how set resource shifts, financial form, payout strategy, as well as audit opinion affect the worth of a company, is displayed in Table 6 for medicine category businesses provided upon the Indonesia Stock Exchange between 2018 and 2022.

$$Y_{it} = 0.130911 + 0.340757\,X1_{1it} - 0.001739\,X2_{2it} - 0.029464\,X3_{3it} + 0.027296\,X4_{4it} + e_{it}$$

Here is a conclusion drawn from the fixed effect regression model equation:

1. The capital structure, dividend policy, fixed asset turnover, and audit opinion are examples of independent variables with fixed values. The dependent variable, the company value, has a ratio of 0.130911 units.
2. a little an amount of 0.340757 units, a regression ratio indicates a strong positive impact on assets structure, indicating that for every unit increase in capital structure, firm value rises by 0.340757 units.
3. The dividend policy's positive regression coefficient is 0.001739, indicating that each unit rise in dividend policy is correlated with a 0.001739 unit increase in company value.
4. The Fixed Asset Turnover regression coefficient has a positive direction of 0.029464 units, meaning that for every unit rise in fixed asset turnover, the firm value increases by 0.029464 units.
5. The audit views' positive regression coefficient

Table 7. Results of the Coefficient of Determination Test (R2)

Cross-section fixed (dummy variables)			
Root MSE	0,175111	R-squared	0,839012
Mean dependent var	0,201748	Adjusted R-squared	0,780877

Source: EViews 12 Results

To evaluate how well independent factors clarify the dependent variable's behavior, look up the index from prediction (R2) in Table 7. It is discovered that independent elements like capital structure, dividend policy, fixed asset turnover, and audit findings may account for almost 78% on the impact from company worth in pharmaceutical segment enterprises, having an adapted R-squared worth of 0.780877. At the same time, different factors not covered in the study have an impact on the remaining 22%. this study.

Table 8. Simultaneous Results (F-Test)

Cross-section fixed (dummy variables)			
Root MSE	0,175111	R-squared	0,839012
Mean dependent var	0,201748	Adjusted R-squared	0,780877
S.D. dependent var	0,440863	S.E. of regression	0,206371
Akaike info criterion	-0,088789	Sum squared resid	1,5332
Schwarz criterion	0,448577	Log likelihood	16,16973
Hannan-Quinn criter.	0,117081	F-statistic	14,43221
Durbin-Watson stat	2,884476	Prob (F-statistic)	0,0000000

Source: EViews 12 Results

Table 8 indicates the F statistic likelihood worth 0.000000, beneath a 0.05 threshold for importance (α). The number of organizations in the medical category is at the same time affected by the organization of capital, payout policy, change in fixed assets, as well as opinions of auditors.

Table 9. Results of Partial Test (T)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0,130911	0,155425	0,84228	0,4052
X1	0,340757	0,146718	2,322529	0,026
X2	0,001739	0,00747	0,232824	0,8172
X3	0,029464	0,037835	0,778734	0,4412
X4	0,027296	0,078118	0,349424	0,7288

Source: EViews 12 Results

The accepted research hypothesis relies on the following partial T-Test leads displayed in the table:

Using the financial of drug firms provided within the IDX as a proxy, the findings for the years 2018–2022 show that the financial form is the impact upon company worth. With a positive regression value of 0.340757 as well as a likelihood that is 0.0260, meaning it's under 0.05, the DER suggests H1 is accepted and H01 is rejected. As a result, the financial has a major as well as advantageous impact on company worth. This supports other research that indicated capital structure influences firm value, including Prasetyo et al. (2021), Alifia Salsabila (2023), and Irawan & Kusuma (2019).

A concept its payout policy impacts the shareholder worth of medicinal products category firms stated at the IDX to 2018 to 2022 at least in part is reinforced by DPR, serving as a substitute to feed policy on dividends. Given that the p-value is less than 0.05 and the regression coefficient is 0.8172 with a probability value over 0.8172, we may accept hypothesis H02 and reject hypothesis H2. According to this, dividend policy has no influence with company worth, so it is on par with findings from earlier studying by Nuralifah (2019) as well as Abdinegoro & Hendratno (2019).

Given that Fixed Asset Turnover (as a proxy for sales and fixed assets) has the regression value of 0.029464 as well as a likelihood ratio of 0.4412, both of that are larger instead of 0.05, it may be argued that H3 is rejected and H03 has accepted. This indicates that, in contrast to the hypothesis that suggests otherwise, fixed asset turnover has minor impact with business worth. Pharmaceutical category businesses provided with the IDX between 2018 and 2022 are included in this research. It is in line with earlier research by Febrianti & Chandra (2022) and Lusiana & Agustina (2017), which also concluded that fixed asset turnover had minor effect on business value.

Firms provided within the IDX across 2018 and 2022 in the pharmaceutical subsector indicated a favorable impact of the Audit Opinion hypothesis on their value. Nonetheless,

there are two conceivable results when treating Audit Opinion as a nominal (dummy) variable: (1) an unqualified audit opinion; and (2) other audit views. Rejecting H4 and accepting H04 is possible given the correlation coefficient of 0.027296 as well as the chance number of 0.7288, both of those being over 0.05. Thus, audit opinion has no bearing on the worth of the firm. It stands in contrast to other studies by Firdarini & Safaatun (2022) and Hanif et al. (2021), which likewise found no relationship between audit opinion and business valuation.

5 DISCUSSION

The following findings were obtained from the study and discussion:
Based on the results of descriptive statistical analysis**:**

a) Companies with an average Price Book Value (PBV) of 2.259054, higher above the 1.503810 standard deviation, are considered to have a steady or concentrated value
b) The variability in the grouping of capital structure is shown by the average score of the Debt-to-Equity Ratio (DPR), which is below the standard deviation of 2.391795.
c) The Dividend Payout Ratio (DPR) serves as a proxy for dividend policy; with an average of 1.082834 below the standard deviation of 4.731554, proving that the dividend policy is not categorized or fluctuates.
d) Fixed asset sales are used as a proxy for fixed asset turnover; this metric proves that fixed asset turnover does not fluctuate or cluster, as the average score of 3.574852 is above the standard deviation of 1.988935.
e) The audit opinion does not cluster or fluctuate because the average nominal scale (dummy) score representing it is 0.660000, which is more than the standard deviation of 0.478518.

Based on the partial testing results (t-test) of each variable**:**

a) Pharmaceutical companies listed in Indonesia between 2018 and 2022 show a statistically positive and significant relationship between capital structure (measured by the Debt-to-Equity Ratio or DPR) and company valuation. It is shown by the result of statistic test which is capital structure had 0.02 significant number. Pharmaceutical companies listed on the IDX are very aware that business risks will have a significant impact on the continuity of the company, so the company does not use all debt in carrying out operational activities.
b) From 2018 to 2022, the scores of pharmaceutical companies listed on the IDX are not affected by the dividend policy measured by the Dividend Payout Ratio (DPR). It causes the firm value to not be related to dividend policy. Dividend policy does not

affect the company's value, meaning that when the company's value is good, the formulated dividend policy is not necessarily good, so it cannot be concluded that when the dividend policy is good, the company's value automatically becomes good.

c) From 2018 to 2022, the scores of pharmaceutical companies listed on the IDX are not affected by fixed asset turnover measured by fixed asset sales. Fixed asset turnover is not a factor in creating good company value, because pharmaceutical companies rely more on current asset turnover than fixed asset turnover.

d) Companies listed on the IDX in the pharmaceutical industry between 2018 and 2022 are not affected by audit opinions proxied by a nominal scale (dummy). The better the audit opinion received by the company, does not necessarily make the company have a good company value. In fact, there are many cases where pharmaceutical companies that get audit opinions in the good category actually hide the fraud that occurs in them and result in a decrease in the company's value.

6 CONCLUSION

a) Pharmaceutical companies listed in Indonesia between 2018 and 2022 show a statistically positive and significant relationship between capital structure (measured by the Debt to Equity Ratio or DPR) and company valuation.

b) From 2018 to 2022, the scores of pharmaceutical companies listed on the IDX are not affected by the dividend policy measured by the Dividend Payout Ratio (DPR). It causes the firm value to not be related to dividend policy.

c) From 2018 to 2022, the scores of pharmaceutical companies listed on the IDX are not affected by fixed asset turnover measured by fixed asset sales.

d) Companies listed on the IDX in the pharmaceutical industry between 2018 and 2022 are not affected by audit opinions proxied by a nominal scale (dummy).

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