DIJEFA: Dinasti International Journal of Economics, Finance & Accounting
E-ISSN: 2721-303X
P-ISSN: 2721-3021
https://dinastipub.org/DIJEFA dinasti.info@gmail.com +62 811 7404 455

DOI: https://doi.org/10.38035/dijefa.v7i3.7052
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Received: 27 June 2026 | **Revised:** 05 July 2026 | **Accepted:** 27 July 2026

The Influence of Profitability, Capital Structure, and Company Size on the Company Value of the Coal Sub-Sector in 2021-2025

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Abstract: This study aims to determine the effect of profitability, capital structure, and company size on company value in mining sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2025 period. This study uses a quantitative method with a purposive sampling technique. The number of samples used is as many as mining sector companies that meet the research criteria during the 2021-2025 observation period. The data used is secondary data obtained from the company's annual financial reports published through the Indonesia Stock Exchange. The data analysis method used is panel data regression with the help of the EViews program. The dependent variable in this study is company value proxied by Price to Book Value (PBV), while the independent variables include profitability proxied by Return on Assets (ROA), capital structure proxied by Debt to Equity Ratio (DER), and company size proxied by Ln Total Assets. The results of the study indicate that profitability has a significant positive effect on company value, capital structure has a significant negative effect on company value, while company size has a positive effect on company value. These findings indicate that a company's ability to generate profits and optimal capital structure management are important factors in increasing company value in the mining sector.

Keywords: Profitability, Capital Structure, Firm Size, Firm Value.

INTRODUCTION

The growth of the global corporate market has led to increasingly competitive competition in the industrial sector. All business entities are required to maintain going concern status and improve performance to survive and thrive in the long term. Increasing firm value is the most fundamental goal pursued by every business entity. Appreciation of corporate value reflects the welfare standards achieved by stakeholders and reflects investors' assessment of a company's performance and its opportunities for future business sustainability (Brigham & Houston, 2019).

The existence of a company's value is closely related to the capital market because it serves as a crucial parameter when making investment decisions. A high company value reflects a company's perceived promising business prospects, well-managed risk levels, and the ability to generate sustainable profits. Conversely, a low company value reflects low

investor confidence in the company's performance and stability. Corporate valuation is generally reflected in fluctuations in stock prices traded on the stock exchange (Tessalonika, 2025).

The coal sector is a strategic sector that supports the national economic structure through crucial contributions to state revenue and Gross Domestic Product (GDP), as well as meeting national energy needs. According to information released by the Statistics Indonesia (BPS), the extractive and mining sectors contributed 11.94% to Indonesia's GDP (Gross Domestic Product) in 2022 and reached 11.67% in 2023, placing it among the highest contributing sectors to the country's economic structure (BPS, 2024). Furthermore, the coal mining sector also plays a vital role in supporting other industrial activities, particularly the energy and manufacturing sectors.

However, the coal mining sector faces a variety of complex challenges, including fluctuating global commodity prices, dependence on international demand, changing government policies, and increasing pressure on environmental and sustainability issues. This has led to fluctuating performance and company values in the coal mining sector.

These issues are reflected in the fluctuations in stock prices in the coal mining industry between 2022 and 2024. According to data published by the IDX Channel, there are forty-two coal mining companies listed on the Indonesia Stock Exchange (Wijayanti, 2025). Of this total, at least 10 companies experienced stock fluctuations and a downward trend.



Figure 1. Stock Price Graph 2022-2024
Source: Data analyzed by reviewer (2026)

This graph shows fluctuations in the share prices of coal mining companies over the past three years. Despite the fluctuations, the stock price trend over the past three years has been declining. This is reflected in the fact that most of the equity market values of selected issuers in 2022 were higher than in 2024. Although some corporations reached peak levels in 2023, the trend remains downward. This indicates a decline in investor confidence in the coal mining industry over the past three years. If this trend persists, coal mining companies could face difficulties in obtaining funding from investors due to a lack of trust.

Profitability is often used as a primary parameter in assessing financial performance, given its function as an indicator of Return on Assets (ROA), which is applied to assess the estimated development of the company in question. Based on signaling theory, an impressive level of emphasis on profitability manifests a corporation's efforts to transmit promising signals to shareholders regarding the company's operational conditions and results. This condition is

closely related to the public's perception of a business entity's financial performance in generating profits and its long-term potential (Nurhaliza & Azizah, 2023). Thus, the level of profit achieved by an entity increases investors' positive views of the entity, ultimately stimulating an increase in the corporation's economic value.

This argument aligns with the view of Susanto & Rahayu (2022), who demonstrated that firm value significantly influences profitability, consistent with research by Novianti et al. (2023) and Nurhaliza & Azizah (2023), which demonstrated similar results. However, research by Putranto et al. (2022) and Muflihah & Pamungkas (2024) demonstrated that profitability has no impact on firm value. Therefore, there remains a research gap regarding the impact of profitability on firm value. Therefore, further studies are needed to fill this gap and obtain more comprehensive results.

Beyond profitability, capital structure is another aspect that influences company value. Capital structure describes the investment plan in an industry that relies on debt and internal funds. An increase in the composition of the capital structure indicates a higher proportion of the company's liabilities. This increases the potential for company default, leading to bankruptcy (Arianti & Yatiningrum, 2022). According to signaling theory, this condition has the potential to be a negative indicator for investors, resulting in a decline in the company's market capitalization.

In a similar context, a scientific investigation by Irawati et al. (2021) found that funding composition had an inverse effect on an entity's market price. This finding is consistent with studies by Inayah (2022) and Arianti & Yatiningrum (2022), which demonstrated similar results. However, studies by Alifian & Susilo (2024) and Aditya Putra & Perdana (2024) showed a different result, namely that capital structure negatively impacts firm value. This in-depth study demonstrates the discrepancy between previous research findings. Therefore, additional research is needed to obtain comprehensive results.

The size of a corporation is seen as contributing to its value. Large-capitalized companies tend to have a stronger fundraising ability and stable operational performance, a situation that is inversely proportional to micro-enterprises. Susesti & Wahyuningtyas (2022) explain that entities with significant total assets indicate that the company is in a proven and established business cycle. In general, business entities that achieve this level are characterized by positive cash flow, good long-term prospects, relatively stable operational conditions, the ability to generate profits, and more competitive control in facing market dynamics. Given this situation, corporations with massive scale tend to be more attractive to investors, conveying promising indicators to investors.

Based on an in-depth review by researchers Susesti & Wahyuningtyas (2022), they proved that the entity scale variable has a substantial linear correlation with corporate valuation appreciation. Hidayat & Khotimah (2022) and Rossa et al. (2023) support their findings. Conversely, a study by Fajriah et al. (2022) found indications that corporate scale is inversely related to entity valuation, showing a significant downward trend.

The 2022–2025 study period is particularly relevant for research because it represents the financial recovery phase following the global pandemic, coinciding with increased investor attention to long-term corporate risks. Investors' views on the extractive industry are also influenced by government regulations regarding energy flows and net-zero emission targets. Investors are now focusing not only on achieving short-term profits but also analyzing the company's capital composition and characteristics that reflect business resilience and sustainability.

Based on the above description, there is an empirical phenomenon of inconsistency between theory and practice regarding the relationship between profit capacity and intrinsic value appreciation in mining companies. Furthermore, various empirical studies examining the impact of funding composition and entity scale on market valuation continue to show divergent

results. Therefore, a study of the contribution of profit performance, capital structure, and organizational dimensions in determining the financial standing of a coal mining company in 2021–2025 is crucial to validate more comprehensive factual data and inject new theoretical value into the discipline of accounting and fiscal management. It is hoped that this research will assist investors, entity managers, and all other stakeholders in making more functional and sustainable economic decisions.

Literature Review

Signal

The concept of signaling theory was originally proposed by Michael Spence in his 1973 study, "Job Market Signaling." This reinforces the relevance of this study to re-examine the validity of signaling theory in the coal sector, particularly in the context of the current period 2021–2025. According to signaling theory, managers possess a more comprehensive understanding of an organization's future potential compared to external entities or public stakeholders. Company managers need to convey information to investors and potential investors to reduce information asymmetry and avoid unfavorable assessments (Utomo, 2019).

Company

Based on research by Khotimah et al. (2023), company value reflects how shareholders justify a corporation's effectiveness in achieving various established strategic targets. Company value is closely related to the company's stock price. This reference to previous research serves as a review and to strengthen and assess future research. The fair value of an issuer's shares is often measured using the Price to Book Value (PBV) indicator. This financial formula reflects a mathematical comparison between the market value of traded shares and the book value of net capital on the statement of financial position.

Profitability

Profitability ratios serve as evaluative metrics to identify an entity's capacity to generate financial surplus from its operational activities (Widilestariningtyas & Kurnia, 2021). According to Husnan and Pudjiastuti (2015), profitability not only demonstrates operational capability but is also used as a benchmark by investors in evaluating a company's prospects. Financial ratios such as return on assets (ROA) and return on equity (ROE) are the most frequently relied upon proxies to measure the efficiency of business profit generation, both of which represent managerial capability in optimally managing the allocation of production factors to achieve maximum productivity. Profitability represents an entity's effectiveness in pursuing synergistic utilization of all productive assets to accelerate profitability.

Capital Structure

The financial composition that brings together internal ownership rights with long-term loans is categorized as capital structure. Referring to Riyanto's (2011) view, this concept reflects the balance or standard ratio of these funding items between the entity's internal capital accumulation and exogenous funding sources used to finance operations and expansion. The Debt to Equity Ratio (DER) is a commonly utilized matrix to evaluate the proportionality of liabilities to equity within an entity's financial structure, demonstrating the extent to which the business entity shows a greater tendency towards liability instruments rather than the use of internal equity.

Company Size

Company size reflects the breadth of an entity's operational activities. A company's capacity or size can be identified through various operational proxies. These assessments are generally based on accumulated assets, turnover volume, equity market value, and the total number of employees employed by the organization. According to Brigham & Houston (2010), company size reflects a company's capacity to access financing, manage operational activities, and navigate market uncertainty. Increasing credibility often reflects the breadth of a business entity's operational scope and size, which investors and creditors attribute to the company, as it is perceived as more stable and has a strong management structure.

METHOD

This study uses a quantitative approach with a hypothesis testing design to analyze the effect of profitability, capital structure, and company size on firm value. The study was conducted on coal mining sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2025 observation period using secondary data in the form of audited annual financial reports obtained from the official IDX website. The study population included all coal mining sub-sector companies listed on the IDX. The sample was determined using a purposive sampling technique based on the criteria of companies that are consistently listed, publish complete financial reports, have the required research data, have not experienced delisting or suspension of stock trading, and have earned positive profits during the study period. The research instrument was financial report documentation with data collection using the documentation method. Data analysis was performed using EViews software through descriptive statistical analysis, classical assumption tests, panel data regression analysis with the selection of the Common Effect Model (CEM), Fixed Effect Model (FEM), or Random Effect Model (REM), and hypothesis testing using the t-test, F-test, and coefficient of determination (R^2).

RESULTS AND DISCUSSION

Classical Assumption Test

Normality Test

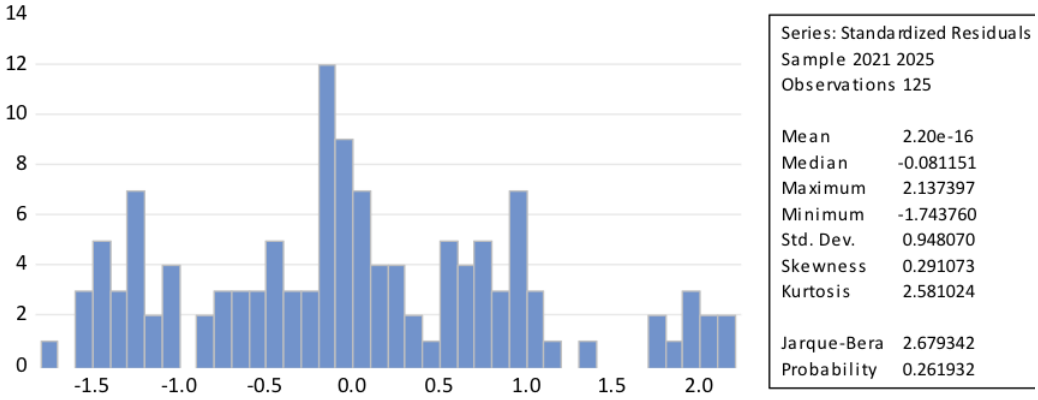

Figure 1. Normality Test

The normality test is applied to ensure whether the residual values generated by the regression model are statistically normally distributed. A valid estimation model that meets the requirements for hypothesis testing should have residual data whose pattern is close to or in line with a normal distribution. The method chosen to detect this in this study is the Jarque-Bera (JB) Test processed using the EViews 13 program, with decision-making criteria based on significance or probability values. If the probability value shows a number greater than $\alpha = 0.05$ (5%), then the residual value can be declared normally distributed. Conversely, if the value

is below the 0.05 significance level, then the regression model indicates a normality problem in the data. Based on the data processing results presented in Figure 4.1, the test involving 125 observations from the sample period of 2021 to 2025 shows a Jarque-Bera statistical value of 251.7416. Furthermore, the results of this test produce a probability value of 0.000000. Because the probability value is much smaller than the required significance level (0.000000 < 0.05), thus, it is concluded that the residual value in the estimation model of this study is not normally distributed. This abnormality of data distribution can also be observed visually through the histogram graph which tends to deviate to the right (positive skewness) with a Skewness value of 2.333687 and a fairly sharp peak (Kurtosis of 8.152669), so that the shape does not form a perfect symmetrical or bell curve.

The normality test is applied with the aim of evaluating whether the residual components contained in the regression model have a normally distributed data distribution. A credible regression analysis model is required to have residual values that approach or follow the normal distribution curve. In this study, the methodology applied to detect the nature of the data distribution is the Jarque-Bera (JB) test facilitated by the EViews 13 program. The testing criteria are based on the significance level of the Probability value. If the resulting probability value is above the $\alpha = 0.05$ (5%) level, it can be stated that the residuals in the regression model have met the normality assumption. Based on the results of the visualization and data calculations presented in Figure 1, testing of 125 observations during the period 2021 to 2025 produced a Jarque-Bera statistical value of 2.679342. Furthermore, the main indicator of this test shows a probability value of 0.261932. Considering that the probability level is much greater than the specified significance threshold (0.261932 > 0.05), it can be concluded that the residual values in this research model are normally distributed.

These results are also visually supported by the histogram shape which tends to be symmetrical and the Skewness (0.291073) and Kurtosis (2.581024) values which meet the ideal data distribution criteria.

Multicollinearity Test

Table 1. Multicollinearity Test

	LOG Y	RESID	ROA	DER	SIZE
LOG Y	1,000				
RESID	0.996	1,000			
ROA	0.007	-0.010	1,000		
DER	0.079	0.048	-0.096	1,000	
SIZE	-0.190	-0.107	-0.014	-0.206	1,000

Source: Data processed by EViews 13, (2026)

Multicollinearity evaluation is applied to detect the presence or absence of a strong or perfect correlation between independent variables in a regression model. To produce an objective and logical estimation model, the primary prerequisite is the absence of a significant linear relationship between the independent variables. A statistical approach that can be used to identify this phenomenon is correlation matrix analysis. Based on the test criteria, if the correlation coefficient between independent variables is below 0.80 or 0.90, the regression model is confirmed to be free from multicollinearity.

Based on the data processing output in Table 1, the correlation coefficient values between the independent variables (ROA, DER, and SIZE) can be described in detail. The relationship between Profitability (ROA) and Capital Structure (DER) shows a correlation value of -0.096. Furthermore, the correlation between Profitability (ROA) and Company Size (SIZE) is recorded at -0.014. Finally, the relationship between Capital Structure (DER) and Company Size (SIZE) has a correlation coefficient value of -0.206.

Based on the measurement results, all correlation coefficients between the independent variables showed values well below the standard criterion of 0.80. Therefore, it can be concluded that there is no indication of a strong linear relationship between the independent variables in this model. This condition confirms that the estimated regression model has passed the classical assumption test and is free from multicollinearity bias.

Heteroscedasticity Test

Table 2. Heteroscedasticity Test

Variables	Coefficient	Std. Error	t-statistic	Prob.
C	1,601127	0.449381	3.562966	0.5270
X1_ROA	-4.32E-11	5.05E-11	-0.856699	0.3933
X2_DER	0.006552	0.010821	0.605507	0.5460
X3_SIZE	-0.032158	0.013892	-2.314967	0.2231
LOG_Y	-0.185625	0.070291	-2.640795	0.0937

Source: Data processed by EViews 13, (2026)

Heteroscedasticity testing is conducted to confirm the presence or absence of residual variance inequality from one observation to another in the regression model. An ideal estimation model that meets the classical assumptions is required to have a constant residual variance, also known as homoscedasticity. To identify this indication, this study applies the Glejser Test by regressing the absolute value of the residual against each independent variable. The guideline for drawing conclusions refers to the significance value (Prob.), if the probability value obtained is greater than the error level $\alpha = 0.05$ (5%), then the regression model is declared free from heteroscedasticity bias.

Based on the data processing output displayed in Table 2, the Glejser Test estimation results show varying significance values (Prob.) for each variable. Specifically, the Profitability variable X1 ROA produces a significance value of 0.3933, the Capital Structure variable X2 DER of 0.5460, and the Company Size variable X3 SIZE of 0.2231. Likewise, the additional control variable LOG Y recorded a significance value of 0.0937. Considering that all probability values of these variables are consistently above the threshold of 0.05 ($p > 0.05$), it can be confidently concluded that there are no symptoms of heteroscedasticity in the regression model. Thus, this research model has passed the classical assumption test and is suitable for further analysis.

Autocorrelation Test

Table 3. Autocorrelation Test

Information	Mark
R-squared	0.646928
Adjusted R-squared	0.543486
SE of regression	0.158617
F-statistic	2.918146
Prob (F-statistic)	0.036952
Mean dependent variable	-0.062669
SD dependent var	0.162257
Sum squared residual	3.044317
Durbin-Watson stat	2.569524

Source: Data processed by EViews 13, (2026)

The autocorrelation test is applied to analyze whether a linear regression model has a correlation between the residual error in period t-1 and the previous period (t-1). This autocorrelation problem is often found in studies using time series or panel data. A reliable

regression model that meets the classical assumptions is required to be free from autocorrelation. In this test, the method used to detect the presence of this phenomenon is the Durbin-Watson (DW) test by examining the Durbin-Watson statistic value generated from the regression model.

Based on the results of the data estimation presented in Table 3, it is known that the Durbin-Watson statistical value (DW stat) obtained is 2.569524. This value is then compared with the theoretical value in the Durbin-Watson table with a significance level of 5%, the number of observations (n) of 125, and the number of independent variables (k) of 3, so that the lower limit value (dL) is 1.6513 and the upper limit value (du) is 1.7494. From the results of the test limit calculation, it was found that the DW statistical value is in the rejection area or outside the ideal range (dU < DW < 4 - dU), where the value of 2.569524 is greater than the upper threshold of negative autocorrelation (4 - dU = 2.2506). These test results indicate a tendency for negative autocorrelation symptoms in the residual model.

Although the Durbin-Watson indicator points to negative autocorrelation due to the specific pattern of the panel data over time, this regression model still maintains strong overall accuracy and estimation performance. This is demonstrated by the Adjusted R-squared value of 0.543486 and the Prob (F-statistic) value of 0.036952, simultaneously indicating good model significance.

Panel Data Regression Model Selection

Table 4. CEM, FEM and REM Test Results

Variables	Common Effect		Fixed Effect		Random Effect	
	Coefficient	Sig	Coefficient	Sig	Coefficient	Sig
Intercept (C)	1.045150	0.3897	1.973847	0.0001	1.951083	0.0002
Profitability	-9.44E-11	0.6152	6.15E-12	0.9125	4.36E-12	0.9376
Capital Structure	0.038499	0.3988	0.003741	0.7547	0.004170	0.7267
Company Size	-0.013492	0.7194	-0.041391	0.0076	-0.040691	0.0077
R-Squared	0.011122		0.968325		0.060848	
Adjusted R-Squared	-0.013395		0.959509		0.037563	
F-Statistic	0.453641		109,8296		2.613216	
Prob (F-Statistic)	0.715197		0.000000		0.054377	

Source: Data processed by EViews 13, (2026)

Common Effect Model(CEM)

Partial evaluation shows that profitability (ROA), capital structure (DER), and firm size (SIZE) variables each have a significance level of 0.6152, 0.3988, and 0.7194. Since all p-values are above the critical value of 0.05, it can be concluded that none of the independent variables have a significant impact on firm value. These results confirm that individually, these factors are not the main determinants that trigger fluctuations in firm value in this study.

In line with these partial results, simultaneous estimation using the F-statistic test also shows no collective influence of all independent variables on the dependent variable. The Prob (F-statistic) value, which reached 0.715197 (>0.05), strengthens the argument that ROA, DER, and SIZE together are unable to significantly influence firm value. This finding indicates that the estimated model lacks statistical power to simultaneously explain the interactions between the variables.

The feasibility of this analytical model is further confirmed by the negative Adjusted R-squared value of -0.013395. This figure reflects the very low capacity of the independent variables to represent variations in company value, thus the model is deemed less than optimal

in projecting the phenomena studied. Therefore, the application of the Common Effect model is deemed unrepresentative or less relevant for implementation in the context of this research.

Fixed Effect Model (FEM)

Based on the results of the partial t-test, it is known that profitability (ROA) and capital structure (DER) do not have a significant influence on firm value, with a significance level of 0.9125 and 0.7547 (> 0.05), respectively. Conversely, firm size (SIZE) is proven to have a significant impact on firm value because its significance value is at 0.0076 (< 0.05). Interestingly, the negative coefficient on the SIZE variable indicates an inverse relationship, where increasing the firm's scale actually risks reducing the firm's value.

Simultaneous testing using the F-statistic instrument yielded a Prob(F-statistic) value of 0.000000. This indicates that the combination of ROA, DER, and SIZE together significantly influences firm value. These results confirm that the integration of these three independent variables plays a crucial role in controlling the dynamics of firm value in this study.

The reliability of this model is reinforced by the Adjusted R-squared value of 0.959509. This figure indicates that 95.95% of the variation in company value is adequately explained by ROA, DER, and SIZE. The remaining 4.05% is influenced by factors outside the regression model studied.

Model Random Effect (REM)

The results of partial hypothesis testing indicate that profitability (ROA) and capital structure (DER) do not significantly influence firm value. This is based on the significance values of 0.9376 and 0.7267 (>0.05) for each variable. However, firm size (SIZE) exhibits a significant effect at a significance level of 0.0077 (<0.05). The negative coefficient on the SIZE variable indicates that the larger a firm's scale, the lower its value tends to be.

Simultaneously, the combination of ROA, DER, and SIZE variables was shown to have no significant effect on firm value. This conclusion is based on the Prob (F-statistic) value of 0.054377, which is above the tolerance threshold of 0.05. This finding indicates that collectively, the regression model developed was unable to demonstrate a statistically meaningful relationship with the dependent variable.

The low correlation between variables in this model is also reflected in the Adjusted R-squared value of only 0.037563. This figure indicates that all independent variables are only able to represent 3.76% of the variation in company value, while the largest portion, 96.24%, is explained by external factors outside the research design.

Model Estimation Selection

Chow Test

Table 5. Chow Test Results

Effects Test	Statistics	df	Sig.
Cross-section F	122,194	(24.97)	0,000
Cross-section Chi-square	430,187	24	0,000

Source: Data processed by EViews 13, (2026)

Considering that the probability values obtained from the tests (Cross-section F and Cross-section Chi-square) show a figure of 0.0000, where this value is far below the significance level of 0.05, it can be decided that the Fixed Effect Model (FEM) is the most valid model to be used in this analysis.

Hausman test

Table 6. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq.DF	Sig.
Cross-Section Random	0.449	3	0.9299

Source: Data processed by EViews 13, (2026)

The estimation obtained yielded a probability value of 0.929, which is greater than the significance threshold of 0.05. Based on these findings, the testing decision determined that the Random Effects Model (REM) was the most appropriate model to use.

LM Test

Table 7. LM Test Results

Hypothesis Test	Cross-section	Time	Both
Breusch-Pagan	227,4948	2,4995	229.9944
	(0.0000)	(0.1139)	(0.0000)

Source: Data processed by EViews 13, (2026)

Based on the calculation results of the Lagrange Multiplier (LM) test, the Breusch-Pagan significance value was obtained at 0.000. Because this probability value is smaller than the standard significance of 0.05 (<0.05), the test results confirm that the Random Effect Model (REM) approach is the most valid estimation method to represent the characteristics of the panel data in this research. Thus, the estimation model determination stage is considered complete, and the Random Effect model is agreed upon as the main basis for conducting statistical analysis in the next stage.

Panel Data Regression

Table 8. Panel Data Results

Variables	Coefficient	Sig.
Intercept	0.4445	0.0425
Profitability	4.91E-11	0.0413
Capital Structure	0.0103	0.4222
Company Size	0.0422	0.0103
R-Squared	0.6469	
Adjusted R-squared	0.5434	
F-statistic	2,918	
Prob (F-statistic)	0.036	

Source: Data processed by EViews 13, (2026)

Based on the panel data regression results in Table 8, an intercept value of 0.4445 is obtained, indicating the value of the dependent variable when all independent variables are zero, where this constant has a statistically significant effect (0.0425 < 0.05). Partially, the Profitability variable has a positive coefficient of 4.91 x $10^{-}11$ and has a significant effect on the dependent variable because the Sig. value of 0.0413 < 0.05. The Capital Structure variable has a positive coefficient of 0.0103, but its effect is not statistically significant because the Sig. value of 0.4222 > 0.05. Meanwhile, the Company Size variable has a positive coefficient of 0.0422 and is proven to have a statistically significant effect with a Sig. value of 0.0103 < 0.05.

Simultaneously (together), this regression model is declared fit because the Prob (F-statistic) value of 0.036 is smaller than the significance level of 0.05 (0.036 < 0.05), which means that Profitability, Capital Structure, and Company Size have a significant effect on the dependent variable. In addition, the Adjusted R-squared value of 0.5434 indicates that the contribution or ability of the variation of the three independent variables in explaining the

dependent variable is 54.34%, while the remaining 45.66% is explained by other variables outside this research model.

T-Test (Hypothesis Test)

1. The Influence of Profitability (ROA) on Company Value
   Based on the t-test estimation, the ROA variable (X1) recorded a significance value of 0.0413. Since this figure is below the 0.05 significance standard, it can be concluded that ROA makes a significant contribution to company value. Therefore, the initial hypothesis stating that profitability influences company value is accepted. The positive direction of the coefficient also indicates a unidirectional relationship, where any increase in profitability will be followed by a linear increase in company value.
2. The Influence of Capital Structure (DER) on Company Value
   The partial test results show that the probability value for the DER variable (X2) is 0.4222, which exceeds the 0.05 significance level. These data provide evidence that DER does not significantly influence firm value. Therefore, the hypothesis that capital structure influences firm value is rejected. This condition reflects that the fluctuation of a company's debt proportion is not a determining factor in the high or low value of the company in this study.
3. The Influence of Company Size (SIZE) on Company Value
   Through partial testing (t-test), the Size or company scale variable (X3) shows a probability value of 0.0103. Considering that the significance level is less than 0.05, it can be concluded that company size has a significant impact on company value. Based on these results, the research hypothesis is declared accepted. The positive coefficient indicates a unidirectional relationship; that is, the larger the operational scale or size of a company, the more the company's value performance tends to strengthen.

F Test (Simultaneous)

Coefficient of Determination Test

Based on the statistical analysis, the R-squared value obtained was 0.646928. This finding indicates that 64.69% of the variation in the firm value variable can be represented and explained by the combination of ROA, DER, and SIZE variables in this model. Meanwhile, the remaining 35.31% of the variation is determined by contributions from other external variables not included in the scope of this study.

Discussion

The Influence of Profitability on Company Value

Based on the results of partial hypothesis testing using the t-test, the Profitability variable is known to have a positive regression coefficient value of 4.91 x $10^{-}11$ with a significance level (Sig.) of 0.0413 Data Processing Results, 2026. Because the significance value is smaller than the specified real level of 0.0413 < 0.05, the test decision is to reject H0 and accept H1 Data Processing Results, 2026. This finding empirically proves that the Profitability variable has a positive and significant effect on Company Value Data Processing Results, 2026.

Theoretically, this positive influence strongly supports the Signaling Theory approach. According to this theory, high profitability is seen as a positive signal of good news intentionally sent by management to the market regarding the company's efficient operational performance in generating profits. The company's ability to generate optimal profitability provides shareholders with strong confidence that their investment will generate high returns in the form of dividends in the future. The emergence of this positive signal of good news will, in turn, trigger increased demand for the company's shares in the capital market, which

automatically drives up the share price and optimizes the company's value in the eyes of investors.

The significant positive findings in this study are also reinforced by the consistency of previous research. Research conducted by Bintara (2018) concluded that profitability has a positive impact on company value because growing profits reflect bright prospects that attract investors. In line with this, Wicaksono et al. (2020) also demonstrated that the profitability ratio is a vital indicator that plays a significant role in increasing the value and market confidence in a company's existence. Similar empirical evidence was also found by Cahyania et al. (2024) and Carolin et al. (2024), where both studies confirmed that consistently high profits for issuers will be positively responded to by the capital market in the form of significantly higher stock market value appreciation.

The Influence of Capital Structure on Company Value

Based on the partial hypothesis testing results (t-test) presented in the regression table above, the Capital Structure variable projected through the Debt to Equity Ratio (DER) has a negative regression coefficient value of -0.265691 with a significance level of 0.3912. This significance value is much greater than the predetermined real level of $\alpha = 0.05$ ($0.3912 > 0.05$). These test results indicate that Capital Structure has a negative but insignificant effect on Company Value (Price to Book Value / PBV) in coal sub-sector companies listed on the Indonesia Stock Exchange for the 2021-2025 period. Thus, the second hypothesis H2 in this study which states a significant influence is rejected.

Between 2021 and 2025, the global and domestic coal industries experienced a period of high profits due to the surge in energy commodity prices. This abundance of internal cash flow meant that management decisions regarding increasing or decreasing debt were no longer a primary concern for investors when assessing a company's stock price. Capital market investors tended to ignore the DER ratio, considering coal companies' highly liquid capacity and ability to finance their own operations. Therefore, high or low debt levels did not have a significant impact or signal a change in a company's value in the eyes of the market.

The empirical findings in this study align with previous research conducted by Effendi (2023) in his study of coal mining companies, which concluded that capital structure does not significantly influence firm value because the market tends to focus more on short-term liquidity and operating profit turnover than on a company's leverage ratio. These findings are also supported by research by Susesti and Wahyuningtyas (2022), which states that the amount of debt a company holds is not necessarily a benchmark for investors in assessing a corporation's value if it is not balanced by efficient management of productive assets.

The Influence of Company Size on Company Value

The partial test results (t-test) indicate that the Size variable has a probability value of 0.0103, which is smaller than the 0.05 significance level ($0.0103 < 0.05$), thus the research hypothesis is accepted. This positive coefficient indicates a unidirectional relationship, meaning that the larger the company's operational scale, the stronger the company's Price to Book Value (P/BV) performance in the market. Theoretically, this finding supports Signaling Theory because large-scale entities tend to convey a positive impression to investors regarding stability and broad access to capital. This research finding aligns with an empirical study by Susesti & Wahyuningtyas (2022), which proves that large asset scale signals financial strength that can increase company value. Furthermore, this positive finding is also supported by research by Hidayat & Khotimah (2022) and Rossa et al. (2023), which confirms that increasing company size is consistently a key determinant in boosting a company's attractiveness to shareholders.

CONCLUSION

Based on the findings of the analysis and discussion regarding the influence of profitability, company size, and capital structure on company value in the coal mining sector on the Indonesia Stock Exchange (IDX), the following conclusions can be drawn:

1. The ability of coal companies to generate profits from managing their assets has been proven to have a positive and tangible impact on company value. Higher profits, in turn, increase investor appreciation and trust in the capital market, as they are perceived as having promising business prospects.
2. The financing policy or debt ratio of a coal company was found to have no significant impact on company value. Fluctuations in debt levels are not a primary benchmark or consideration for market participants in assessing the price or quality of a coal company's shares.
3. The scale or size of a corporation has been shown to positively and directionally contribute to its value. Coal companies with large total assets tend to be perceived as more stable and credible, and are more likely to attract investor optimism.

When analyzed simultaneously, profitability, capital structure, and company size factors simultaneously have a significant role and influence in controlling the rise and fall of the value of coal companies on the stock exchange.

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