

The Effect of Liquidity, Leverage and Profitability on Company Value of Healthcare Sector Businesses listed in the Indonesia Stock Market

Yulazri ¹, Febrizqia Ramadianty Joefatha ^{2*}

¹ Esa Unggul University , Jakarta, Indonesia, ² Bakrie University , Jakarta, Indonesia

¹ yulazri@esunggul.ac.id; ² izqijft@gmail.com*;

* corresponding author

ARTICLE INFO

Article history

Received: 21 January 2023

Revised : 14 February 2023

Accepted : 31 March 2023

Keywords

Liquidity; Leverage; Profitability;
Company value;

ABSTRACT

This research sought to determine the effects of profitability, leverage, and liquidity on the value of healthcare sector businesses listed on the Indonesia Stock Market for the years 2018-2021. The sample in this research is a number of 10 businesses and after outliers were made there were 9 businesses with a total sample data that met the research criteria as many as 36 financial reports. The sampling technique is to use purposive sampling technique. The approach to data analysis which is multiple linear regression, SPSS is used for the analysis. The hypothesis test reveals that leverage has no effect on company value, while liquidity and profitability have a positive impact.

1. INTRODUCTION

The 19-Covid event that occurred in 2020-2021 has become a prolonged concern and polemic both abroad and domestically, especially in the domestic economic sector, which in general is declining due to social restriction policies, economic activities that have been restricted by the government since the implementation of PPKM and work from home (WFH) implemented by the government. So that various business sectors that were running at that time experienced a decrease in activity and profit from their operational activities. This condition certainly affects even large businesses, including large businesses that are on the Indonesia Stock Market.

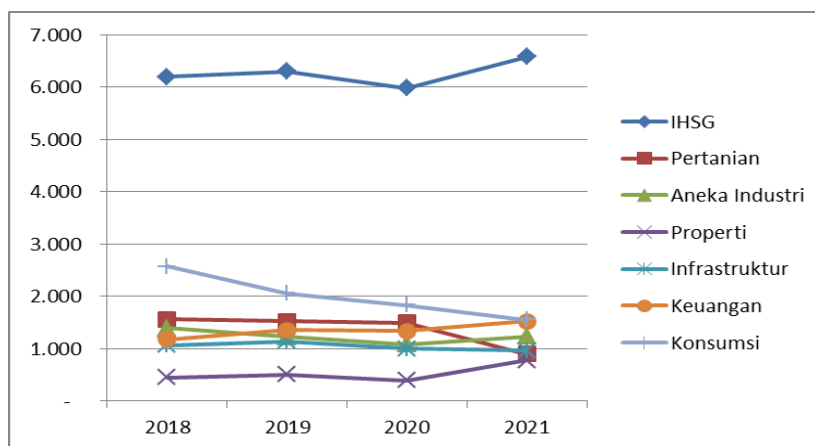
In general, a country's economic condition can be seen as an indication of the movement of the Jakarta Composite Index (JCI), because of the stock price index's fluctuation is inseparable from the condition of a country's economy as a whole. JCI is a stock index number that can be used as a comparison of events in the form of changes in stock prices from a certain period (Prasetyo, 2018). JCI describes a series of historical information related to the price of all shares up to a certain date. The value of JCI is widely associated with economic conditions, because the movement of JCI is used as a benchmark for a country's economic stability (Khoiri, 2020). When economic conditions are down, the JCI will also fall. The 19-Covid condition contributes to the decline of the JCI in general. If it is related to the phenomenon during the pandemic in Indonesia, it can be seen that investors' interest in capital market investments in Indonesia has decreased due to economic activities that have been limited by the government since the implementation of PPKM and WFH which have caused the company's operational activities to be ineffective as before the pandemic. This has an effect on stock prices falling in various industrial sectors because investors withdraw their capital to avoid risks and then add funds to investment schemes or instruments that have minimal risk, such as gold (Fakhrunnas, 2020). Each investor purchases a certain number of outstanding shares in the hope of making a profit from *capital gains* or a certain amount of dividends in the future, in exchange for the time and risks associated with such investments. (Rizal, 2021).

The phenomenon of the 19-Covid pandemic has significantly altered the country's declining economic conditions. However, the opposite is true for the shares of healthcare sector businesses that have actually increased. This is due to the drastically increasing inventory of goods produced by health sector businesses such as the use of syringes, medicines and hospitals and other health facilities which has led to an increase in cash inflows and cash outflows in operational activities. An increase in operating cash flow can result in profit while at the same time causing the company's share price to increase. shares of businesses involved in the healthcare sector showed the highest increase since the

emergence of the 19-Covid virus outbreak compared to business sectors in other fields of businesses listed on the Indonesian Stock Market.

The following is data about the development of JCI and the development of stock prices in the healthcare sector from 2018 to 2021 whose data is gathered from the main website of the Indonesia stock market.

Figure 1. JCI and JCI Development Data Per Sector



Source: Data www.idx.co.id The Processed (2022)

Figure 1. JCI Healthcare Sector

Source: IDX Statistics 2021.

Figure 1. shows the development of JCI and JCI per sector listed on the IDX from 2018 to 2021. It can be seen that the JCI in 2019 experienced a decline in 2020 from 6,300 to 5,979, as well as the JCI per sector decreased in 2019 to 2020 (the beginning of Covid 19). Figure 1.2 shows that when other sector stocks experienced a decline in 2019 to 2020, it was otherwise seen that the stock price index of businesses in the healthcare sector on the IDX experienced an increase in their stock market prices. The increase was influenced by the increase in shares of businesses such as DVLA, KAEF, PEHA, SIDO, MERK and PYFA.

As reported by *money kompas*, on September 02, 2020 since the pandemic, JCI has not been able to be in its original position, which is in the range of 5,942 in March 2020. The sharpest decline occurred in April, where the index was at an all-year low of 3,937 (Safitri 2020). The news in *Katadata* on June 29, 2020, said that the implementation of social restrictions on a large scale (PSBB) to suppress the spread of 19-Covid changed the speed at which people move around. This has also resulted in changes in people's income and consumption patterns. The price of health products increased by 73.3 percent, the price of basic necessities by 65.8%, (Lidwina 2020) credit and data packages by 56.6%, food and beverages by 46.1%, electricity by 373.3%, public transportation by only 7.8%, and fuel by only 7.3%. More than 50% more is spent on groceries, health products, and phone credit. There are three sectoral indices that support the JCI movement in a week, as reported by *Kontan* on April 3, 2020, launching weekly data from the IDX, namely the basic industry sector which grew 11.39%, the manufacturing sector which grew 6.01%, and the goods sector. consumption, which increased by 5.46 percent during the week. (Suryahadi, 2020) This food & beverage industry sub-sector is also often the focus and contributes the most to the growth of the manufacturing industry sector and to economic growth in Indonesia. This makes the industry of food and beverages considered to have bright prospects in the future because the need for food and drink in life is so great. However, under the circumstances of the 19-Covid pandemic, not only the industry of food and beverages sub-sector is needed, but the needs and demand for products from several pharmaceutical sub-sector businesses have increased such as medicines, body supplements, health equipment, and so on.

As reported by *Kontan* on Tuesday, September 15, 2020 Quoting IDX data, as of Monday (14/9) the index of the consumer goods sector has only corrected by 5.5% since the beginning of the year. This is in contrast to the decline in the index of various industries and the property sector index, both of

which experienced a decline of 29.55% year-to-date. Stocks in the consumer goods sector usually perform better in such market conditions, as indicated by a slight correction in the index. When market participants collect consumer sector stocks, this is also one of their considerations. The 19-Covid pandemic has significantly increased the demand for medicines, medical devices, vitamins, and supplements. The Ministry of Industry of the Republic of Indonesia revealed that throughout the 19-Covid pandemic, the demand for pharmaceutical commodities and medical devices has increased significantly as a response from the public and the government to anticipate and overcome the 19-Covid pandemic. In general, the pharmaceutical sector experienced the highest increase in sales in personal protective commodities by 50.3%. Meanwhile, the largest increase in demand for health commodities was masks 12.6%, hand sanitizer 3.1% and hand soap 2.1%. The growth of the pharmaceutical industry is estimated to continue to grow throughout the 5 19-Covid pandemic due to an increase in sales and demand. Therefore, investment in this field is believed to be one of the promising investments and contributes to the national economy. As one of the promising industries, of course, this will be an attraction for investors in making investments. But before investing, investors certainly analyze first the worth of the business identified through the price of the company's stock. Businesses with high corporate values reflect the extent of the company's success in operating so that it becomes an attraction for investors to invest. However, the company's low value and tend to fluctuate, this will be a reconsideration for investors in investing. The company's fluctuating value indicates the company's inconsistent share price. Based on the analysis of quarterly financial reports, there were fluctuations in the value of businesses during the 19-Covid pandemic, pharmaceutical subsector businesses on Indonesia's stock market. Therefore, it is essential to comprehend the factors that influence the company's value. (Suryahadi, 2020)

Based on the above phenomenon, the topic of corporate values is explained, especially businesses in the healthcare sector, is interesting to research. Some researchers who have researched the topic of company value are the outcomes of prior research have shown that Company Value is influenced by the following factors: liquidity, (Nurminda, Isywardhana, and Nurbaiti 2017; Hasania et al. 2016; Jariah 2016; Tofu and Susilo 2017; Fajaria and Isnalita 2018; Indasari and Yadnyana 2018; Rahayu and Sari 2018; Simanungkalit and Silalahi 2018; Husna and Satria 2019; Kadim and Sunardi 2019; Sondakh 2019; Zuhroh 2019; Agustina and Sha 2020)leverage, and profitability

Maximizing the company's value is very important because maximizing the company's value is tantamount to increasing the prosperity of shareholders, which is the main goal of the company itself. A company's value is the amount that a potential buyer would pay for it if it were sold. In other words, the price at which a company is valued as worthy by potential investors is known as its value. The higher the value of a company, the higher the share price, and the greater the company's shareholders' wealth.(Nurminda, Isywardhana, and Nurbaiti 2017)(Husna and Satria 2019)

Based on previous research, there are numerous variables that may influence the value of a company. According to Sutrisno (2013) there are several factors that affect the company's value, such as investment decisions, funding decisions, dividend decisions, profitability, company size, leverage, liquidity, solvency, company growth, and others.

According to Gregorius (2017) utilizing a company's financial information will typically be taken into account by financial ratio analysis or investors as a consideration tool in investment decisions which include, among others, liquidity ratios, *leverage*, and profitability. According to (Sondakh, 2019) the CR ratio can be used to measure liquidity, which is the ratio between current assets divided by current liabilities. Sufficient liquidity describes the capacity of the business to meet its short-term obligations. Shareholders will look at the adequacy of liquidity to see the company's value. The company's liquidity and capacity to pay its short-term obligations improve with increased cash availability.

Leverage is the use of assets and funding sources by businesses with fixed costs to maximize company value. (Agustina and Sha 2020)Leverage always goes hand in hand with assets and sources of funds with borrowed funds including interest costs and others which will later be used as costs in the company's operations. In this case, the company is considered financially unsound if the costs in its operations are high and the company is too large in financing its debt. The increase in debt also has an influence on the market value and even the company's value. The lack of (Simanungkalit and Silalahi

2018) leverage on the company's value is in line with managers not utilizing sources of funds effectively. If the business is unable to meet its obligations, one way is to liquidate the company or the company will go bankrupt.

Profitability is one of the most important factors in increasing the company's value. The extent to which the company makes a profit from sales or revenue that the company generates. If A company's profitability is good, all stakeholders see that the company is running as it should by making good profits from year to year. If the company's profit reaches the target, it can even more prosper all relevant stakeholders . Potential investors will look at profitability at the end before making a decision to invest. Every company must want a high profit obtained every period therefore this is the final decision taken by a company.(Agustina and Sha 2020)

Based on the phenomenon and variations in the previous research's findings, this study conducted a research duplication of the research entitled "The Effect of Profitability, (Nurminda, Isynuwardhana, and Nurbaiti 2017)Leverage, and Company Size on Company Value (Case Study on Goods and Consumption Sub-Sector Manufacturing Businesses Listed on the Indonesia Stock Market for the 2012-2015 Period)". This study differs from the previous one in that one variable, the company size variable, is replaced with a liquidity variable because according to the company size variable does not have a significant effect on (Nurminda, Isynuwardhana, and Nurbaiti 2017) PBV so it needs to be replaced with a new variable. Based on the explanation above, this research is with a topic entitled " The Effect of Liquidity, Leverage and Profitability on Company Value of Healthcare Sector Businesses listed in the Indonesia Stock Market”

Hypothesis Development

The Effect of Liquidity on Company Value

According to signal theory, investors can tell the difference between businesses with high and low values. A company with a lot of value will tell you about will signal that its business is relatively safe from bankruptcy. The connection between signal hypothesis and that's what liquidity is assuming the organization's liquidity is great, it demonstrates that the business is able to meet its short-term obligations and can be used by management as a signal to get investors to invest in the business.

Liquidity is one of the factors that are considered before making a decision to determine the value of the dividends that will be distributed., so the greater the company's capacity to distribute dividends, the stronger its liquidity position. A business with a lot of cash on hand is more likely to be able to meet all of its short-term obligations, including a strategy for timely dividend distribution. If the company has a strong liquidity position, the possibility of dividend payments is even greater, because dividends are the company's cash outflow. In previous studies conducted by measuring liquidity using (Riyanto and Hatmawan 2020)(Fajaria and Isnalita 2018; Hasania et al. 2016; Jariah 2016; Simanungkalit and Silalahi 2018; Sondakh 2019; Tofu and Susilo 2017)CR where liquidity was one of the factors that positively influenced dividend policy. A hypothesis can be presented on the basis of the description as follows:

H1: Liquidity positively affects the company's value

The Effect of Leverage on Company Value

According to signal theory, investors can distinguish high-value businesses from low-value businesses. If a company has a high value, it will show that it is relatively easy to file for bankruptcy. According to leverage in signal theory, a company's risk increases in proportion to its debt to the company As a result, investors may not want to invest if the company's profitability drops.

Leverage describes the state of the company when it has a large level of debt, hence the interest expense and the large exchange rate risk burden as well. This can lower investor confidence in the company, because when the debt level is high, the company will use their profits to pay off the debt. The value of a company decreases proportionally to its leverage.

Previous research conducted by , (Agustina and Sha 2020; Jariah 2016; Zuhroh 2019; Kadim and Sunardi 2019)leverage positively affects the company's value. Whereas in research, it shows (Fajaria

and Isnalita 2018; Simanungkalit and Silalahi 2018; Nurminda, Isyнуwardhana, and Nurbaiti 2017; Tofu and Susilo 2017) leverage has a negative influence on the company's value. A hypothesis can be presented on the basis of the description as follows:

H2: Leverage negatively affects the company's value.

The Effect of Profitability on Company Value

According to signal theory, investors can tell the difference between businesses with high and low values. A company with a lot of value will tell you about will signal that its business is relatively safe from bankruptcy. The use of signal theory that contains information in the form of ROA shows that a high ROA indicates the solid financial performance of the business so that investing in stocks or securities is encouraged by this.

Profitability is obtained from the a business's capacity to manage existing resources for profit. Earnings per share will rise as a result of the company's high profitability, which will pique investors' interest in purchasing the business. A business that is able to generate a substantial profit is one that is able to generate internal funding for the business itself. The resulting funds management can determine will be retained into retained earnings and distributed to investors as dividends. According to the management, the management will pay dividends to signal the company's ability to generate a profit. Thus, it can prove that dividend payments are very dependent on the profit obtained. If the company's management prefers to distribute dividends rather than the funds being held as retained earnings then there is a possibility that the company will lose some of its internal funding. The positive sign that the company's value is rising is greater the higher the profitability. *ROA* to calculate the effectiveness of management in utilizing shareholders' paid-up capital for profit. Because it describes the company's capacity to make a profit, previous research conducted by that profitability has a positive impact on the value of the business.(Agustina and Sha 2020; Husna and Satria 2019; Indasari and Yadnyana 2018; Nurminda, Isyнуwardhana, and Nurbaiti 2017; Simanungkalit and Silalahi 2018; Sukmawardini and Ardiansari 2018; Zuhroh 2019). A hypothesis can be presented on the basis of the description as follows:

H3: Profitability positively affects the company's value

2. METHOD

The population in this study is healthcare sector businesses listed on the Indonesia Stock Market for the years 2018-2021 as many as 27 businesses. The sampling method used in this study is the purposive sampling method. Non-random sampling is used in the purposive sampling method, where specific criteria are used to ensure that the sample taken is in line with the study's goals and provides a more accurate value. There are also criteria that can be used as a research sample, namely: Healthcare sector businesses listed on the Indonesia Stock Market for the years 2018-2021 Healthcare sector businesses that routinely publish year-end financial statements for the years 2018-2021 consecutively and have complete financial statement data related to the variables studied for the years 2018-2021, Healthcare sector businesses that made a profit for the years 2018-2021 . A sample of 10 businesses that can be studied between 2018 and 2021 was gathered based on these criteria.

The type of data used in this study is secondary. The data came from the Indonesia Stock Market's official websites, www.idx.co.id and www.sahamok.net. The information obtained comes from healthcare sector businesses annual financial statements for the years 2018-2021. Documentation is the method used in this study to collect data.

Research Models

This study has three dependent variables and one independent variable. Liquidity, leverage, and profitability are the study's dependent variables, and company value is the study's independent variable. In accordance with the variables above, this study is entitled "The Effect of Liquidity, Leverage and Profitability on Company Value in Healthcare Sector Businesses listed on the Indonesia Stock Market for the years 2018-2021". The following is the structure of this research model as a result of this:

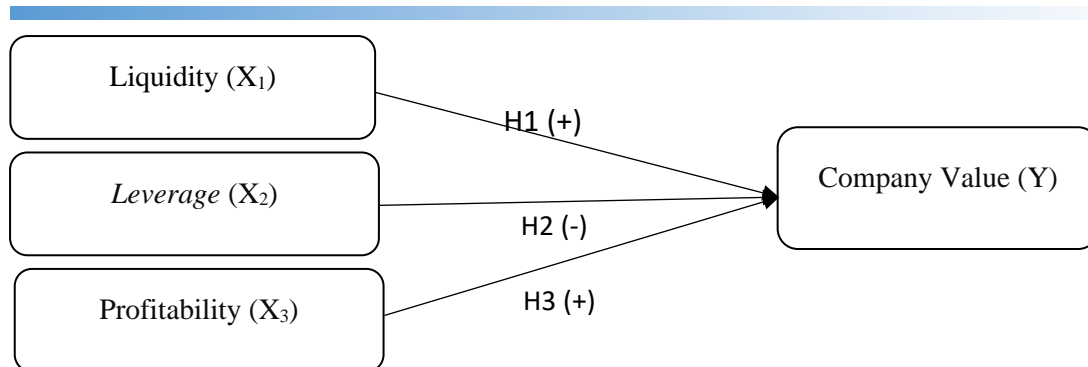


Figure 2. Research Model

3. RESULTS AND DISCUSSION

Descriptive statistics are used to describe or provide an overview of the findings of the study, specifically the sample data analyzed. The minimum, maximum, mean, and standard deviations of a data set are all provided by this analysis in a description or overview. The dependent variables in this study are the company’s value. The independent variables in this study are liquidity, leverage, and profitability.

This study uses data on the financial statements of the Healthcare sector businesses listed on the IDX for the years 2018-2021. This study originally used a sample with a size of 40 samples. After the outlier is removed, the sample size becomes 36 samples. The results from descriptive statistics displays in table 4.1.

Table 1. Results from Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Liquidity	36	89.78	775.16	298.4456	157.66345
Leverage	36	14.37	382.48	72.6125	75.06834
Profitability	36	.12	92.50	13.4967	15.37263
Company Values	36	.85	7.94	3.0622	2.01765
Valid N (listwise)	36				

The data normality test aims to determine whether the residual or disruptive the regression model's variables are either normally distributed or not. Parametric analysis must comply with the basic requirements of data normality. The normality of the data is considered important because the normally distributed data are representative of the population. The test procedure can be carried out with a one-way (Purnomo 2016) Kolmogorov-Smirnov test. Conclusions are drawn by looking at the value of their significance. If the significance > 0.05 then the distribution of the variable is normal, and vice versa if the significance is < 0.05 then the distribution of the variable is not normal. The outcomes of the normality test made with One-Sample Kolmogorov Smirnov displays in Table 4.2 below:

Table 2. Results of Normality Tests

<i>Unstandardized Residual</i>		
N	36	
<i>Normal Parameters^{a,b}</i>	<i>Mean</i>	.0000000
	<i>Std. Deviation</i>	1.48785845
<i>Most Extreme Differences</i>	<i>Absolute</i>	.124
	<i>Positive</i>	.124
	<i>Negative</i>	-.065
<i>Test Statistic</i>	.124	
<i>Asymp. Sig. (2-tailed)</i>	.181 ^c	

As shown in Table 4.2 of the results of the data normality test using the One-Sample Kolmogorov-Smirnov Test, it can be seen that the total value of Asymp.Sig (2-tailed) is 0.181, which means that the signification value is greater than the standard data normality test, which is 0.05 ($0.181 > 0.05$) then the residual value can be declared normally distributed. This result means that the regression model has met the assumption of normality due to the sig value. $0.181 > 0.05$ i.e. The distribution of the independent variable and the dependent variable is normal.

The multicollinearity test is used to determine whether the free variables in the regression model have a linear relationship that is either perfect or almost perfect (the correlation coefficient is high or even 1)(Purnomo 2016). The tolerance and Variance Inflation Factor (VIF) values can be used to determine whether or not the regression model has multicollinearity. 1) If the tolerance value < 0.1 and the VIF value > 10 , multicollinearity occurs. The results of the multicollinearity test displays in Table 4.3 below:

Table 3. Results of the Multicollinearity Test

<i>Collinearity Statistics</i>			
Model	Tolerance	BRIGHT	Information
Liquidity	.492	2.032	No Multicollinearity Occurs
Leverage	.491	2.037	No Multicollinearity Occurs
Profitability	.990	1.010	No Multicollinearity Occurs

Table 4.3 shows the multicollinearity test in the above table that the variables liquidity, leverage and profitability have tolerance values: $0.492, 0.491, 0.990 > 0.10$ and vif values: $2.032, 2.037, 0.010 < 10$ which means that the three independent variables indicate that there are no symptoms of multicollinearity.

The Heteroskedasticity Test is a test to assess whether on linear regression, the residual has a variant inequality for all observations. This test is a classic assumption test that is important to do on linear regression, because if it is not done then the regression model can be said to be invalid to be used as a predictive tool. A good regression equation does not exhibit heteroskedasticity symptoms. Heteroskedasticity test using (Purnomo 2016) Glejser Test. By regressing the absolute residual value against independent variables, the Glejser test can determine whether or not heteroskedasticity symptoms are present. Decision making regarding heteroskedasticity is that if the significance value is more than 0.05 then the regression model does not exhibit the signs of heteroskedasticity, so it can be used as a predictive tool. (Riyanto and Hatmawan 2020).

Table 4. Results of the Heteroskedasticity Test

		Coefficients^a				
		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
<i>Model</i>		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>T</i>	<i>Itself.</i>
1	(Constant)	.320	.608		.527	.602
	Liquidity	.002	.001	.365	1.574	.125
	Leverage	.001	.003	.044	.189	.851
	Profitability	.011	.010	.182	1.112	.274

Table 4.1 shows the outcomes of the Glejser test for heteroskedasticity. In the Glejser test's findings that the significance value of liquidity, leverage, and profitability shows a number above 0.05, therefore, it can be concluded that there was no heteroskedasticity in this study.

An autocorrelation test was performed to see if there was a correlation between the disruptor error in the t period and the disruptor error in the t-1 (previous) period in the regression model. There is an autocorrelation problem if there is a correlation, and the test cannot be used as a prediction.. The statistical value of DW test is widely done for this test states that the DW test(Riyanto and Hatmawan 2020) can be carried out provided that if the DW value is below -2 ($DW < -2$) then positive autocorrelation occurs; if the DW value is between -2 and +2 ($-2 < DW < 2$) then no autocorrelation occurs and If the DW value is above +2 ($DW > +2$) then negative autocorrelation occurs. The results of the autocorrelation test using Durbin-Watson displays in Table 4.4 below:

Table 5. Results of an Autocorrelation Test

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
1	.675 ^a	.456	.405	1.55604	1.291

As shown in Table 4.4 the autocorrelation test results using the DW test with a value of 1.291. The basis for making Durbin-Watson test decisions is $-2 < DW < +2$. This means that the DW value is in the range of -2 to +2, so that it is possible to draw the conclusion that the regression model does not autocorrelate. To further ascertain the presence or absence of autocorrelation in further regression models used Run test. The run test is used to determine whether or not the residues are highly correlated. It is said that the residuals are random or that there is no correlation between them. The results of the run test displays in Table 4.5 below:

Table 6. Results of an Run Test

<i>Unstandardized Residual</i>	
<i>Test Value^a</i>	-.14238
<i>Cases < Test Value</i>	18
<i>Cases >= Test Value</i>	18
<i>Total Cases</i>	36
<i>Number of Runs</i>	16
<i>With</i>	-.845
<i>Asymp. Sig. (2-tailed)</i>	.398

As shown in Table 4.5 above shows the outcomes of the Run test, showing that the value of asymp. sig. (2-tailed) is 0.398 where the value is > 0.05 . This shows that in light of the outcomes of the run test, it seems that autocorrelation did not occur.

In this study, the testing of hypotheses was done with multiple linear regression analysis. The purpose of this analysis is to predict dependent variables by using independent variables and measure the effect of one dependent variable on two or more independent variables to ascertain the extent to which each independent variable affects an independent variable analysis in multiple linear regression, this needs to be done because each variable exerts a different influence on the dependent variable. If the sig value < 0.05 , or T count $> T$ of the table then the dependent variable is affected by the independent variable. If the sig value > 0.05 , or T count $< T$ of the table then the dependent variable is unaffected by the independent variable.(Ghozali 2016).

This research has fulfilled the classical assumption test so that the model in the regression equation is able to estimate how liquidity, leverage and profitability will affect. The results of multiple linear regression analysis displays in Table 4.6 below:

Table 7. Result of Partial Analysis Test

Variables	Result			Conclusion
	T _{Count}	T _{Table}	Significance	
Liquidity	4.228	2.037	0.000	Positive effect H ₁ is accepted
Leverage	1,718	2,037	0,096	No effect H ₂ is rejected
Profitabilitas	2,100	2,037	0,044	Positive effect H ₃ accepted
R ² = 0,405				
Adjusted R ² = 0,405				

Based on the multiple linear regression analysis, the following equation for multiple linear regression can be determined:

$$PBV = (1,050) + 0,010CR + 0,009DER + 0,036ROA + \varepsilon$$

Information:

PBV	=	Company value
A	=	Constant
β_{1-3}	=	The coefficient of each variable's regression
X ₁	=	Liquidity
X ₂	=	Leverage
X ₃	=	Profitability
ε	=	Error

As shown in Table 4.6 and the above multiple linear regression equation, it is possible to determine that:

1. A constant value of 1.050 indicates that if the variables liquidity, leverage and profitability are valued at 0, then the value of the variable the company's value proxied with a PBV of 1.050.
2. Based on the variabel liquidity t test results, the study's findings bear out the significance of $0.000 < 0.05$ then the conclusion is that H₀ is rejected while H₁ is accepted. This suggests that CR is a proxy for the liquidity. which boosts the value of the company. The value of the business will increase by 0.010 for every one unit of CR increase. On the other hand, the value of the business will decrease by 0.010 for each unit of CR that is subjugated.
3. Based on the variabel leverage t test results, the study's findings bear out the significance of $0.096 > 0.05$ then the conclusion is that H₀ is accepted while H₂ is rejected. This demonstrates that the company's value is unaffected by the DER-proxied leverage.
4. Based on the variabel profitabilitas t test results, the study's findings bear out the significance of $0.044 < 0.05$ then the conclusion is that H₀ is rejected while H₃ is accepted. This demonstrates that ROA-proxied profitability has a positive impact on the value of the business. The value of the business will increase by 0.036 for every one unit increase in ROA. Conversely, the value of the business will decrease by 0.036 percent for each ROA unit subjugated.
5. The ability of the model to describe dependent variation is measured by the coefficient of determination. An Adjusted R-Square of 0.405 was obtained from the test results, which means that the effect of liquidity, leverage, and profitability simultaneously on the variable company value is

40.5 percent. While other variables outside of this research model had an impact on the remaining 59.5 percent.

Effect of Liquidity on Company Value

In testing the H₁ hypothesis it shows that company value is positively impacted by liquidity in Healthcare Sector Businesses listed on the Indonesia Stock Market for the years 2018-2021. This shows that there is a positive influence of CR on the company's value. Because of the high CR ratio, it actually explains that the company's funding is sufficient to be used to pay off its short-term debt and make dividend payments possible to investors, so that an increase in CR will increase investor confidence and cause the company's value to rise. This study's findings are in line with the research carried out by (Hasania dkk. 2016)(Jariah 2016), (Rahayu and Sari 2018)(Sondakh 2019) (Simanungkalit and Silalahi 2018) (Fajaria and Isnalita 2018) and states that (Tahu and Susilo 2017) CR has a positive effect on the company's value.

Effect of Leverage on Company Value

In testing the H₂ hypothesis, it shows that leverage as measured by DER This shows that DER has no influence on the company value on Healthcare Sector Businesses listed on the Indonesia Stock Market for the years 2018-2021. The company's value decreases in proportion to its leverage, and vice versa. Investors are concerned that the company will not be able to pay its principal and interest debts, so the greater the debt, the lower the value of the business. for investors to observe how the management of the business makes efficient use of the funds to create value of the company's value. Therefore this study suggests that leverage has no significant effect on the company's value. This is in line with research according to (Tahu and Susilo 2017), (Nurminda, Isyuardhana, and Nurbaiti 2017), (Simanungkalit and Silalahi 2018), (Husna and Satria 2019)(Fajaria and Isnalita 2018) which declares that the Debt to Equity Ratio has no significant impact on the company's value. Investors do not overestimate the size of the company's debt because leverage has a significant negative impact on the company's value.

The Effect of Profitability on Company Value

The H₃ hypothesis testing shows that company value is influenced by profitability as measured by ROA in Healthcare Sector Businesses listed on the Indonesia Stock Market for the years 2018-2021. This condition shows that investors view that the company's value may rise as a result of the company's ability to profit from asset utilization efficiency. When a company is able to maximize its assets to make a profit, In the hope of receiving dividends, investors will be increasingly interested in investing. High profits can give a good indication to the company, the company gives good signals to investors so that it can cause investors to demand for stocks to rise. The stock price will rise as a result of investors' strong desire to invest in profitable businesses which will result in an increase in the company's value. The higher the profitability, the company can generate high profits for shareholders, so investors are interested in investing in their shares. Thus the company's share price will increase and the company's value will increase. Therefore, in this study concluded the value of the business is significantly influenced by profitability. The study's findings are also supported by previous research (Nurminda, Isyuardhana, and Nurbaiti 2017) , , and (Agustina and Sha 2020)(Husna and Satria 2019)(Indasari and Yadnyana 2018) (Zuhroh 2019)(Sukmawardini and Ardiansari 2018) that a company's value is significantly impacted by profitability.

4. CONCLUSION

Based on the findings of the data processing and analysis that were carried out to ascertain the influence of liquidity, leverage and profitability, it's possible to conclude as follows:

1. Liquidity has a positive effect on the company's value. The results show that CR's high level explains that the funding of the business is sufficiently used to repay its current liability and the funds readily available for dividend distribution to investors so that an increase in CR will will boost the company's value and boost investor confidence.

2. Leverage has no effect on the company's value. The results show that the company's value decreases proportionally to its leverage, and vice versa. Investors are concerned that the company will not be able to pay its principal and interest debts, so the greater the debt, the lower the value of the business.
3. Profitability positively affects the company's value. The company's ability to generate high profits for shareholders is demonstrated by the results as a function of profitability, so shares are attractive investments to investors and this increases the company's value.

There were limitations to the research so that it is hoped that further research will further develop its analysis, not limited to only assessing the company's value but analyzing the possibility in this sector of doing which is the profit, and those who experience losses are studied from the point of view of financial distress. Thus, research variables that do not have a significant effect can be replaced with other variables such as Corporate Income Tax, Debt obligations in foreign exchange, etc. It is necessary to consider the research year until 2022 where Covid 19 has entered a flattening and controlled situation.

This study's findings can be taken into account and evaluated for company management to increase profitability, especially things that can increase effectiveness and efficiency of productivity or improve company performance so that total sales increase with management being able to reduce expenses so that the business is capable of get large profits so that it can increase company value and attract the attention of investors to invest, and the company in order to properly manage its working capital in order to pay off its short-term obligations. Management need to be aware in the future when 19-Covid can be handled properly and is considered not a pandemic anymore where the level of need in the healthcare sector will decrease, so that profit will decrease as well, which must be maintained to ensure the company's high value. For investors, it can be used as a consideration to determine their choice in determining the company to be invested in by looking at the positive siny al of the company, it is likely that after 19-Covid is considered complete, whether the company's value will remain high.

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