Profitability, Leverage, and Sales Growth: The Mediating Role of Dividend Policy in Determining Firm Value

Ni Putu Diah Kartini[1]
I Gde Ary Wirajaya [2]
[1,2]**Fakultas Ekonomi dan Bisnis Universitas Udayana, Indonesia**
**Correspondences*: kartini.2281611030@student.unud.ac.id

ABSTRACT

Firm value represents the market's perception of a company's performance and future prospects. This study seeks to provide empirical evidence on the impact of profitability, leverage, and sales growth on firm value, with dividend policy serving as a mediating variable. The research sample comprises 60 energy companies selected from a population of 87 firms listed on the Indonesia Stock Exchange during the 2022–2023 period. Data were analyzed using path analysis techniques, employing SmartPLS 4.0 to evaluate the proposed relationships. The findings indicate that profitability, sales growth, and dividend policy positively influence firm value, whereas leverage exerts a negative effect. Moreover, profitability and sales growth positively affect dividend policy, while leverage has a negative impact. Dividend policy is shown to partially mediate the relationships between profitability and leverage with firm value, and fully mediates the relationship between sales growth and firm value.

Keywords: Profitability; Leverage; Sales Growth; Dividend Policy; Firm value.

Penjualan pada Nilai Perusahaan dengan Kebijakan Dividen sebagai Variabel Pemediasi

ABSTRAK

Nilai perusahaan mencerminkan persepsi pasar terhadap kinerja dan prospek masa depan perusahaan. Penelitian ini bertujuan untuk memperoleh bukti empiris pengaruh profitabilitas, leverage, dan pertumbuhan penjualan terhadap nilai perusahaan dengan kebijakan dividen sebagai mediasi. Metode yang digunakan melibatkan 60 sampel dari 87 perusahaan energi yang terdaftar di Bursa Efek Indonesia selama periode 2022-2023, dengan analisis data menggunakan teknik analisis jalur (path analysis) melalui SmartPLS 4.0. Hasil analisis membuktikan bahwa profitabilitas, pertumbuhan penjualan, dan kebijakan dividen memiliki pengaruh positif terhadap nilai perusahaan, sedangkan leverage berpengaruh negatif. Selain itu, profitabilitas dan pertumbuhan penjualan berpengaruh positif terhadap kebijakan dividen, sedangkan leverage berpengaruh negatif. Kebijakan dividen terbukti memediasi secara parsial pengaruh profitabilitas dan leverage terhadap nilai perusahaan serta memediasi secara penuh pengaruh pertumbuhan penjualan terhadap nilai perusahaan.

Kata Kunci: *Profitabilitas; Leverage; Pertumbuhan Penjualan; Kebijakan Dividen; Nilai Perusahaan*

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INTRODUCTION

Firm value serves as a critical indicator of business success, reflecting a company’s assets, performance, and future prospects. It plays a pivotal role in shaping investor interest and influencing stock prices. In an era of intense business competition and dynamic global markets, companies must prioritize not only short-term profitability but also the long-term value they deliver to stakeholders. The energy sector, a vital component of Indonesia's economy, is particularly sensitive to fluctuations in global commodity prices and government policies, both of which significantly impact the financial performance of companies within the sector. Table 1 presents a comparative analysis of the energy sector's performance during the first and second semesters of 2022–2023. This data highlights the performance shifts that form the foundation of this study's focus.

Table 1. Descriptive Statistics Results

No	Period	Increase/Decrease Percentage
1	IDX Sector Energy Performance Semester I 2022	43.76%
2	IDX Sector Energy Performance Semester II 2022	100.05%
3	IDX Sector Energy Performance Semester I 2023	-23.76%
4	IDX Sector Energy Performance Semester II 2023	-7.84%

Source: Research Data, 2024

The energy sector experienced a significant rise in global commodity prices during 2022, driven by geopolitical tensions between Russia and Ukraine, which elevated energy prices and demand (Indonesia Economic Outlook, 2022). This surge led to substantial increases in the share prices of energy companies such as ADMR and BYAN (IDX Monthly Statistics, 2022). However, energy commodity prices declined during the first semester of 2023. By June 2023, IDX Energy recorded the lowest performance among sectors, with a -23.76% change (Indonesia Stock Exchange, 2023). This decline was influenced by weakening commodity prices, shifts in global energy policies, and geopolitical tensions in Palestine and Israel, which created instability for energy companies.

Signal theory, as proposed by Spence (1973), suggests that managers can attract investor interest by providing positive signals, such as strong financial reports, which are particularly critical during periods of market uncertainty. For example, BYAN, an oil, gas, and coal company with a market capitalization of IDR 516.667 trillion, experienced a sharp decline in its share price from IDR 23,800 in January 2023 to IDR 15,500 in June 2023 (IDX Channel, 2023). This underscores the importance of financial reporting as a signaling mechanism to maintain investor confidence.

Agency theory, articulated by Jensen and Meckling (1976), highlights the potential conflicts of interest between company owners (principals) and managers (agents), particularly concerning dividend policies that influence firm value. In addition, dividend policy theory by Miller and Modigliani (1961) posits that in perfect market conditions, dividend decisions do not directly impact firm value but can act as signals to investors regarding a company’s financial health. High profitability, reflecting stable financial performance, enhances investor confidence, while optimal leverage indicates effective debt management, which can increase firm value when risks are controlled. Furthermore, sales growth signals potential for expansion and positively influences investor expectations regarding long-term prospects. Consistent dividend policies provide a signal of financial stability, collectively shaping investor perceptions of firm value.

Empirical evidence highlights varying relationships between profitability, leverage, sales growth, and firm value. Studies by Antoro et al. (2020), Santoso et al. (2020), and Situmorang and Wahyuni (2024) affirm the positive and significant effect of profitability on firm value. In contrast, Kristianti and Foeh (2020) and Rohmatulloh (2023) suggest that profitability does not always impact firm value. Research on leverage also yields mixed findings; while Almomani et al. (2022) and Etty et al. (2020) identify a negative effect, Jihadi et al. (2021) reports a positive relationship. Sales growth has similarly shown inconsistent effects, with Putri and Rahyuda (2020) finding a significant positive impact, whereas Yoswandri and Lestari (2024) argue that high growth does not necessarily translate into favorable future performance.

This study addresses these gaps by examining how dividend policy mediates the relationships between profitability, leverage, and sales growth with firm value, focusing on the Indonesian energy sector, which is subject to significant value fluctuations due to global commodity price movements. Using data from energy companies listed on the Indonesia Stock Exchange (IDX) for the 2022–2023 period, this research contributes to the literature by providing updated empirical evidence on the interplay among profitability, leverage, sales growth, and dividend policy in influencing firm value.

Signaling theory provides a framework for understanding how managers convey information to investors through financial reports to reduce information asymmetry. Financial reports, which reflect a firm's profitability and efficiency in generating returns, influence investment decisions. Profitability ratios, such as Return on Equity (ROE), are key indicators for investors in assessing a firm's potential return on investment. Previous studies, including those by Antoro et al. (2020), Desire and Yuliana (2020), Santoso et al. (2020), Sari et al. (2022), and Simanjuntak and Hasibuan (2023), provide robust evidence that high ROE indicates favorable financial conditions and positively impacts firm value.

H_1: Profitability has a positive effect on firm value.

Leverage, as reported in financial statements, reflects the extent to which a company relies on debt to finance its operations. While leverage can amplify returns, poor management of debt can undermine investor confidence in the company's risk management and growth prospects. Kodongo et al. (2015) highlighted that higher leverage increases interest obligations, which can erode firm value. Empirical studies by Almomani et al. (2022), Bagaskara et al. (2021), Butar-Butar et al. (2021), Etty et al. (2020), and Santosa et al. (2020) demonstrate a negative relationship between leverage, measured by the Debt-to-Equity Ratio (DER), and firm value.

H_2: Leverage has a negative effect on firm value.

Sales growth, defined as the year-over-year increase in sales, is a critical indicator of a company's progress and future potential. Significant sales growth sends a positive signal to investors, indicating opportunities for higher profits and stock price appreciation. Yoswandri and Lestari (2024) noted that robust sales growth reflects a company's progress, attracting investor interest. This aligns with

findings from Cahyani and Rahayu (2022), Fajriah et al. (2022), Khoeriyah (2020), Putri and Rahyuda (2020), and Yulimtinan and Atiningsih (2021), which show a positive relationship between sales growth and firm value.
H_3: Sales growth has a positive effect on firm value.

Dividend policy, commonly measured by the Dividend Payout Ratio (DPR), is closely linked to firm value. The DPR represents the proportion of profits distributed to shareholders, which can enhance investor confidence. Companies that effectively balance dividend distribution with retained earnings for operational and investment purposes are generally more attractive to investors. Research by Sari et al. (2022), Setyabudi (2022), Butar-Butar et al. (2021), Santosa et al. (2020), and Sabarudin et al. (2021) supports the positive impact of dividend policy on firm value. An optimal DPR reflects the company's ability to provide returns while sustaining growth, thereby increasing investor perception of its value.
H_4: Dividend policy has a positive effect on firm value.

Profitability, a key determinant of dividend policy, reflects a company's ability to generate profits. High profitability typically signals the capacity to distribute dividends, attracting investor interest. Studies by Hermanto and Fitriati (2022), Butar-Butar et al. (2021), Putri and Wiksuana (2021), Sabarudin et al. (2021), and Sari et al. (2022) affirm a positive relationship between profitability and dividend policy. Regular dividend payments serve as a positive signal of efficient management and financial stability, reinforcing investor trust.
H_5: Profitability has a positive effect on dividend policy.

Signaling theory posits that dividend payments communicate a company's performance and financial condition, enhancing investor confidence. However, companies with high leverage often prioritize debt repayment over dividends to maintain operations and credibility. Research by Hermanto and Fitriati (2022), Butar-Butar et al. (2021), Desire and Yuliana (2020), Laksmiwati et al. (2023), and Santosa et al. (2020) indicates that high leverage negatively impacts dividend policy as debt obligations take precedence.
H_6: Leverage has a negative effect on dividend policy.

Sales growth is frequently used as a performance metric that reflects a company's profit potential. According to Hermanto and Fitriati (2022), sales growth plays a crucial role in shaping dividend policy, as increased sales often lead to higher profits, enabling larger dividend payments. This is consistent with findings from Andriani (2018), Umairoh et al. (2019), and Saputro and Hermawan (2021), which confirm that the profit generated from sales growth contributes to higher dividend distributions.
H_7: Sales growth has a positive effect on dividend policy.

High profitability often motivates companies to distribute larger dividends, thereby enhancing investor confidence and increasing the company's overall value. Consistent dividend payments signal financial stability and strengthen the company's reputation among investors (Butar-Butar et al., 2021). Empirical evidence from Dewi and Abundanti (2020), Kristianti and Foeh (2020), Sabarudin et al. (2021), Santosa et al. (2020), and Setyabudi (2022) indicates that dividend policy can mediate the relationship between profitability and firm value.

This suggests that higher profitability leads to favorable dividend policies, which, in turn, enhance the company's market value.

H_8: Dividend policy mediates the effect of profitability on firm value.

Leverage represents the extent to which a company relies on debt for financing, influencing its ability to pay dividends and maintain firm value. A high leverage ratio, often measured by the Debt-to-Equity Ratio (DER), tends to suppress dividend policies as companies prioritize debt obligations over shareholder payouts. This approach can negatively impact firm value, particularly in the long term (Damayanti & Sucipto, 2022). Fauzi and Nurmatias (2015) propose that dividend policy acts as a mediator between leverage and firm value, where higher leverage results in reduced dividend distributions, ultimately lowering firm value. This relationship is supported by findings from Butar-Butar et al. (2021), Sari et al. (2022), Setyabudi (2022), and Wulandari et al. (2022).

H_9: Dividend policy mediates the effect of leverage on firm value.

Dividend policy serves as a strategic mechanism for determining profit distribution to shareholders. Sales growth, an indicator of enhanced company performance and increased revenue, indirectly boosts profits and strengthens firm value. Through dividend policies, the profits generated from sales growth can be allocated to shareholders, positively influencing firm value. Studies by Andriani (2018) and Surtanti et al. (2024) highlight the mediating role of dividend policy in the relationship between sales growth and firm value.

H_{10}: Dividend policy mediates the effect of sales growth on firm value.

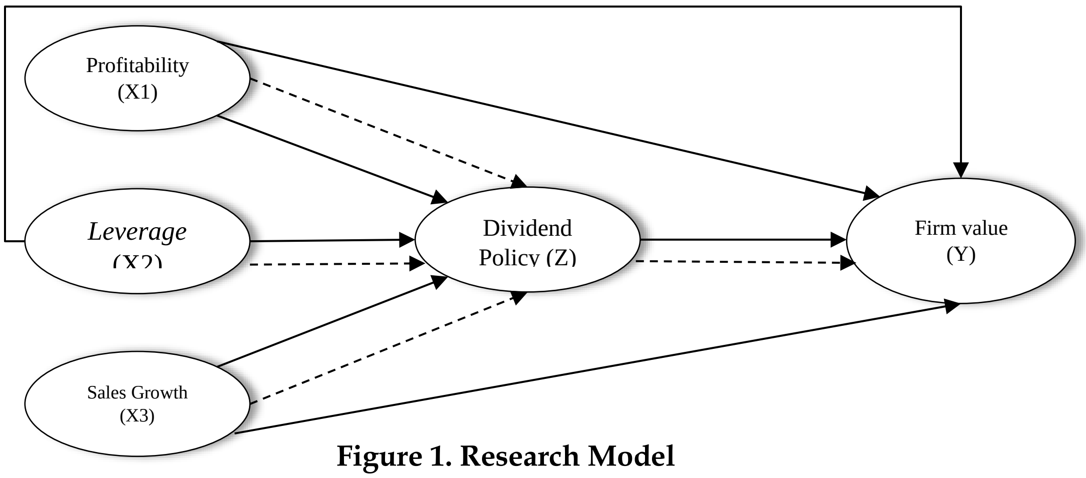

Figure 1. Research Model

*Source:*Research Data, 2024

RESEARCH METHODS

Profitability, leverage, sales growth, dividend policy, and firm value are the key variables examined in this research. The independent variables—profitability, leverage, and sales growth—represent critical aspects of a company's financial and operational performance. Profitability reflects a firm's ability to generate earnings, leverage measures its debt-related risk, and sales growth indicates its success in increasing revenue. Dividend policy is included as a mediating variable because it influences the relationship between these independent variables and firm value by signaling the company's financial health to investors.

The study focuses on energy companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2023 period. This time frame was selected to analyze current trends and developments in the energy sector, which have implications for dividend policy and firm value. Secondary data were sourced from the annual financial reports of these companies, accessed via the IDX website (www.idx.co.id). The study population comprises all companies listed on the IDX, with a sample of 60 energy companies selected through non-probability sampling using purposive sampling techniques. The sampling criteria were: (1) energy companies listed on the IDX during the 2022–2023 period, (2) companies that distributed dividends during this period, and (3) companies that published complete annual reports for the 2022–2023 period.

Firm value is measured using Tobin's Q, a widely used ratio that compares a firm's market value (sum of the market value of outstanding shares and total debt) with the replacement cost of its assets. A Tobin's Q value greater than 1 suggests that the firm's market value exceeds the replacement cost of its assets, potentially indicating overvaluation or the presence of valuable intangible assets (Sabarudin et al., 2021).

Profitability is assessed using Return on Equity (ROE), which measures a firm's ability to generate profits from shareholders' equity. ROE is calculated by dividing net income by total equity. A higher ROE indicates efficient use of shareholders' investments to generate profits, making it a key metric for investors when evaluating a company's performance (Almomani et al., 2022).

Leverage is measured by the Debt-to-Equity Ratio (DER), which illustrates the proportion of debt financing relative to equity. DER is calculated as total debt divided by total equity. A high DER indicates heavy reliance on debt, increasing financial risk, while a lower ratio signifies greater use of equity. Leverage influences financial risk and is a critical factor in determining dividend policy and firm value (Butar-Butar et al., 2021).

Sales growth is calculated as the percentage change in sales between two periods using the formula: $(\text{Current Sales} - \text{Previous Sales}) / \text{Previous Sales}$. Positive sales growth indicates improved company performance and is a key indicator of business health and growth potential (Khoeriyah, 2020).

Dividend policy is measured using the Dividend Payout Ratio (DPR), which represents the proportion of earnings distributed as dividends. DPR is calculated by dividing dividends per share by earnings per share (EPS). A high DPR reflects a company's confidence in its profit stability, while a low DPR suggests a focus on retaining earnings for reinvestment (Hermanto & Fitriati, 2022).

Data analysis was conducted using path analysis via Partial Least Squares (PLS), as described by Ghozali (2012). PLS is suitable for structural equation modeling, particularly when data do not meet normal distribution assumptions, a common challenge in research involving small sample sizes. This method was chosen to accommodate the study's sample of 60 energy companies. Descriptive statistical analysis was performed initially to provide an overview of the sample data. Subsequently, path analysis using PLS was applied to evaluate the structural model (inner model), goodness of fit, direct and indirect effects, and the mediating role of dividend policy.

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RESULTS AND DISCUSSION

The output obtained from the path analysis on the equation models in this study is presented in Table 1. Descriptive statistical analysis provides a summary description of research data consisting of research variables that are used as statistical samples (Mery et al., 2017). The results of descriptive statistics are presented in Table 1 as follows:

Table 2. Descriptive Statistics Results

	Number of Observations	Minimum Value	Maximum Value	Average	Standard Deviation
Profitability (X1)	60	0.038	2,348	0.331	0.383
Leverage (X2)	60	0.059	5,877	0.965	1,019
Sales Growth (X3)	60	-0.508	4,670	0.394	0.748
Firm value (Y)	60	0.004	14,560	2,147	2,936
Dividend Policy (Z)	60	0.002	6,140	0.614	1,023

*Source:*Research Data, 2024

Based on Table 2, the maximum value of the profitability variable is 2.348 and the minimum value is 0.038, with an average of 0.331 and a standard deviation of 0.383. The maximum value of the leverage variable is 5.877 and the minimum value is 0.059, with an average of 0.965 and a standard deviation of 1.019. The maximum value of the sales growth variable is 4.670 and the minimum value is -0.508, with an average of 0.394 and a standard deviation of 0.748. The maximum value of the firm value variable is 14.560 and the minimum value is 0.004, with an average of 2.147 and a standard deviation of 2.936. The maximum value of the dividend policy variable is 6.140 and the minimum value is 0.002, with an average of 0.614 and a standard deviation of 1.023.

Structural equation estimation involves determining path coefficients that indicate the strength and direction of the relationship between variables in the model. In PLS, these path coefficients are calculated to determine the extent to which the independent variables affect the dependent variable, either directly or through the mediating variable. The relationship between the path coefficient variables is all in the range of -1 to 1. According to Utama (2017), a path coefficient value that does not exceed 1 or fall below -1 indicates that the model has no identification problems and is suitable for use in prediction.

Evaluation of model validity (goodness of fit) is carried out to determine the total variation that can be explained by all variables involved in the model. Evaluation of model validity is conducted by examining the R^2 value. The model of the influence of profitability, leverage, and sales growth on dividend policy provides an R^2 value of 0.892, which can be interpreted to mean that the variability of the dividend policy variable can be explained by the variation of the profitability, leverage, and sales growth variables by 89.2%, while 10.8% is explained by other variables outside those studied. Furthermore, the model of the influence of profitability, leverage, sales growth, and dividend policy on firm value provides an R^2 value of 0.949, which can be interpreted to mean that the variability of the firm value variable can be explained by the variability of the profitability, leverage, sales growth, and dividend policy variables by 94.9%, while 5.1% is explained by other variables outside those studied.

Based on the R^2 value, the total determination coefficient (Q^2) of the structural equation in this study can be calculated as 0.9945, indicating that the model has very good predictive relevance. Thus, it can be concluded that 99.45% of the variation in firm value is influenced by profitability, sales growth, and dividend policy, while the remaining 0.55% is influenced by other variables.

Hypothesis testing is done by comparing the t-statistic value with the t-table value for one-sided testing (1.687) or by comparing the p-value with an error rate (α) of 0.05. The alternative hypothesis is accepted if the t-statistic value is greater than 1.96 or the p-value is less than 0.05. Hypothesis testing on the effect of profitability on firm value produces a positive correlation coefficient value of 0.246. The t-statistic value obtained is 2.953 (> t-critical 1.96), with a p-value of 0.003.

Profitability has a positive and significant effect on firm value, with a positive correlation coefficient of 0.246, a t-statistic of 2.953, and a p-value of 0.003, which supports H1. These results are in line with previous studies, such as those conducted by Antoro et al. (2020), Desire and Yuliana (2020), Santoso et al. (2020), and Sari et al. (2022), which also found that high profitability reflects the company's ability to generate consistent profits, increase investor confidence, and ultimately drive up stock prices and firm value. Signaling theory supports these findings, explaining that companies with good profitability reduce uncertainty and provide positive signals to investors, thereby increasing the company's growth prospects and stability.

Leverage negatively affects firm value, with a correlation coefficient of -0.168, a t-statistic of 2.842, and a p-value of 0.004, which supports H2. This means that increasing leverage tends to decrease firm value, as high debt increases financial risk and reduces market perception of firm stability. This finding is in line with agency theory, which explains that managers may prefer debt to maximize short-term profits, even though it is risky. Research by Almomani et al. (2022) also confirms that excessive use of debt can damage investor confidence, ultimately reducing firm value. These results also support research by Santoso et al. (2020), which found a negative effect of leverage on firm value.

Sales growth has a positive effect on firm value, with a correlation coefficient of 0.326, a t-statistic of 5.361, and a p-value of 0.000, which supports H3. Increased sales strengthen the company's market position and profitability, which in turn increases the market's perception of the company's value. This finding is consistent with signaling theory, which states that significant sales growth can send a positive signal to investors about the company's healthy condition and good growth prospects. Research by Fajriah et al. (2022) and Khoeriyah (2020) also supports this finding, showing that consistent sales growth can increase investor confidence and attract more investors.

Dividend policy has a positive effect on firm value, with a correlation coefficient of 0.297, a t-statistic of 2.588, and a p-value of 0.010, supporting H4. Companies that distribute dividends are typically valued higher by the market because dividend policy is perceived as a positive signal regarding the company's financial health and future prospects. The residual dividend theory supports this finding, suggesting that dividends should be paid from profits remaining after profitable investments. Research by Setyabudi (2022) and Butar-Butar et al. (2021) also indicates that companies with stable dividend policies can attract more investors by offering certainty and stability.

Profitability positively affects dividend policy, with a correlation coefficient of 0.509, a t-statistic of 4.757, and a p-value of 0.000, supporting H5. High profitability reflects strong cash flow and solid company performance, enabling firms to distribute dividends to shareholders. Signaling theory supports this finding, asserting that dividends provide a positive signal to investors regarding the company's financial health and future prospects. Studies by Antoro et al. (2020) and Santoso et al. (2020) similarly show that more profitable companies tend to pay higher dividends, enhancing investor confidence and attracting additional investment.

Leverage negatively affects dividend policy, with a correlation coefficient of -0.208, a t-statistic of 2.481, and a p-value of 0.013, supporting H6. High leverage limits dividend payments as companies prioritize liquidity to meet debt obligations. Agency theory explains that managers often retain profits to focus on debt repayment rather than dividend distribution. Research by Bagaskara et al. (2021) also shows that firms with high debt ratios prefer retaining profits to mitigate default risks, creating uncertainty for investors.

Sales growth positively affects dividend policy, with a correlation coefficient of 0.297, a t-statistic of 3.074, and a p-value of 0.002, supporting H7. Strong sales growth reflects increased revenue and profitability, providing more resources for dividend distribution. Research by Yoswandri and Lestari (2024) supports this finding, demonstrating that robust sales growth enhances investor confidence in the company’s profit-generating ability and market attractiveness. Signaling theory further explains that stable sales growth provides a positive signal about the company’s financial prospects.

Dividend policy mediates the positive and significant effect of profitability on firm value, with a path coefficient of 0.012, a t-statistic of 2.520, and a p-value of 0.012, supporting H8. High profitability increases the likelihood of larger dividend payments, which subsequently raise firm value. Research by Dewi and Abundanti (2020), Kristianti and Foeh (2020), Sabarudin et al. (2021), Santosa et al. (2020), and Setyabudi (2022) confirms that dividend policy acts as a mediator between profitability and firm value. Consistent dividend payments send a positive signal about the firm’s financial health, boosting investor confidence and firm value.

Dividend policy mediates the negative and significant effect of leverage on firm value, with a path coefficient of -0.062, a t-statistic of 2.204, and a p-value of 0.028, supporting H9. High leverage increases financial risk, diminishes investor confidence, and lowers firm value. However, a sound dividend policy can mitigate the adverse effects of high leverage by sending positive signals to investors. This finding aligns with signaling theory and research by Fauzi and Nurmatias (2015), Damayanti and Sucipto (2022), Butar-Butar et al. (2021), Sari et al. (2022), and Setyabudi (2022), which show that dividend policy mediates the relationship between leverage and firm value.

Dividend policy mediates the effect of sales growth on firm value insignificantly, with a positive path coefficient of 0.088 and a t-statistic of 1.855, supporting H10. The results indicate full mediation, suggesting that the impact of sales growth on firm value depends entirely on dividend policy. Without an appropriate dividend policy, sales growth does not significantly influence firm value. This finding is consistent with signaling theory and research by Andriani (2018) and Surtanti et al. (2024), which emphasize the crucial role of dividend policy in linking sales growth to enhanced firm value.

CONCLUSION

This study examines the effects of profitability, leverage, sales growth, and dividend policy on firm value in energy sector companies listed on the Indonesia Stock Exchange during the 2022–2023 period. The population of this study includes all energy sector companies, with the research sample determined using non-probability sampling and a purposive sampling technique. The criteria for sample selection required companies to distribute dividends consecutively and publish complete annual reports for the 2022–2023 period. Due to incomplete data, the final sample comprised 60 companies.

The analysis reveals that profitability and sales growth positively affect firm value, while leverage negatively impacts firm value. Dividend policy also has a positive effect on firm value. Additionally, dividend policy partially mediates the effects of profitability and leverage on firm value and fully mediates the effect of sales growth. These findings suggest that energy sector companies should focus on increasing profitability, managing leverage effectively, and promoting sales growth. Moreover, implementing a robust dividend policy can serve as a strategic tool to attract investors and enhance market confidence. For investors, these results provide valuable insights into selecting energy sector companies with optimal investment value to minimize risk and maximize returns.

This study supports signaling theory, agency theory, and dividend policy theory in explaining the relationships between profitability, leverage, sales growth, and firm value, as well as the mediating role of dividend policy. However, this research has several limitations that warrant consideration in future studies. The exclusive use of Tobin’s Q as a measure of firm value limits the scope of the analysis. Future research could incorporate alternative measures of firm value, such as Price-to-Book Value (PBV) or Price-to-Earnings Ratio (PER), to provide a broader understanding. Additionally, this study focuses solely on the energy sector and the 2022–2023 period. Expanding the scope to include diverse sectors or extending the research period could enhance the stability of the analysis and capture changes across the long-term economic cycle.

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