

The Influence of Profitability and Liquidity on the Value of Manufacturing Companies in the Pharmaceutical Sub-Sector in 2018–2022

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Abstract

This research aims to determine the influence of Profitability and Liquidity on Company Value. The independent variables (X) studied are Profitability (X₁) and Liquidity (X₂) with the dependent variable (Y) being Company Value (Y). The population used in this research is companies pharmaceutical sub-sector listed on the Indonesian Stock Exchange in 2018-2022. The sample selection used a purposive sampling technique which produced results samples totaling 35 samples. The data analysis technique used in this research is multiple linear regression analysis. The tests used are normality tests, multicollinearity tests, and heteroscedasticity tests, hypothesis tests, partial tests (t), simultaneous tests (F), and coefficient of determination. Based on the test results, it was concluded that partial profitability had no significant effect on company value, partial liquidity had a significant effect on company value, and simultaneous profitability and liquidity had a significant effect on company value in pharmaceutical sub-sector manufacturing companies in 2018-2022.

Keywords: profitability, liquidity, company value

INTRODUCTION

The pharmaceutical sector has a role in health reform. Pharmaceutical companies or drug companies are commercial business companies that focus on researching, developing and distributing drugs, especially in health. The pharmaceutical industry is a business entity that has a permit from the Minister of Health to carry out drug or drug ingredient manufacturing activities. Drug manufacturing is a series of activities in producing drugs, including procurement of raw materials and packaging materials, production, packaging, quality control and quality assurance until drugs are obtained for distribution.

The pharmaceutical industry sector is one of the manufacturing sectors that is priority in the Indonesian economy. This is because the pharmaceutical industry sector is one of the priority industries included in the Making Indonesia 4.0 program, based on information submitted by the Investment Coordinating Board (BKPM).

In early 2020, there was pressure from the Covid-19 pandemic which had a significant impact on public health in Indonesia. In addition to health, almost all industrial sectors in Indonesia were also affected by the pandemic . This was because national pharmaceutical raw materials which were usually imported from

China and India were delayed, because the two countries were implementing a temporary *lockdown system* to prevent the development of Covid-19 in their countries. Finally, the national pharmaceutical industry experienced delays in the supply of raw materials. Even so, the pharmaceutical industry is still trying to survive and make the Covid-19 pandemic a lesson not to depend on imports of drugs from other countries, and can make the national pharmaceutical industry even more advanced.

With the Covid-19 pandemic, it has actually had a positive impact on the acquisition of shares from the pharmaceutical industry after mid Covid -19 2020, the movement of shares from pharmaceutical issuers that have been listed on the Indonesia Stock Exchange showed a significant increase in the last six months in 2020. Although not all issuers experienced good financial performance throughout the first quarter of 2020, investors were interested in future prospects. Shares from the pharmaceutical industry were widely hunted, resulting in the price of pharmaceutical shares experiencing a significant increase with a price increase range of 18% to 42%. This sector is considered to still be able to attract investors because the price continues to rise and can recover quickly after the pandemic.

Smart investors will see the potential of a company from various perspectives that can affect the company, such as investors who associate the value of the company with its stock price. Because the high value of the company is indicated by the high level of prosperity of the shareholders. The company's value is also able to provide maximum welfare for shareholders if the share price continues to increase.

Company value is a process that has been gone through by a company for the view of public trust in a company. High company value indicates that the company has good performance and its future prospects can be trusted by investors (Pambudi and Ahmad , 2022). Various factors that affect the value of the company are dividend policy, profitability, liquidity and investment decisions . So in this study the author only limits the factors that affect the value of the company, namely profitability and liquidity. The value of the company can be influenced by the level of profitability generated by the company. (Slamet Munawir, 2004)states that profitability shows the company's ability to generate profits during a certain period. If the company has high profitability, the company will be in great demand by investors. If the profitability of a company is good, then stakeholders, namely creditors, suppliers, and investors can see the extent to which the company can generate profits from the company's sales and investments.

Liquidity refers to the ability of a company to meet its short-term obligations. Short-term is conventionally considered a period of up to one year. This is associated with the company's normal operating cycle, which includes the purchase, production, sales, and billing cycle (Wild, et.al in Fatmawati 2017:22). This means that if the company has a debt bill, it will be able to meet the debt. If the company has the ability to pay off its short-term obligations when they are due, then the company is a liquid company and vice versa.

Based on the explanation of the phenomena that occur and some of the definitions above, the researcher feels it is important to prove whether the company's value can be influenced by profitability and liquidity. For this reason,

the title of this study is " The Influence of Profitability and Liquidity on Company Value in Pharmaceutical Manufacturing Companies Sub-Sector 2018-2022 " .

The formulation of the research problem is 1. Does profitability have a partial effect on the value of pharmaceutical sub -sector manufacturing companies in 2018-2022? , 2. Does liquidity have a partial effect on the value of pharmaceutical sub-sector manufacturing companies in 2018-2022? and 3. Do profitability and liquidity have a simultaneous effect on the company value of pharmaceutical sub-sector manufacturing companies in 2018-2022?

LITERATURE REVIEW

Signaling Theory

Theory signal is a theory that refers to on investor opinion to measure the prospects and performance of the companies selected for investment shares. (Brigham dan Houston, 2011)revealed that signal theory is an action taken by company management to provide investors with clues about how management views the company's prospects. Thus, it can be concluded that *signaling theory* makes it easier for investors to find out company information.

Company Values

According to (Silvia Indrarini, 2019) understanding mark company is as following : “ Company values is investor perception of level success manager in manage source Power trusted company to him who often connect with price shares .” From the definition in above , can concluded that mark company that is A the image that is owned company For show condition company to investors and creditors .

According to (Weston dan Copeland, 2010) in his book (Silvia Indrarini, 2019) indicators used to assess companies consists of from , *Price to Book Value* that is comparison between price share with mark book per share . Ratio This describe how much big market value mark book share a company . The more tall PBV will increase market confidence in company prospects and indicates high shareholder prosperity and *Ratio Tobin's Q* this rated Can give the best information , because enter all element debt and equity company , no only share normal only and not only equity incorporated company However all over asset company .

Profitability

According to (Lela Nurlaela Wati, 2019)defines that: "Profitability ratio is a measure of a company's ability to generate finances at a certain level of sales, assets, share capital". Based on opinion expert on so can concluded that ratio profitability is the ratio used as reject measuring For know how far the company Can produce profit from the activities he carries out .

According to (Lela Nurlaela Wati, 2019), indicator general profitability used among others *Return On Assets* (ROA) is ratio profitability For evaluate percentage profit (gain) obtained company related source Power or total assets so that efficiency a company in manage his assets Can seen from percentage ratio this and *Return on Equity Ratio* (ROE) is ratio profitability For evaluate ability company in produce profit from investment holder share company as stated in percentage .

Liquidity

According to (Kasmir, 2018), the liquidity ratio is a ratio that describes the company's ability to meet short-term obligations or debts. Based on definition the

so can concluded that liquidity is ability company For fulfil obligation term in short it should be quick filled with use assets fluent that he has .

According to (Kasmir, 2018) there is a number of indicators that can used For measure liquidity , namely Current *Ratio* called with ratio smooth in use For measure ability company For fulfil obligation term short use Current Assets and Ratio fast (*Quick ratio*) called with ratio fast used For measure ability company pay current debt with No take into account mark stock . So supply ignored with method reduce with amount assets fluent .

Framework Conceptual

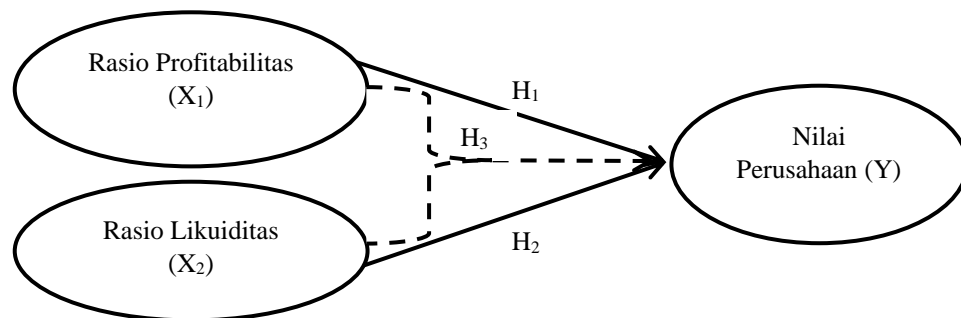


Figure 1 Framework Conceptual

Hypothesis

- H₁ : Profitability has a significant effect on the value of pharmaceutical sub-sector manufacturing companies in 2018 – 2022.
- H₂ : Liquidity has a significant effect on the value of pharmaceutical sub-sector manufacturing companies in 2018 – 2022.
- H₃ : Profitability and liquidity simultaneously have a significant effect on company value in pharmaceutical sub-sector manufacturing companies in 2018 – 2022.

RESEARCH METHODS

Study This using a quantitative research approach , namely research related to numbers analyzed with statistical techniques to analyze the results. According to (Sugiyono, 2016)the quantitative method is research based on the philosophy of positivism, used to research on certain samples or populations, data collection using research instruments, data analysis is quantitative or statistical, with the aim of testing the established hypothesis. This method is used to analyze data presented in the form of numbers, namely those related to the level of Profitability, Liquidity and value companies through profitability, liquidity and value ratios companies in pharmaceutical companies listed on the Indonesia Stock Exchange.

This type of research uses the correlation method, namely a quantitative data analysis method that aims to determine whether or not there is a relationship between two or more variables. Apart from that, this research is also included in causal associative research, because it aims to find out the relationship cause and effect between 2 or more variables, namely the independent variable and the dependent variable.



Purpose obtain the necessary data in writing thesis entitled " The Influence of Profitability and Liquidity To Mark Company In the Pharmaceutical Sub-Sector Manufacturing Companies 2018 - 2022", then writer do study via Website: pharmaceutical sector companies and www.idx.co.id .

In this study, the dependent variable (Y) is the value The company while the independent variables (X1) are profitability and (X2) liquidity .

Population used in study This is In the company manufacturing sub sector pharmaceutical companies listed on the Indonesia Stock Exchange for the 2018-2022 period are 9 companies . Population is a region consisting of on object / subject that has quantity and characteristics certain conditions set by researchers For studied and then withdrawn in conclusion (Sugiyono, 2016).

The technique used in sampling is *purposive sampling technique* . *Purposive Sampling* is a sampling method in which the sampling is based on certain criteria. The criteria used are in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange during the period 2018-2022 , in pharmaceutical sub-sector companies listed on Indonesia Stock Exchange and has published a complete annual report during the research period, namely 2018 - 2022 and the pharmaceutical sub-sector published an annual report and did not experience losses during the research period 2018 - 2022 .

Table 1 Sample List

No	Code Share	Company name
1	KLBF	PT Kalbe Farma Tbk
2	DVLA	PT. Darya Varia Laboratories Tbk
3	BRAND	PT. Merck Indonesia Tbk
4	PEHA	PT. Phapros Tbk
5	PYFA	PT. Pyridam Farma Tbk
6	SIDO	Sidomuncul Tbk Herbal Medicine and Pharmaceutical Industry
7	TSPC	PT. Tempo Scan Pacific Tbk

(Data processed, 2024)

data collection technique used by the author to collect the data needed in the study is documentation, namely obtaining data by reviewing company documents related to financial reports. The data obtained is in the form of financial position reports and profit and loss reports.



data analysis techniques used to prove the truth are quantitative methods, regression methods, classical assumption methods, hypothesis tests and determination tests. Regression method regression with the following formula:

$$Y = \alpha + \beta_1 x_1 + e_i \quad \text{dan} \quad Y = \alpha + \beta_2 x_2 + e_i$$

$$Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + e_i$$

(Source: Sugiyono, 2016)

Hypothesis testing done with use t count and f count values . Test of influence partial variable free to variable bound using the t-test. The criteria used is if t count > t table and significance < 0.05, then hypothesis accepted. This t-test used For determine hypothesis influence profitability (X₁) liquidity (X₂) against Mark Company (Y) in partial. F test is used test influence simultaneity and model accuracy using the F test and ρ value < 0.05. If F count > F table and the value ρ value < 0.05, then the hypothesis that states variable free influential in a way simultaneous accepted and formulated research model Already right. F test is used For determine hypothesis There is influence profitability (X₁) liquidity (X₂) against Mark Company (Y) in simultaneous .

Coefficient determination (R²) is used For know how much big percentage influence variable independent to change variable dependent . Coefficient value determination (R²) is 0 to with 1. If mark from (R²) is the same with 0, then show that No existence connection between variable independent to variable dependent .

RESULTS AND DISCUSSION

Classical Assumption Test

The data normality test is used to test whether the interfering variables or residuals in the regression model are normally distributed or not. Data or variables can be said to be normally distributed if the significance value in the *Kolmogorov-Smirnov table* is greater than 0.05 or 5%. The results of the normality test can be seen in the table below:

Table 2 Normality Test Results
One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	35
Test Statistics	0.123
Asymp. Sig. (2-tailed)	0.200 ^{cd}

(Source: Appendix 4 processed data, 2024)

Based on the results of the normality test using the *One Sample Kolmogorov-Smirnov Test* with a significance level of 0.05, the results of the normality test show a significance value of 0.200, meaning it is greater than 0.05 (0.200 > 0.05), in other words, the data population used in this study has a normal distribution.



Multicollinearity test is used to see whether the regression model finds a relationship between independent variables. A good regression model is one that has no influence between independent variables with a *tolerance value* > 0.10 and a VIF value < 10. The results of the multicollinearity test can be shown in the table below:

Table 3 Normality Test Results

Variables	Tolerance	VIF	Conclusion
Profitability (X ₁)	0.998	1.002	Free from symptom Multicollinearity
Liquidity (X ₂)	0.998	1.002	Free from symptom Multicollinearity

(Source: Appendix 4 processed data, 2024)

Based on the results of the multicollinearity test in table 3 , it shows that the profitability variable (X₁) has a tolerance value of 0.998 greater than 0.10 (0.998 > 0.10) and the VIF value on the profitability variable 1.002 is smaller than 10.00 (1.002 < 10). So it can be concluded that the profitability variable is free from multicollinearity symptoms. The liquidity variable (X₂) has a tolerance value of 0.998 greater than 0.10 (0.998 > 0.10) and the VIF value on the liquidity variable 1.002 is smaller than 10.00 (1.002 < 10). So it can be concluded that the liquidity variable is free from multicollinearity symptoms.

The heteroscedasticity test aims to prove whether there is residual variance from one observation to another in the regression model. A good model is a model that does not experience heteroscedasticity, namely data that does not create rules and is distributed above or below 0. Testing can be done through a scatterplot graph. The following are the results of the heteroscedasticity test through a scatterplot graph:

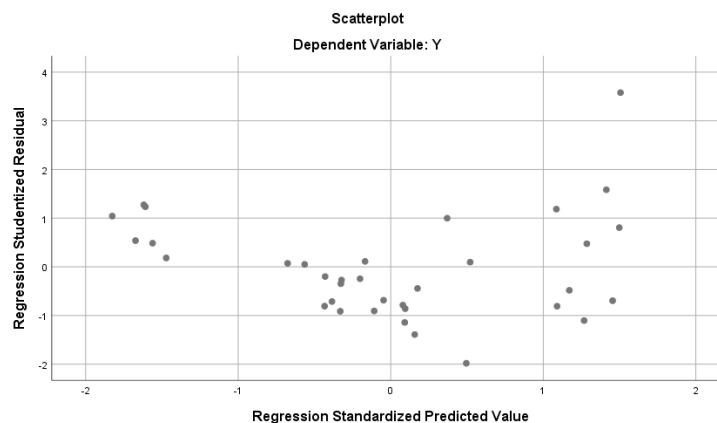


Figure 2 Heteroscedasticity Test Results

(Source: Appendix 4 processed data, 2024)

Based on Figure 2 , where the points of data processing results are distributed above and below the *origin point* . The data points do not form any pattern. It can be concluded that the regression equation is free from heteroscedasticity symptoms.

Autocorrelation test aiming For test whether in the regression model existence correlation between error usage in period t with error users in period t-1 in the



regression model . For test There is whether or not symptom autocorrelation , can using the Durbin-Watson test (dw). A good regression model is No there is problem namely the free model from autocorrelation .

Symptom autocorrelation can detected with perform the Durbin-Watson test (dw). The results of the Durbin - Watson (dw) calculation are then compared to with mark table at $\alpha = 0.05$. value limit above (dU) and value limit below (dL) for various values of n and k; where n = number sample and k = number variable independent namely n = 35 and k = 2 with mark limit above (dU) 1.5838 and the value limit below (dL) 1.343. Autocorrelation results can seen in the table following This :

Table 4 Autocorrelation Test Through *Durbin-Watson*

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.705 ^a	.497	.466	3.57518	1,031	

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

(Source: Appendix 4 processed data, 20224)

Based on the results of the autocorrelation test in table 4, it is known that that from the output results obtain a DW value of 1.031 . Then it can be concluded that it can indicated there is autocorrelation because the resulting DW value is smaller than (dL) limit value lower.

Partial Testing (t-Test)

Profitability Against Company Value

Based on statistical calculations using the SPSS 25 program contained in the regression analysis below:

$$\begin{aligned}
 Y &= \alpha + \beta_1 X_1 + e_i \\
 Y &= 5.438 + (1.829) X_1 + e_i \\
 R &= 0.194 \quad R^2 = 0.034 \\
 S &= 1,610 \\
 t_{count} &= 1.136 \quad t_{table(35-1)} = 1,690
 \end{aligned}$$

Liquidity Against Company Value

Based on calculation statistics with using the SPSS 25 program loaded in regression analysis below This :

$$\begin{aligned}
 Y &= \alpha + \beta_2 X_2 + e_i \\
 Y &= -2.133 + (1.703) X_2 + e_i \\
 R &= 0.668 \quad R^2 = 0.446 \\
 S &= 0.030 \\
 t_{count} &= 5.156 \quad t_{table(n-1)} = 1.690
 \end{aligned}$$

Simultaneous Testing (F Test)

Profitability and Liquidity Against Company Value

Based on statistical calculations using the SPSS 25 program contained in the regression analysis below:

$$\begin{aligned}
 Y &= \alpha + \beta x_1 + \beta x_2 + e_i \\
 Y &= -3.021 + (2.127) \\
 R &= 0.705 & R^2 &= 0.497 \\
 F_{\text{count}} &= 15.806 & F_{\text{table}(n-2)} &= 3.285
 \end{aligned}$$

Hypothesis Testing

Based on the results of the regression model analysis of Profitability and Liquidity on Company Value, the results of the hypothesis testing can be seen as follows:

Table 5 Test Results Hypothesis

Hypothesis	R ²	t _{count}	t _{table}	Sig	Information
X ₁ → Y	0.034	1,136	1,690	0.264	Not Significant
X ₂ → Y	0.446	5,156	1,690	0,000	Significant
X ₁ , X ₂ → Y	R ² 0.497	F _{count} 15,806	F _{table} 3,285	0,000	Significant

(Source : Appendix 4 processed data, 2022)

Based on table 5, the results of the hypothesis testing can be explained as follows:

The First Hypothesis (H₁) is rejected, it can be seen that the small t_{count} value is 1.136 with a significance level of 0.264, meaning that t_{count} < t_{table} (1.136 < 1.690) and with a significance level (0.264 > 0.05) indicates that the Profitability variable partially does not have a significant effect on company value in Pharmaceutical Sub-Sector Manufacturing Companies listed on the Indonesia Stock Exchange in 2018-2022, with an R² value of 0.034, in other words, profitability has an effect of 3.4% on company value while the remaining 96.6% is influenced by other factors.

Hypothesis Two (H₂) is accepted, as can be seen from the calculated t value of 5.156 with a significance level of 0.000. meaning t_{count} > t_{table} (5.156 > 1.690) and with a significance level (0.000 < 0.05) shows that the liquidity variable partially has a significant effect on company value in Pharmaceutical Sub-Sector Manufacturing Companies listed on the Indonesia Stock Exchange in 2018-2022, with an R² value of 0.446. In other words, liquidity has a 44.6% influence on company value, while the remaining 55.4% is influenced by other factors.

Hypothesis Three (H₃) is accepted, as can be seen from the calculated F value of 15.806. with a significance level of 0.000 This means that F_{count} > F_{table} (15.806 > 3.285) and with a significance level (0.000) < 0.05) shows that the Profitability and Liquidity variables simultaneously have a significant effect on Company Value in Pharmaceutical Sub-Sector Manufacturing Companies listed on the Indonesia Stock Exchange in 2018-2022.

The coefficient of determination obtained an R^2 value of 0.497, which means that profitability and liquidity affect the company value variable by 49.7%, while the remaining 51.3% is influenced by other factors not explained in this study.

Discussion

The Influence of Profitability on Company Value

Based on the research results, it has been shown that profitability partially does not have a significant effect on company value, where the calculated t value of profitability is lower than the t table value, because the company produces a small average profitability. Where The main cause of these results is due to the presence of covid-19 that has hit the world. So that the company's profits are unstable from year to year and tend to fluctuate so that investors are not sure about the results that the company will get in the future. So it will not increase the value of the company as seen from the company's stock price. Increasing profitability will reduce the value of the company even though the company experiences an increase in profits, the company uses the profits for retained earnings and is not distributed to shareholders. So investors consider it a negative signal and has an impact on the value of the company.

Profitability Ratio is the ratio used as reject measuring For know how far the company Can produce profit from the activities he carries out Besides that , ratio it also provides description about level effectiveness management in carry out activity its operation . The more The high profit of a company can indicate performance the company that the more good , because level return the more big with utilise assets owned company the in produce profit . The company's ability to generate high profits for shareholders is reflected in high profitability so that it can affect the company's value in pharmaceutical sub-sector manufacturing companies.

Research result This support theory (Lela Nurlaela Wati, 2019) defines that: "Profitability ratio is a measure of a company's ability to generate finances at a certain level of sales, assets, and share capital". The results of this study also support theory (Kasmir, 2018) define Ratio Profitability is ratio For evaluate ability company in look for profit . With the existence of a high level of profitability and low in sub- pharmaceutical manufacturing companies will not increase the value of the company .

The results of this study are reinforced by the research of Rika Nur Amelia (2022) entitled "The Effect of Liquidity and Profitability on Company Value in Pharmaceutical Sub-Sector Companies Listed on the Indonesia Stock Exchange for the 2016-2020 Period " which shows that there is no partial effect of profitability on company value. Likewise with the results of research by Sri Agustina Fajriwati (2020) with title " Influence Profitability and Liquidity On Company Value (In Trading Companies Sub Sector Trading Retail Companies Listed on the Indonesia Stock Exchange)" which shows that there is no partial influence of profitability on company value.

The results of this study also support the research of Muhammad Amin Setyo (2023) entitled "The Effect of Profitability, Liquidity, and Capital Structure on Company Value in Pharmaceutical Sub-Sector Manufacturing Companies listed on the Indonesian Stock Exchange in 2018 - 2022" this study found that profitability does not have a statistically significant effect on company value .

This means that the value of the company's profitability cannot influence investors to increase demand for shares. Because during the Covid-19 period, profits were very difficult for companies to stabilize, company tend more choose pay debts/ liabilities from results existing profit For avoid bankruptcy in the future , as example in company PT. Tempo Scan Pacific Tbk (TSPC) where profitability (ROA and ROE) is quite good Enough Good whereas liquidity (CR and QR) is considered very ok , this is it to signify that company the more focus payment of his debts than profit company . And also during the Covid-19 period , investors do not consider profit as a reference for investing but other factors such as Liquidity, Solvency and so on. So for the future, the company can sacrifice profit in the year walk For do investment in the future come , so that investors are more see activity investment company in the future come compared to see results profitability in the year running , or company profit used For pay debt so that investors can see from mark debt more companies small compared to year previously .

The Influence of Liquidity on Company Value

Based on the results of the data above, this study has shown that liquidity has a partial significant effect on company value. This shows that the higher the liquidity, the higher the company's ability to finance its operational needs or activities. The high level of liquidity shows that companies can meet current liabilities. A high level of liquidity shows that the company is increasingly liquid so that the company will not be liquidated due to the company's inability to meet its short-term obligations. This can attract investors to invest in the company's shares so that it can increase investor demand for the company's shares. Increased demand for shares will result in increased company value. Therefore, investors use the liquidity ratio as one of the benchmarks or references to assess the company's ability to invest, especially in the pharmaceutical sub-sector.

Liquidity is ability company For fulfil obligation term in short it should be quick filled with use assets current assets owned . The ratio is usually called the working capital ratio used to measure the level of liquidity of a company. There are two results of measuring the liquidity ratio, namely the company is in a liquid state if the company is able to meet its obligations. Furthermore, the company will be said to be illiquid if the company is unable to meet its obligations . Especially in this study, companies in the pharmaceutical sub-sector are liquid because the related companies are able to meet their short-term obligations.

Research result This support theory (Hery, 2017) ratio liquidity is the ratio that aims For understand capable or whether or not a company in pay off obligation term in short that will be quick due date. Research result this too support theory (Kasmir, 2018), states that the liquidity ratio is a ratio that describes the company's ability to meet short-term obligations or debts. The ratio is usually called the working capital ratio and is used to measure the level of liquidity of a company.

The results of this study are reinforced by research by Arga Putra Abig & Triyonowat i (2023) with the title " The Influence of Liquidity , Solvency and Profitability On Corporate Value In Textile And Garment Companies In Bei period 2018 – 2022 ” which shows that Liquidity (CR) has an effect Positive significant on Company Value . The results of this study are also in line with research conducted by Ira Septriana and Hanif Fitri Mahesa (2019) with title " Influence Liquidity , Firm Size and Profitability Against Company Value in Mining

Companies Listed on the IDX for the 2013-2017 Period " which shows liquidity influential significant towards Company Value.

Research result This No in line with research conducted by Fakhurrazi and Dessi Susanti (2022) with title " Influence Profitability and Liquidity on Company Value in Sub Sector Companies Transportation Listed on the IDX During the Covid-19 Pandemic " which shows liquidity in a way partial No influential significant to mark company . The same results are also found from research conducted by Anna Fatima , 2017 with title " The Influence of Profitability, Liquidity and *Leverage* on Company Value with Earnings Quality as a Moderating Variable (Case Study of Banking Companies Listed on the Indonesia Stock Exchange for the 2013-2015 Period) " where liquidity does not have a significant effect on company value.

This means that the value of a company's liquidity can influence investors to increase demand for shares and at the same time can increase mark company . The higher the company's liquidity, the more funds the company has to immediately pay its short-term obligations, which illustrates the company's ability to pay dividends, thereby increasing investor perceptions of the company's performance. This certainly attracts investors to invest their capital in the company because the company provides good information about the company's good performance so that it can increase demand for shares and increase share prices and indirectly increase the company's value. Because the higher the liquidity, the less profit the company will get because it will be used to pay the company's debts , this is... This is also what causes profitability decreased and even No can influence mark company . As explained in the analysis descriptive company , the average value of CR liquidity touches the figure is 285.4% and QR touches This figure is 197.4% Can categorized very tall or Good .

The Influence of Profitability and Liquidity on Company Value

Based on the research results, it has been shown that profitability and liquidity simultaneously have a significant effect on company value, where the F value calculates profitability and liquidity which is higher by $15.806 > 3.285$ from the F table value. This means that the company's ability to generate profits for shareholders can affect the company's value in the pharmaceutical sub-sector manufacturing company as well as liquidity, the higher the liquidity, the higher the company's value. High cash capability has an impact on the company's short-term liability capability and has a positive impact on the company's value in the pharmaceutical sub-sector manufacturing company.

Mark company that is A the image that is owned company For show condition company to investors and creditors . Price high stock or low influence company , price share This is indicator for potential investors before decide whether will invest in a company the . Company values own very good position important for company Because with improvement mark company will followed with improvement price stocks that reflect improvement prosperity holder share .

Research result This support theory (Hery, 2017) " Company values is condition certain that have been achieved by a company as description from trust public to company after through a process of activity during a number of year , namely start from company the founded until with moment this " . Research results this too support theory (Silvia Indrarini, 2019) " Company values is investor



perception of level success manager in manage source Power trusted company to him who often connected with price shares ” . And also the theory of (Bambang Sugeng, 2017) “Company Values are price sell from goods the when goods the will for sale ”.

The results of this study are reinforced by Amelia's research (2023) with the title " The Influence of Profitability and Liquidity On Company Value (Survey on Sub- Sector Companies) Food and Beverages Listed on the Indonesia Stock Exchange 2015-2021)" which shows in detail together show that profitability and liquidity influential positive significant to mark company . The results of this study are also in line with research conducted by Afifah Widhah and Syahril Add-in (2023) with title “ Influence Profitability and Liquidity On Company Value in Jakarta Banking Companies Listed on the Indonesia Stock Exchange in 2018-2022" and research by Diana Candra Dewi , Enung Nurhayati , and Syahrul Syarifudin (2021) with title “ Influence Liquidity and Profitability Against Company Value With Policy Dividend As Moderating Variables (Study Empirical In The Sector Companies Goods Consumption Listed on the Indonesia Stock Exchange for the Period 2017 – 2020) ” the same shows the same thing in a simultaneous that Profitability and Liquidity , have an impact towards Company Value.

Profitability and liquidity are closely related to each other. If the level of profitability and liquidity decreases, the company's value will certainly also decrease, even though the level of profit does not have a high impact on the company's value. But moment seen together found the impact of profit is so big . At the time together Can can seen reason from low the effect of profit on mark company , low profit level due to height liquid level that must be paid during the times of covid i d-19, this can seen from partial and simultaneous test results above which is contained in the results of the regression coefficient values . When together can still be a benchmark for consideration for investors and shareholders, and do not forget that the company's value is also influenced by other variables not examined in this study which may have a greater impact.

CONCLUSION AND SUGGESTIONS

Based on the results of the data analysis that has been carried out in this study, it can be concluded that Profitability No influential significant on Company Value in Manufacturing Sub- Sector Companies Pharmacy 2018-2022 , Liquidity influential significant Company Value in the Manufacturing Sub- Sector Pharmacy 2018-2022 and Profitability and Liquidity simultaneously have a significant effect on Company Value in Manufacturing Companies in the Pharmaceutical Sub-Sector in 2018-2022.

Based on discussion from study regarding “ The Influence of Liquidity and Profitability On Corporate Value in Sub Sector Companies Pharmacy 2018 -2022 ” researchers have several suggestions that is For investors before to plant capital in the company , Investors should pay attention mark profitability and liquidity as a measure of the company's value . Where profitability can become investor considerations for assess its total assets , while liquidity can give investor analysis regarding level credit given company .

For The Company from the results of the research that has been conducted that profitability does not affect the value of the company. In relation to this, the

company is expected to be able to improve the company's performance by making efficiency in the company's operational expenses, optimizing net profit, and reducing the number of unproductive fixed assets so that profitability increases and the company's value increases.

For Researcher recommend for researcher next in order to be able to add other variables that can influence mark company , for example : growth company , capital structure , size company , solvency , policy dividends , growth sales , value assets and so on . Researchers also suggest that researchers furthermore can add longer period long or add period latest from study this and research in other sub sectors as well as moment find different results or find invention new moment research , researcher Next expected can find reason or factors that can influence results the .

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