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Effect of Financial Performance on Firm Value in Pharmaceutical Sub-Sector Companies on the IDX

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ABSTRACT: The purpose of this study was to examine the impact of financial performance on firm value, with profitability being a moderator variable for firms in the pharmaceutical subsector. The data used in this study is pharmaceutical stock data for the 2019-2021 period. Panel data regression test is used to understand the effect of independent variables on the dependent variable and its moderating variables. The results showed that only working capital and debt-to-equity ratio variables had a significant effect on firm value (PBV). In addition, the ROA variable as a moderating variable does not have a moderating effect on all financial performance on firm value (PBV). All results of each variable are supported by research that has been done before and have the same conclusions. The independent variable that has the greatest influence is the ART variable because it has the largest coefficient value of 0.6099. Meanwhile, the variable with the smallest influence is the CAPITAL variable with the smallest coefficient value of 0.076.

KEYWORDS: Financial performance, Data Panel Regression, Pharmaceutical Company, Price Book Values, Return on Assets

I. INTRODUCTION

The Indonesian government in March 2020 announced the entry of Covid-19 for the first time in Indonesia (CNN Indonesia, 2020). The spread in the territory of Indonesia occurred very quickly. To anticipate this, the Government of Indonesia has implemented a Large-Scale Social Restrictions (PSBB) policy, which essentially limits the movement of people and goods and requires everyone to practice social distancing and wear masks when outside the home (Suryana, Hartono and Suryana, 2021). The outbreak and spread of this virus has directly burdened government finances and public health, caused heavy losses to tourism, catering and others in related industries, and affected investor confidence (Liu, Wang, He and Wang, 2020). As a result, the Indonesian economy experienced a decline. This can be seen in the third quarter of 2020, national economic growth contracted again by 3.49% (year on year), while in the second quarter of 2020 it was 5.32% (BPS, 2020). The impact of Covid-19 has almost weakened all industries in Indonesia. Various affected sectors such as the tourism industry, oil industry, aviation industry, financial sector, and health sector have suffered losses due to the Covid-19 pandemic (Laing, 2020). In 2020, based on data from the Ministry of Industry, the growth of the non-oil and gas industry has decreased by 2.52% due to a decline in several industries, but there are several industrial groups that are experiencing positive growth, one of which is the Chemical, Pharmaceutical and Drug industry group which experienced growth in 2020 of 9.39%. On an annual basis, the increase in growth in the Chemical, Pharmaceutical and Traditional Medicine industries is supported by an increase in domestic demand related to demand for medicines and health equipment (Ministry of Industry of the Republic of Indonesia, 2020).

The Chemical, Pharmaceutical and Traditional Medicine Industries have become industries that have played a very important role since the arrival of Covid-19. The need for medicines, medical devices and vaccines makes pharmaceutical companies have good prospects. The increasing demand for medicines due to the Covid-19 pandemic outbreak has made pharmaceutical company stocks increase in 2020.

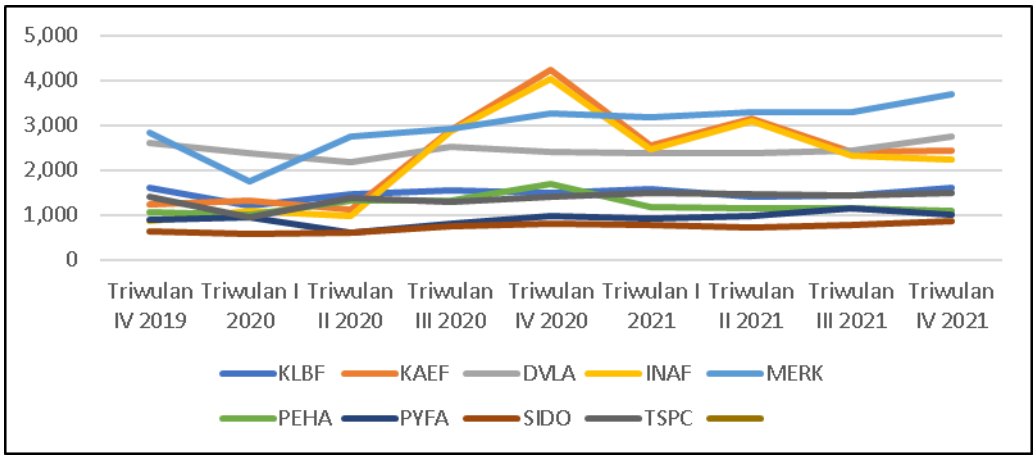

Figure 1. Increase in Shares Price in The Pharmaceutical Sector

The increase in shares prices in the pharmaceutical sector reflects that the value of companies in the pharmaceutical sector is increasing. According to Ibrahim (2017) the higher the stock price, the higher the value of the company. To see how the company's value is developing, one of the indicators is to look at the Prive Book Value (PBV) ratio of the pharmaceutical sector, namely by comparing the book value of an issuer with its market price. A good PBV ratio is usually with a value of more than one which means the market value of the stock is greater than the book value (Suzulia, Sudjono, Ahmad, 2020)

Research on the value of this company has an attraction for further study. This is because the results obtained by previous researchers still found results that were not optimal between the dependent variable (X) with the independent variable (Y) and the moderating variable (Z). There are still differences in results from previous studies that make research on firm value interesting for further research. This research has differences with those that have been studied previously, namely this study determines the effect of financial performance (ROA) on firm value, and ROA is also used as a moderating variable between financial performance and firm value. Based on the description of the research background above, it is deemed necessary to conduct further research with the aim of analyzing the effect of financial performance on company value in pharmaceutical sub-sector companies on the indonesia stock exchange during the covid-19 pandemic period 2019- 2021.

THEORETICAL REVIEW AND HYPOTHESIS DEVELOPMENT

In the world of stocks, investors must carry out a thorough examination of the stock of a business before choosing to invest in a company. This study is useful and well executed in determining which equity investors should buy. Fundamental analysis, which focuses on companies, industries, and macroeconomics, is one of the most prominent analyzes used by investors (Hartono, 2018).

In fundamental analysis, it is acknowledged that there are words to determine the value of an asset or company that involve a procedure. Value is defined as Central goals or ideas on ultimate states or ideal conducts that transcend specific drives the selection and appraisal of circumstances of our decisions and, therefore, our conducts, to the point of molding our character. This implies that central desires or beliefs about final decisions lead to choices, decisions are reviewed, and include part of how a person acts and the factors that shape character. (Schwartz, 1987).

Understanding values can also be understood as something that serves as a guide for ideal behavior for people. Values include the concepts that exist in the minds of society or organizations about things that are considered important in life. Values are an indication of the kind of responsibility adopted by a company's personnel. Therefore, it is indicative of the various obligations assumed by company employees (Gerlach, Stefan, & Schnabel, 2000).

In the world of stocks, valuation is used to determine the value of an asset or company and determine the fair value of the stock price. Valuations can be categorized into two categories, namely absolute valuation, and relative valuation.

Company Value

Share prices reflect the prosperity of the owners and shareholders of the company, which can be seen as the value of the company (Bringham and Houston, 2006). Gitman (2007) says that "the value of the company includes the form of conformity with the value of each share sold in the capital market". Thus, from there it will be seen whether or not the total value of assets owned by a company. If the asset value is high, the value of the company being acquired will also be large. Along the way, the two theories have developed. Harmono (2017) believes that "the value of a business can be judged by the value of its share price in the market, which depends on the formation of the company's share price in the market". This reflects the public's real-

world evaluation of company performance. The value of the company is the price at which it can be sold to potential buyers if it decides to sell. Market value of bonds and equity outstanding, including company value. (Keown in Agustina, 2017). The success of a company in increasing its share price for the benefit of its capital holders is its value. The greater the stock price growth, the greater the potential increase in the stock price. The main goal of the company is to optimize the value of the company. When a business wants to sell, the value of the company is used as a price benchmark for potential buyers. when a business is offered for sale to the public, the value of the company serves as a consideration for investors in that company.

The success of a company in increasing its share price for the benefit of its capital holders is its value. The greater the stock price growth, the greater the potential increase in the company's stock price. The main goal of the company is to maximize the value of the company. When a business wants to sell, the value of the company is used as a price benchmark for potential buyers. when a business is offered for sale to the public, the value of the company serves as a consideration for investors in that company. Brigham and Houston (2011) argue, PBV is "a financial measure that compares stock prices to book value per share". PBV includes the factors that investors evaluate when deciding which stock to buy. The wealth of the company's shareholders increases in proportion to the value of the company. A decrease in share prices will result in a decrease in shareholder prosperity (Fadjar, Nugraha, Sarifuddin 2021).

Working Capital

Dividend policy is a decision about how much of a company's profits to distribute to shareholders and reinvest or retain in the company. Based on this theory, dividend policy is based on the interests of shareholders on the one hand and the interests of the company on the other.

According to Brigham and Houston (2006) there are three theories of investor preference, namely:

1. The theory of dividend relevance is the theory that dividend policy does not affect firm value or the cost of capital. This theory follows Modigliani and Miller's (MM) assessment that a company's value is determined by its profit before tax (EBIT) and business, not by the level of dividend payout ratio (DPR). Stake. This means that the dividend policy is completely irrelevant.
2. The bird-in-the-hand theory states that if dividend payments are reduced, the more positive investors receive dividends than the capital gains resulting from retained earnings, the higher the level of income required. Investors believe that a bird in your hand is worth more than a thousand birds in the air. However, MM admits that not all investors are interested in reinvesting dividends in similar companies with the same level of risk. Thus, the level of risk of future earnings is determined by the level of risk, not the dividend payout ratio. from new investment.

Firm Size

Brigham and Houston (2011) revealed that "The average overall net sales from the year of calculation to the next few years is referred to as the size of the company (firm size)". Sales in this case exceed variable and fixed costs, resulting in profit before tax. However, If the revenue is less than the fixed and variable expenses, a loss will occur. According to research by Novari and Lestari (2017), there are many ways to categorize firm size using a company size scale. These techniques include total company assets, log size, stock market value, and others. Meanwhile, total assets, total sales, average asset sales, and average total assets of a company can all be used to show business size. From the investor side, the level of trust is also a benchmark for company size. This means that when a company gets bigger, the company is increasingly recognized by the public. Thus, easily accessible information will increase the value of the company. Even large businesses with significant overall assets will attract investors to put money into the business.

Suwardika and Mustanda (2017) revealed that "the variable company can be determined from the equity, income, and total assets of the company. When a company's overall assets continue to increase, this may indicate that it has reached maturity. This can be seen in terms of the positive cash flow owned by the company, and it can be estimated that for a long time the company will have a profitable aspect. So, the size of the company is reflected by the amount of total assets or capital. In the research of Suwardika and Mustanda (2017), it is known that the company's financial choices will be directly proportional to the size of the business. This facilitates the optimization of company value. To grow their company value, large companies often find it easier to win over investors and financiers.

There is a correlation between company size and its stability and ability to generate profits. Investors will take advantage of the facility as a positive signal and good prospects. To keep up with the rapid development of the company, a sizable injection of funds is required. because of the increased demand for capital, companies tend to keep more profits, which results in reduced payments to shareholders. Thus, the company is no longer interested to investors, so the demand for and the price on the book value of shares will decrease. Investors will catch it as a negative signal thereby reducing demand and prices for the book value of shares (Purwanto, Agustin 2017).

Working Capital

Brigham and Houston (2020) stated that "working capital is the result of the sum of assets or what can be called current assets". However, the status of current assets is gross working capital, so the definition is quantitative. This is because the use of the total funds was intended for short operations. The company's capital availability is also determined based on cash, inventories, receivables, and securities owned.

The definition of working capital was also put forward by Kasmir (2017) who said that "Working capital is capital used for operational activities". Working capital, namely investment in current assets, such as cash, banks, securities, inventories, receivables, etc. The following will explain the meaning of working capital contained in the concept of working capital, which is divided into three types, namely:

1) Quantitative concept

Working capital in a quantitative concept is everything that includes current assets. This idea addresses how to meet the company's short-term financing requirements. The term for this understanding is gross working capital.

2) Qualitative concept

Working capital in a qualitative concept is a concept that emphasizes the quality of working capital. This idea examines how the difference between current assets and liabilities is referred to as short-term liabilities. The term for this understanding is net working capital. The benefits of this idea can be seen from the company's liquidity perspective. Current assets that exceed current liabilities show that creditors have confidence in the company. This has an impact on the continuity of company activities, making loan money provided by creditors more secure.

3) Functional concept

The definition of the functional concept of working capital highlights the role money plays in a business in generating profits. This shows that the more working capital a company uses, the greater the profit. However, the opposite is true: the less money used, the lower the profit. But in practice it is not always like that.

Profitability

Profitability is defined by Brigham and Houston (2006) as “the net effect of a series of policies and actions”. Various relevant benchmarks can be used to measure profitability. Financial ratios are one of the yardsticks to measure the financial situation, level of profitability and operating results of a company. The profitability ratio reflects the total effectiveness of management, which is represented by the proportion of profit on sales and investment. Better profitability ratios will illustrate the company's high ability to earn profits (Fahmi, 2017). With that, the profitability ratio becomes a ratio in carrying out an assessment of the ability of a company to make a profit in a certain time.

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Profitability plays an important part in the corporate context. This is due to the fact that profitability shows the efficiency of the company and the picture of its success. Furthermore, the corporation can show its internal investors that it will share a larger incentive if it is profitable. (Suwardika and Mustanda, 2017). According to research conducted by Novari and Lestari (2017), company profitability is its capacity to generate profits through the sale of investment income, assets, and share capital.

Based on the theory above, it can be concluded that investing in company shares is of course aimed at making a profit. The hope is that the stronger the company's potential for profit, the greater the return that investors will get. Thus, the value of the company also increased.

The Hypothesis

Although previous researchers have agreed on the existence of a relationship between human resources management and organizational performance, there is not much to describe the type of relationship associated with this.

Firm Size has an impact on Firm Value (PBV)

The Firm size is a measure of the maturity of the company in terms of average total sales, total assets, total sales, average total assets. Companies will find it easy to get funds if they have a large firm (Gunawan et al. 2018) so that the funds can be used to develop the company. Based on signaling theory, a company will get many investors, if the company has a large firm

size, of course this will attract investors to invest. So firm size can increase firm value. based on a study conducted by Sondakh (2019) and Banani et al. (2021) that "firm size has a positive impact on firm value". According to Endri & Moch (2020) "firm size had no significant impact on firm value before and during COVID-19". A large firm size does not necessarily mean that the company will get a large firm value, and vice versa, a small firm size makes it possible to obtain a large firm value. Anggasta & Suhendah (2020). In line with the results of a study conducted by Rahim et al. (2021), Endri and Moch (2020), Anggasta and Suhendah (2020), Rahmantio et al. (2018), Kadim and Sunardi (2019), and Nuraeni et al. (2016) explained "if firm size has no significant impact on firm value".

H1: Firm Size has an significant impact on Firm Value (PBV)

Working Capital has an impact on Company Value (PBV)

Accounts receivable and inventory turnover, the two components of working capital, can be used as proxies for the effectiveness of using a company's financial assets to invest in these two areas. If the company's working capital turnover period decreases, this indicates a faster turnover; if the company's working capital increases and becomes more efficient, it shows that the company's profitability has increased. This can attract potential new investors who want to invest.

H2: Working Capital Turnover has a significant impact on Company Value (PBV).

Debt to Equity Ratio (DER) has an impact on Company Value (PBV)

The study conducted by Kahfi, et al. (2018) Manufacturing Companies in the Food and Beverage Sector tested the impact of DER on PBV. DER is a ratio that measures the percentage of the proportion of debt to capital. This ratio measures the relationship between the amount of money provided by creditors and the amount of funds provided by the owner of the company. Research conducted by Seno & Thamrin (2020) suggests that "Capital Structure has a positive impact on firm value (PBV) in building construction sub-sector companies on the IDX during 2012-2018".

According to (Rusgowanto, 2014) in his journal "The influence of company characteristics, intellectual capital, and CSR on the company's share value in companies listed on the Indonesia Stock Exchange for the 2014-2017 period". PBV as the dependent variable has a positive autocorrelation and the DER variable has a significant impact on PBV. A high leverage ratio will increase the company's chances of experiencing losses. High amounts of corporate debt are increasingly seen as a sign of corporate recklessness. This can hinder a company's ability to use finances efficiently to finance operations and become a burden if it is unable to pay off significant debt. When investors observe the size of a company's debt, they may change their minds about investing in the company. As a result, the amount of debt that is not profitable can affect the existing value of the company. Also corroborated by Sukoco's study (2013) which shows that "DER has a detrimental impact on business value". based on a study conducted by Yulianti and Andam (2021) it was found that "the variables Current Ratio, Debt Equity Ratio¸ and Net Profit Margin jointly have an impact on Price Book Value in the IDX trading sub-sector in 2015-2016".

Having your goals in mind will determine the key parts of the methodology that you need to use from a contextual point of view. Analysis methods are mostly based on casual statistics, such as study of means and standard derivatives. However, it should be noted that the use of more complicated qualitative and quantitative methods allows for deeper analysis of social, institutional, and political forces, allowing us to better understand the impact of choice. As a result, contextual results can complement rational and prescriptive approaches from perspectives other than more descriptive and social ideas (Arcand, 2006). So, the hypothesis that can be put forward is:

H3: Debt to Equity (DER) has a negative and significant impact on Firm Value (PBV)

Dividend Payout Ratio (DPR) has an impact on Company Value (PBV)

A proxy dividend policy implemented by a company that has an impact on decreasing or increasing investor interest in obtaining ownership rights to a company is the DPR (Dividend payout ratio) ratio. This is because the dividend indicates the prospect of profits to be achieved by the company. When a company maintains a constant dividend payout ratio goal, investors may conclude that the company's management anticipates an increase in earnings. An increase in dividends can have a beneficial effect on stock prices, which in turn has a positive impact on PBV (Van Horne and Wachowicz 1998) in (Hidayati 2010:5). This is corroborated by the findings of Utomo (2009) and Siti Meilani (2014) which state that "Dividend Payout Ratio (DPR) has a significant impact on firm value". Thus, the following hypotheses may be suggested in this study:

H4: Dividend Payout Ratio (DPR) has a significant impact on Firm Value (PBV).

Account Receivable Turnover has an impact on Company Value (PBV)

An activity ratio is a ratio used to measure a company's strength in using its assets to evaluate the level of ability in using the company's assets (Kashmir, 2016). The greater the activity rate, the more effectively the company is controlling company assets and resources. In addition, Husnan & Pudjiastuti (2012) agreed to use multiple measures of (a) debt recovery period; This is the

daily average required to convert a bond into cash. Alternatively, it represents the time elapsed between the sale of the company's loan and the receipt of the cash payment. Second, the company's receivables are closely related to the volume of credit sales. Therefore, these receivables and estimated time to collection can be calculated by separation the number of credit sales by the average receivable to calculate the turnover ratio. In earlier empirical studies, activity measures tend to use sales-related activities; Accounts receivable turnover and collection period (Orniati, 2009).Thus, the following hypotheses may be suggested in this study:

H5: Account Receivable Turnover (ART) has a significant impact on Company Value (PBV).

RESEARSCH METHOD

Independent variables are also called independent variables, namely the factors that influence the dependent variable (Sugiyono, 2016). In this study, the independent variables that are the cause are firm size, debt to equity ratio (DER) and dividend payout ratio (DPR). The dependent variable is the variable that is affected by the independent variable; it is a consequence of the independent variable (Sugiyono, 2016). Firm value (PBV) is included in the dependent variable in this study. Intervening variables or connecting variables are variables that influence the relationship to be indirect or observable between the dependent variable and the independent variable (Sugiyono, 2019). The intervening variable lies between variables. In this study the intervening variable is Profitability.

In this research, the sampling method used purposive sampling. Sugiyono (2016) argues, "purposive sampling, namely taking samples using a technique of weighing certain things". This study uses a purposive sampling technique because the sample has a different character from the phenomenon being studied. Sugiyono (2016) states that "a sample is part of a population to be studied". The sample serves as an example of what will be studied in a population, because doing research for the entire population would be too large. The following are the criteria for this research sample:

1) Pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.
2) Pharmaceutical companies that do not experience losses for the 2019-2021 period.

In this study there were 2 analyzes carried out, namely descriptive analysis and inferential analysis. Sugiyono (2020) reveals that "Descriptive analysis is statistics used to evaluate data by describing or summarizing the data obtained as it is, without drawing conclusions that apply to the wider population or making generalizations". Demographic data analysis lends itself naturally to descriptive statistics. The data analysis method used in this study is the inferential data analysis method. Sugiyono (2020) explains that "Inferential statistics are statistical methods for analyzing sample data and applying their conclusions to the entire population". Parametric statistics are used in this study. Sugiyono (2020) explained that "in inferential statistics there are parametric and non-parametric statistics". The use of statistics depends on the underlying assumptions and the type of data collected. This research conducts data processing using panel data regression which intends to determine the impact of Financial Performance on Firm Value with Profitability as an Intervening variable in Pharmaceutical Sub-Sector Companies on the IDX During the Covid-19 Pandemic Period 2019-2021. Panel data regression is used to accommodate a large number of time sequences and companies.

ANALYSIS AND DISCUSSION

Descriptive statistical analysis describes the data used in the research. This analysis shows the research variables used, the amount of data, the minimum value, the maximum value, and the standard deviation. The variables described in this analysis are Firm Size (FS), Working Capital, Debt to Equity Ratio (DER), Dividend Payout Ratio (DPR), Account Receivable Turnover (ART), Firm Value (PBV) and Profitability (ROA). . Following are the results of data processing using descriptive statistical analysis presented in the table.

Variable	N	Mean	StDev	Minimum	Median	Maximum
PBV	27	0,650	1,817	0,000	0,011	7,506
SIZE	27	14,95	10,06	5,75	11,07	40,75
Modal	27	2,566	1,407	0,943	2,519	5,942
DER	27	0,719	1,224	0,013	0,046	4,895
DPR	27	0,466	0,530	0,000	0,302	1,717
ART	27	2,149	2,078	0,120	1,300	7,750
ROA	27	0,1447	0,1681	0,003	0,0951	0,6050

Firm Size (FS) variable in the table shows that the minimum value is 5.75 billion rupiahs. This figure belongs to KLBF in 2020. The maximum firm size value is 40.75 billion rupiahs, which belongs to PT. Merck in 2021. Then, this variable has an average value of 14.95 billion rupiahs and a standard deviation of size of 10.06 billion rupiahs. Working Capital Variable (Capital) in the table shows the minimum value in the data is 0.943 billion rupiahs and this value is owned by PEHA in 2020. As for the maximum value in this data is 5.942 billion rupiahs which is owned by SOHO in 2020. This working capital variable has an average value of 2.566 billion rupiahs and standard deviation of 1.407 billion rupiahs.

The Debt to Equity Ratio (DER) variable in the table shows that the minimum value of this variable is 0.046 times or 4,6%. This figure belongs to SCPI in 2021. The maximum value of debt to equity is 4.895 or 489,5% owned by Soho Global Health in 2020. Furthermore, this variable has an average value of 0.719 times or 71,9% and a standard deviation of DER of 1.224 or 122,4%. The Dividend Payout Ratio (DPR) variable in the table shows that the minimum value is 0.00%. This figure belongs to Organon Pharma Indonesia Tbk in 2019, 2020, 2021, then belongs to the Herbal and Pharmaceutical Industry Sido Muncul Tbk in 2020, and also belongs to Soho Global Health in 2020. The maximum value of the Dividend Payout Ratio is 1.717 or 171,7% which is owned by PEHA in in 2021. Furthermore, this variable has an average value of 0.466 or 46,6% and a standard deviation value (DPR) of 0.53 or 53%.

The Account Receivable Turnover (ART) variable in the table shows that the minimum value of this variable is 0.120 or 12%. This figure belongs to SCPI in 2021. The maximum value of Account Receivable Turnover is 7.75 or 775% for MERK in 2021. Furthermore, this variable has an average value of 2.149 or 214,9% and a standard deviation of ART of 2.078 or 207,8%. The Firm Value Variable (PBV) in the table shows that the minimum value is 0.000 times. This figure belongs to Organon Pharma Indonesia Tbk in 2019, 2020, 2021. The maximum value of company value (PBV) is 7.506 times or 750,6%. This figure belongs to SOHO in 2020. Furthermore, this variable has an average value of 0.65 or 65% and a standard deviation of 1.817 or 181,7%. Profitability variable (ROA) in the table shows that the minimum value is 0.03 times or 30%. This figure belongs to Pyridam Farma Tbk in 2020. The maximum value of the profitability variable (ROA) is 0.6050 or 60,5% belonging to KAEF in 2020. Furthermore, this variable has an average value of 0.1447 or 14,47%. This shows that to get IDR 1 of company assets can generate IDR 0.1447 profit. The ROA standard deviation value is 0.1681 or 16,8%.

Regression Model Determination

The Chow test is used to determine which panel data regression model should be used, whether the Common Effects (CE) or Fixed Effects (FE) model. This test was carried out using the EViews 10 program. Based on the chow test, it shows that the F-probability value of the table is 0.0001 and this F value is less than the alpha value of 0.05 so it can be concluded that the model chosen to be used is the Fixed Effects (FE) model. However, the results of this test also need to be tested again through the Hausman test.

After that, the results of the Hausman test on the Random Effects (RE) model will be presented as well as determine the choice of the Fixed or Random model used in this analysis. Based on the hausmann test, it shows that the probability value of the table is 0.0059 and the F value is less than the alpha value of 0.05 so it can be concluded that the model chosen to be used is the Fixed Effects (FE) model. After obtaining two selection decisions in the two previous tests, then it was obtained that the regression model decision to be used was the Fixed Effects regression model.

Following are the results of calculations using EViews 10 with Fixed Effects regression model:

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SIZE	-0.103960	0.040227	-2.584334	0.0239
MODAL	-0.076043	0.047326	-1.606793	0.0341
DER	-0.086706	0.212604	-0.407829	0.6906
DPR	0.208344	0.202770	1.027486	0.0245
ART	0.609976	0.227460	2.681681	0.0200
C	0.165515	0.160179	1.033313	0.3218

Based on the regression results above, it can be formulated mathematically as follows:

PBV = -0.1039(SIZE) – 0.076(MODAL) – 0.0867(DER) + 0.2083(DPR) + 0.6099(ART) + 0.1655

The results of the panel data regression in the table above show that the firm size variable has a probability value of 0.0239 meaning that H0 is rejected and H1 is accepted. So it can be concluded that Size has a significant effect on firm value (PBV). The results of this study are in line with the results of research from Sondakh (2019) and Banani (2021) which state that firm size has

a significant effect on firm value (PBV). This also supports the logic of the business where it will be easy for a company to get funding if it has a large firm (Gunawan et al. 2018) so that the funds can be used to develop the company.

After that, the table above show that the working capital variable has a probability value of 0.0341 meaning that H0 is rejected and H1 is accepted. So it can be concluded that working capital has a significant effect on firm value (PBV). The results also support research conducted by Setiawan (2021) which states that working capital has a significant impact on firm value. This is because if the company's working capital turnover period decreases, this indicates a faster turnover, if the company's working capital increases and becomes more efficient it indicates that the company's profitability has increased.

Different with previous two, Debt to Equity (DER) variable has a probability value of 0.6906 meaning that H0 is accepted and H1 is rejected. So it can be concluded that the Debt to Equity Ratio has no significant effect on firm value (PBV). The results of this hypothesis support research from Mahayati (2021) which states that the Debt-to-Equity ratio has no impact on company value. This result is also obtained because the use of debt is not always negative but can also be an investment that can provide value to the company in the future for both the short and long term. Even though a high leverage ratio can hinder a company's finances, as long as the debt owned by the company is used to run operations and provide added value to the company.

For Dividend Payout Ratio (DPR) variable has a probability value of 0.0245 meaning that H0 is rejected and H1 is accepted. So, it can be concluded that the Dividend Payout Ratio has a significant effect on firm value (PBV). The results of this hypothesis support the statement in the research of Utomo (2009) and Siti Meilani (2014) which states that DPR has a significant impact on firm value. The results of this also suggest that increasing dividends can have a beneficial effect on stock prices, which in turn has a positive effect on PBV (Van Horne and Wachowicz, 2002).

For the last variable, Account Receivable Turnover (ART) variable has a probability value of 0.0200 meaning that H0 is rejected and H1 is accepted. So, it can be concluded that Account Receivable Turnover has a significant effect on firm value (PBV). The results of this hypothesis support the statement in Wira's research (2021) which states that ART has a significant impact on firm value. Because that's the indicator that shows the company's receivables have a close relationship with the volume of credit sales.

This equation shows the mathematical formulation resulting from the regression process that has been carried out. Each coefficient of each independent variable shows the influence of these variables on the dependent variable (PBV). The independent variable that has the greatest influence is the ART variable because it has the largest coefficient value of 0.6099. Meanwhile, the variable with the smallest influence is the CAPITAL variable with the smallest coefficient value of 0.076

CONCLUSIONS

The research has an objective to analyzing the effect of financial performance on company value in pharmaceutical sub-sector companies on the indonesia stock exchange during the covid-19 pandemic period 2019- 2021. Based on the results of the research that has been done, there are several conclusions that can be drawn as follows:

1) Firm Size has a negative effect on firm value (PBV).
2) Working capital has a negative and significant effect on firm value (PBV).
3) Debt-to-Equity Ratio has no effect on firm value (PBV).
4) Dividend Payout Ratio has a positive effect on firm value (PBV).
5) Account Receivable Turnover has a positive effect on firm value (PBV).

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