

ABSTRACT

Firm value is an investor's view of a company, company value is often associated with the company's stock price. There are several factors that affect firm value, including financial performance and dividend policy (in this study dividend policy is used as a moderating variable).

This study was conducted to examine the effect of financial performance as proxied by profitability (ROA) and leverage (DER) on firm value proxied by PBV with dividend policy as a moderating variable proxied by DPR. The object of research in this study is the pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2014-2019 period.

The analytical method used in this research is Panel Data Regression and Moderate Regression Analysis (MRA). The partial and simultaneous hypothesis testing in this study used the F-test and T-test. The sampling technique in this study was purposive sampling technique, obtained a sample of 5 pharmaceutical sub-sector companies for the 2014-2019 period (5 companies x 6 years = 30 samples).

The results showed that there was a significant effect of financial performance proxied by profitability (ROA) and leverage (DER) simultaneously on firm value both before and after being moderated by dividend policy, the profitability variable (ROA) partially positive and significant effect on firm value, the leverage variable (DER) partially has no significant effect on firm value, the profitability variable (ROA) partially has a significant negative effect on firm value after being moderated by dividend policy, partially leveraged variable (DER) has no significant effect on firm value after being moderated by the policy dividend.

The next researcher can change the proxy on the variable of firm value, financial performance or dividend policy, besides that the next researcher can change the object of research by adding a research period to see the development of firm value.

Keywords: *Dividend Policy, Financial Performance, Leverage, Firm Value, Profitability*