

Firm Value: The Mediating Effects Of Capital Structure On Profitability, Size, And Asset Structure

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Abstract.

This study aims to determine the effect of profitability, company size, and asset structure on firm value with capital structure as a mediating variable. The research method used is quantitative method using secondary data. Secondary data is obtained through the annual financial statements of healthcare sector companies that have gone public listed on the Indonesia Stock Exchange (IDX) during the 2020-2022 period totaling 33 companies. Sampling using purposive sampling and obtained 19 companies. Based on the results of partial regression analysis and path analysis, it can be concluded that profitability has a negative effect on capital structure, company size has no effect on capital structure, asset structure affects capital structure, profitability and capital structure affect firm value, company size and asset structure have no effect on firm value, capital structure is not able to mediate the relationship between profitability, company size, and asset structure on firm value.

Keywords: Profitability, Company Size, Asset Structure, Capital Structure and Firm Value.

I. INTRODUCTION

In this post-Covid-19 pandemic era, economic development continues to increase. Over time, the company's performance and operations began to recover and return to normal. This increasing economic development has resulted in companies trying to achieve short-term and long-term goals. Short-term company goals such as getting optimal profit or profit from the resources owned by the company, while long-term goals such as increasing company value and being able to increase the welfare of its stakeholders. One important goal to be able to maintain the sustainability of the company is to increase the company's value. Firm value is the investor's perception of the company which is usually related to the stock price (Rahmawati, 2020) [22]. The share price paid by investors in the market shows how the value of a company (Maulana & Mediawati, 2022) [14]. The higher the share price given by investors to a company, the higher the company's value. If the value of the company that the company can show to investors is high, it is likely that the chance of return obtained by shareholders, in this case investors, will also be great. The Covid-19 pandemic has a significant impact on the economy in Indonesia. Covid-19 has caused a decline in various company sectors. This is due to a decrease in demand as the COVID-19 pandemic weakens people's purchasing power. However, in the period of the fourth quarter of 2021, the Central Bureau of Statistics announced data on Indonesia's economic growth (GDP) grew by 1.06% compared to the previous quarter. Compared to the fourth quarter of 2020, Indonesia's economy grew 5.02%. This brings economic growth throughout 2021 to 3.69%. The business field with the highest growth in the fourth quarter of 2021 was health, accelerating 12.16% (CNBC, 2022) [6].

Fig 1. Structure and Growth of GDP by Business Field



Sources: Badan Pusat Statistik (BPS) 2021

The figure shows that healthcare sector companies are ranked the highest in their contribution to increasing GDP in 2021. This shows that healthcare sector companies have good management so that they can increase their contribution to GDP in 2021. This is inseparable from the impact of the Covid-19 Pandemic which made healthcare sector companies able to increase drastically. Healthcare sector companies during the pandemic thrived because public spending on health needs increased, thereby increasing the value of companies in the healthcare sector. This is a momentum for healthcare sector companies to continue to maintain their existence in the eyes of investors. Every company must have the right strategy to maintain the company's existence by prospering shareholders to increase company value. One way to achieve this goal is by determining the right funding decision or capital structure for the company. Capital structure is an issue that needs attention for companies because the capital structure will directly affect the company's financial position so that it affects the company's value (Aulia et al, 2019) [3]. The capital structure describes how the company funds its operational activities and finances its assets (Surjadi & Viviana, 2019) [27]. The funds needed by the company can come from self-funded capital or external capital. Capital structure is an important factor for companies because it is directly related to the company's financial condition (Putri & Willim, 2023) [21]. With funding decisions related to this capital structure, managers are given the option to choose to use internal or external sources of funds with their respective risks.

If the manager's funding decision is right, the capital structure will be optimal. The optimal capital structure is able to create high returns so that the company and shareholders will benefit (Wijayaningsih & Yulianto, 2021) [29]. With an optimal capital structure, the company has a greater value because the company has the ability to optimize its capital structure to generate greater profits. So that the capital structure will have a significant effect on firm value. Besides being able to affect the value of the company, the capital structure is also influenced by several internal factors of the company. According to Hanafi (2015) [9], profitability, company size, and asset structure affect the capital structure. A company with a high level of profitability indicates that the company has the ability to generate profits that are large enough to offset the cost of capital that must be paid. Companies with high profitability levels will encourage growth and development (Iswajuni et al, 2018) [11]. This can provide companies with more choices in the selection of funding sources. Companies with high profitability may be more likely to use internal capital for financing because they have enough profit generated to meet operational capital needs. This is in line with the pecking order theory which says that firms prefer internal funding over external funding, safe debt over risky debt, and lastly common stock. (Myers, 1984) [16]. High profitability results in a low capital structure in terms of debt. It can show that profitability negatively affects the capital structure where when profitability is high, the capital structure decreases. Unlike the case with company size. The larger the size of the company, the more assets and funds it needs to run its operations (Lisa, 2017) [13].

This large funding requirement must be considered by the company in financing it whether it comes from its own capital or external capital. The larger the size of the company, the more assets that can be used as collateral to obtain debt, so the amount of debt will increase along with the size of the company (Kresna et al, 2021) [12]. If it uses debt in its financing, the effect of company size in obtaining loans will be greater. This will be directly proportional to the capital structure if the size of the company is large, the capital structure will increase. However, in determining the capital structure, it must consider the benefits and costs of using debt. According to Hanafi (2015) [9] the trade-off theory shows that managers will consider bankruptcy costs and tax savings in determining their capital structure. By considering the benefits and costs of using debt, this theory aims to find the optimal debt ratio. With a large company size they are easier to get loans so that the capital structure increases. This is in accordance with the results of research (Suciati et al., 2018) [25], (Kresna et al., 2021) [12], and (Anrizal et al., 2023) [2] showing that company size affects the capital structure. In addition, asset structure also has an influence on capital structure. With a high asset structure, companies have a lot of fixed assets, so external funds tend to be used to carry out operational activities (Dewi & Fachrurrozie, 2021) [7]. This large need for funds must be considered by the company in financing its external funds. The higher the asset structure, the greater the company's opportunity to obtain external funding so that the capital structure will increase.

According to Hanafi (2015) [9] states that companies that have larger fixed assets, especially if combined with a stable level of product demand, will use greater debt. This is also in line with Trade-Off Theory where this theory aims to determine the optimal debt ratio by considering the benefits and costs of using debt. So that the higher the asset structure, the higher the capital structure. This is in accordance with the results of research (S & Machali, 2017) [23], (Aulia et al., 2019) [3], and (Putri & Willim, 2023) [21] which show that asset structure affects the capital structure. In addition to being a factor that affects capital structure, profitability, firm size, and asset structure are also closely related in their influence on firm value. These three factors are factors that are often used as a reference for potential investors in determining their investment decisions. These three factors are considered capable of describing the value of a company where when profitability, company size, and asset structure are high, the company's value is also high. Profitability is the ability of a company to create profits in the future (Iswajuni et al, 2018) [11]. With the company's ability to generate high profits, the company's future prospects are getting better. Company profitability can also affect investor investment policies, such as investing capital to maximize their business (Noviani et al, 2019) [17]. Where companies that are able to generate high profitability tend to be in demand by investors because the expectation of getting dividends is also high. So that high profitability can increase company value.

This is in accordance with the results of research (Lisa, 2017) [13], (Iswajuni et al., 2018) [11], and (Maulana & Mediawati, 2022) [14] in their research showing that profitability affects firm value. Apart from profitability, a factor that can affect firm value is company size. Company size is the amount of assets owned by the company (Iswajuni et al, 2018) [11]. The larger the size of the company indicates that the company is growing and developing. With this perception, investors will give a positive response to the company's value. So that with a large company size will increase company value. This is in accordance with the results of research (Iswajuni et al, 2018) [11], (Peranginangin, 2019) [19], (Rahmawati, 2020) [22] in their research show that company size affects firm value. The asset structure also has an influence on firm value. Asset structure is related to total assets that can be used as collateral (Aulia et al, 2019) [3]. With a high asset structure, it shows that a company in facing problems is able to solve it well because it has adequate collateral. This is what makes investors give a positive response to the company's value. So that the high asset structure can increase the value of the company. This is in accordance with the results of research (S & Machali, 2017) [23], (Pribadi et al., 2019) [20], and (Sumartono et al., 2020) [26] in their research showing that asset structure has an influence on firm value. With the description above, researchers want to examine the relationship between the effect of profitability, company size, and asset structure on firm value with capital structure as a mediating variable that is useful for investors and also the company itself in determining factors that can increase the value of a company mediated by capital structure.

II. METHODS

The population in this study are healthcare sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2022, totaling 33 companies. The sample tested was taken through purposive sampling technique with the following criteria.

Table 1. Sample Selection

No.	Sample Selection Criteria	Total
1.	Healthcare sector companies that have gone public listed on the Indonesia Stock Exchange (IDX) during the 2020-2022 period.	33
2.	Healthcare sector companies that do not publish sequential and complete financial reports during the 2020-2022 period.	(9)
3.	Healthcare sector companies that do not explain the variable indicators in this study during the 2020-2022 period.	(5)
Total Sample		19

Through purposive sampling, 19 companies were obtained. Quantitative data testing is carried out using regression analysis and path analysis to test partial and mediating effects.

The operational definitions of the variables in this study are as follows.

Table 2. Operational Definition Of Variables

Variables	Definition	Formula
Firm Value	According to Brigham & Houston (2019) [4] company value based on PBV (Price Book Value) value shows how much the market considers the book value of a company's shares. Firm value can also be defined as investors' perceptions of the company's success rate in achieving its goals. Where one of the company's goals is to increase company value by increasing shareholder prosperity.	$\text{Price to Book Value (PBV)} = \frac{\text{Current Share Price}}{\text{Book Value Per Share}}$ (Brigham & Houston, 2019) [4]
Profitability	Profitability describes the ability of the extent to which the company can generate profits or profits by using all the capital owned by the company (Henriansyah & Dharmayuni, 2017) [10]. Profitability can be measured by a financial ratio called Return On Assets (ROA), which can be calculated by comparing net income with the amount of assets it has. ROA can measure how efficient the company is in using its assets to generate profits.	$\text{Return On Asset (ROA)} = \frac{\text{Earning After Tax}}{\text{Total Assets}} \times 100\%$ (Henriansyah & Dharmayuni, 2017) [10].
Company Size	Company size is a measure used to reflect the size of a company based on the company's total assets (Henriansyah & Dharmayuni, 2017) [10]. Company size can be assessed from the total assets owned by the company. Total assets reflect the size of the company's operational scale and wealth.	Ukuran Perusahaan = Ln (Total Aktiva) (Henriansyah & Dharmayuni, 2017) [10].
Asset Structure	Asset structure is a company asset that can provide benefits in the future (Cahyani & Handayani, 2017) [5]. The asset structure provides an overview of how much the proportion of each type of asset in total assets. Asset structure can be assessed through the Fixed Assets Ratio (FAR) which provides an overview of how large the proportion of fixed assets is in the total assets of a company.	$\text{Fixed Assets Ratio (FAR)} = \frac{\text{Total Aset Tetap}}{\text{Total Aset}} \times 100\%$ (Cahyani & Handayani, 2017) [5]
Capital Structure	Capital structure is a combination of debt and equity that results in the long-term funding structure of a company (Amelia & Khaerunnisa, 2016) [1]. The capital structure of a company can be assessed through the Debt to Equity Ratio (DER). DER provides an overview of the proportion between debt and equity used by the company to fund its activities.	$\text{Debt to Equity Ratio (DER)} = \frac{\text{Total Liabilitas}}{\text{Total Ekuitas}} \times 100\%$ (Amelia & Khaerunnisa, 2016) [1]

III. RESULT AND DISCUSSION

Classic Assumption Test

Based on the results of classical assumption testing on the data from the study, it can be explained as follows.

Normality Test

The data is normally distributed if the Asymp Sig (2-tailed) value is > 0.05.

Table 3. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		57
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	1,93408264
Most Extreme Differences	Absolute	,102
	Positive	,102
	Negative	-,057
Test Statistic		,102
Asymp. Sig. (2-tailed)		,200 ^{c,d}

Source : Processed Data SPSS 26 (2024)

The normality test was carried out with the aim of testing whether the variables in this study were normally distributed or not. This test uses the Kolmogorov-Smirnov test criteria. The data is normally distributed if the Asymp Sig (2-tailed) value is > 0.05. From the table above, it is known that the Asymp Sig (2-tailed) value is 0.200 > 0.05. So it can be concluded that all variable data in this study are normally distributed.

Multicollinearity Test

Data does not occur multicollinearity if the VIF value is < 10 .

Data does not occur multicollinearity if the tolerance value > 10 .

Table 4. Multicollinearity Test Results

Model	Unstandardized Coefficients		Coefficients ^a		t	Sig.	Collinearity Statistics	
	B	Std. Error	Standardized Coefficients	Beta			Tolerance	VIF
1 (Constant)	-,352	6,641			-,053	,958		
Profit	14,750	3,590	,518		4,109	,000	,876	1,141
Size	,020	,233	,011		,088	,930	,957	1,045
Struktur Aset	1,764	1,417	,160		1,245	,219	,838	1,193
Struktur Modal	,326	,146	,287		2,239	,029	,845	1,183

Source : Processed Data SPSS 26 (2024)

The multicollinearity test is carried out with the aim of testing for correlation between independent variables in the regression model. Multicollinearity test can be assessed through the VIF value. From the table above, it is known that the VIF value of each variable, namely profitability = 1.141, company size = 1.045, asset structure = 1.193, and capital structure = 1.183 where the four variables have a VIF value < 10 . So it can be concluded that the four variables have no multicollinearity.

Heteroscedasticity Test

There is no heteroscedasticity problem if the result of the significant value between the independent variable and the absolute value of the residual > 0.05 .

Table 5. Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Coefficients ^a		t	Sig.
	B	Std. Error	Standardized Coefficients	Beta		
(Constant)	1,383	4,392			,315	,754
Profit	3,089	2,374			,184	1,301
Size	,005	,154			,005	,034
Struktur Aset	-1,347	,937			-,207	-1,437
Struktur Modal	,023	,096			,034	,237

Source : Processed Data SPSS 26 (2024)

The heteroscedasticity test is carried out with the aim of testing the existence of inequality of variance from the residuals of one observation to another in the regression model. This test can show that there is no heteroscedasticity problem if the result of the significant value between the independent variable and the absolute value of the residual is greater than 0.05. From the table above, it is known that the sig value of each variable, namely profitability = 0.199, company size = 0.973, asset structure = 0.157, and capital structure = 0.814 where the four variables have a sig value > 0.05 . So it can be concluded that the four variables do not occur heteroscedasticity problems.

Hypothesis Test**T test (Partial Test)**

This test is carried out with the aim of testing the hypothesis individually related to the influence of the independent variable on the dependent variable. This study uses mediation variables so that it produces two regression equation models. The first regression uses the mediating variable as the dependent variable, then the second regression groups the mediating variable as the independent variable on the dependent variable in this study.

Table 6. First t-Test Results

Model	Unstandardized Coefficients		Coefficients ^a		t	Sig.	Collinearity Statistics	
	B	Std. Error	Standardized Coefficients	Beta			Tolerance	VIF
1 (Constant)	9,047	6,133			1,475	,146		
Profit	-4,500	3,326	-,179		-1,353	,182	,907	1,103
Size	-,306	,215	-,180		-1,421	,161	,994	1,007
Struktur Aset	2,582	1,288	,267		2,005	,050	,902	1,109

Source : Processed Data SPSS 26 (2024)

With the results of the SPSS analysis, the following hypotheses were obtained.

1. Effect of Profitability toward Capital Structure

From the table above, it is known that the regression coefficient value of profitability variable (X1) is - 0.179 with negative sign at sig 0.182 > 0.05. So it can be interpreted that profitability has a negative effect on capital structure.

2. Effect of Company Size on Capital Structure

From the table above, it is known that the regression coefficient value of the firm size variable (X2) is - 0.180 with a negative sign at sig 0.161 which is > 0.05. So it can be interpreted that company size affects the capital structure.

3. Effect of Asset Structure on Capital Structure

From the table above, it is known that the regression coefficient value of the asset structure variable (X3) of 0.267 is positive at sig 0.050 = 0.05. So it can be interpreted that the asset structure affects the capital structure.

Table 7. Second t-Test Results

Model	Unstandardized Coefficients		Coefficients ^a		Sig.	Collinearity Statistics	
	B	Std. Error	Standardized Coefficients Beta	t		Tolerance	VIF
(Constant)	-,352	6,641		-,053	,958		
Profit	14,750	3,590	,518	4,109	,000	,876	1,141
Size	,020	,233	,011	,088	,930	,957	1,045
Struktur Aset	1,764	1,417	,160	1,245	,219	,838	1,193
Struktur Modal	,326	,146	,287	2,239	,029	,845	1,183

Source : Processed Data SPSS 26 (2024)

With the results of the SPSS analysis, the following hypotheses are obtained.

1. Effect of Profitability on Firm Value

From the table above, it is known that the regression coefficient value of the profitability variable (X1) of 0.518 is positive at sig 0.000 which is <0.05. So it can be interpreted that profitability has an effect on firm value.

2. The Effect of Company Size on Firm Value

From the table above, it is known that the regression coefficient value of the company size variable (X2) of 0.011 is positive at sig 0.930 > 0.05. So it can be interpreted that company size has no effect on firm value.

3. Effect of Asset Structure on Firm Value

From the table above, it is known that the regression coefficient value of the asset structure variable (X3) is 0.160 with a positive sign at sig 0.219 > 0.05. So it can be interpreted that asset structure has no effect on firm value.

4. Effect of Capital Structure on Firm Value

From the table above, it is known that the regression coefficient value of the capital structure variable (Z) of 0.287 is positive at sig 0.029 < 0.05. So it can be interpreted that capital structure affects firm value.

F Test (Simultaneous test)

This test is carried out with the aim of testing the hypothesis simultaneously or simultaneously.

Table 8. F Test Results

Model	ANOVA ^a				
	Sum of Squares	df	Mean Square	F	Sig.
Regression	80,269	4	20,067	4,981	,002 ^b
Residual	209,478	52	4,028		
Total	289,747	56			

Source : Processed Data SPSS 26 (2024)

From the table above, it is obtained $F_{count} > F_{table}$ value = 4.981 > 2.393 (F table is obtained from F (k; n-k) = F (5; 52) = 2.393) with a significance of 0.002 < 0.05. Based on these results it can be concluded that profitability, company size, asset structure, and capital structure if tested simultaneously show that the four variables simultaneously have a significant effect on firm value.

Determinant Coefficient

The coefficient of determination aims to explain how much the ability of the independent variable to the dependent variable.

Tabel 9. Determinant Coefficient Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,526 ^a	,277	,221	2,0070924

Source : Processed Data SPSS 26 (2024)

The R Square value is 0.277 which shows that the contribution of the influence of profitability, company size, asset structure and capital structure on firm value is 27.7% while the remaining 72.3% is the contribution of other variables not included in the study.

Path Analysis

Model I Path Coefficient :

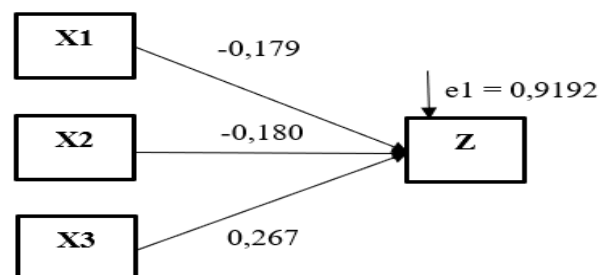
Table 10. Model I Path Coefficient Results

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF	
(Constant)	9,047	6,133			1,475	,146		
Profit	-4,500	3,326	-,179	-1,353	,182	,907	1,103	
Size	-,306	,215	-,180	-1,421	,161	,994	1,007	
Struktur Aset	2,582	1,288	,267	2,005	,050	,902	1,109	

Source : Processed Data SPSS 26 (2024)

It can be seen in the table that the R Square value is 0.155 which shows that the contribution of the influence of X1, X2, and X3 on Z is 15.5% while the remaining 84.5% is the contribution of other variables not included in the study. Meanwhile, the value of e1 can be found by the formula $e1 = \sqrt{(1-0.155)} = 0.9192388155 = 0.9192$. Thus, the structure model path diagram I is obtained as follows.

Fig 2. Path Diagram of Structure Model I1



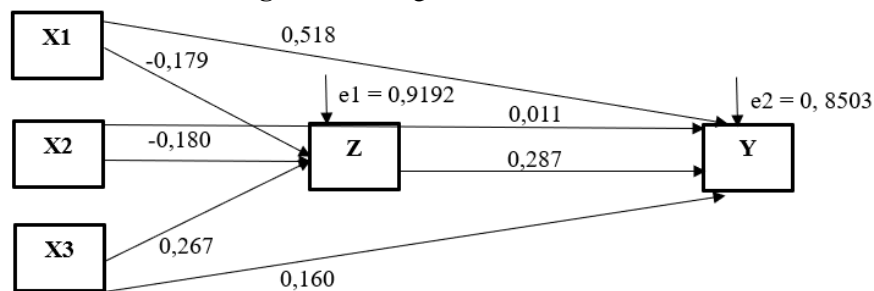
Model II Path Coefficient:

Table 11. Model II Path Coefficient Results

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF	
(Constant)	-,352	6,641		-,053	,958			
Profit	14,750	3,590	,518	4,109	,000	,876	1,141	
Size	,020	,233	,011	,088	,930	,957	1,045	
Struktur Aset	1,764	1,417	,160	1,245	,219	,838	1,193	
Struktur Modal	,326	,146	,287	2,239	,029	,845	1,183	

Source : Processed Data SPSS 26 (2024)

It can be seen in the table that the R Square value is 0.277 which shows that the contribution of the influence of X1, X2, X3, and Z on Y is 27.7% while the remaining 72.3% is the contribution of other variables not included in the study. Meanwhile, the value of e1 can be found by the formula $e1 = \sqrt{(1-0.277)} = 0.8502940668 = 0.8503$. Thus, the path diagram of structure model II is obtained as follows.

Fig 3. Path Diagram of Structure Model II

Discussion

Effect of profitability on capital structure. From the test result, it is obtained that the regression coefficient of profitability variable (X1) is -0.179 with negative sign at significant 0.182 which is greater than 0.05. So it can be concluded that profitability negatively affects the capital structure. This is in accordance with the hypothesis proposed and in accordance with research (Surjadi & Viviana, 2019) [27], (Rahmawati, 2020) [22], and (Dewi & Fachrurrozie, 2021) [7] which state that profitability has a negative effect on capital structure. Companies with a high level of profitability may be more likely to use internal capital for financing because they have enough profit generated to meet operational capital needs. This is in line with the pecking order theory which says that companies prefer internal funding over external funding. So with high profitability, the capital structure will decrease. The effect of firm size on capital structure. From the test result, it is obtained that the regression coefficient value of firm size variable (X2) is -0.180 with negative sign at sig 0.161 which is greater than 0.05. So it can be concluded that firm size affects the capital structure. This is not in accordance with the proposed hypothesis but is supported by research (Dewi & Sudhiarta, 2017) [8] and (Rahmawati, 2020) [22] which states that company size has no effect on capital structure. Large companies may experience higher agency costs due to greater separation of ownership and control. This makes shareholders may choose a more conservative capital structure with less debt due to concerns about ineffective use of funds by management. So that the size of the company can reduce the capital structure of the company.

Effect of asset structure on capital structure. From the test result, it is obtained that the regression coefficient of asset structure variable (X3) is 0.267 with positive sign at sig 0.050 which is equal to 0.05. So it can be concluded that the asset structure affects the capital structure. This is in accordance with the hypothesis proposed and in accordance with research (S & Machali, 2017) [23], (Aulia et al., 2019) [3], and (Putri & Willim, 2023) [21] which states that asset structure affects capital structure. Companies with a high asset structure tend to use fixed assets as debt collateral. Therefore, companies with high asset structure are more likely to use debt for their operational activities. If the company cannot fulfill its obligations, its fixed assets can be used as collateral or sold to get cash. In other words, the greater the company's asset structure, the greater the capital structure derived from debt. The effect of profitability on firm value. From the test results conducted, it is obtained that the regression coefficient value of the profitability variable (X1) is 0.518 with a positive sign at sig 0.000 which is smaller than 0.05. So it can be concluded that profitability affects firm value. This is in accordance with the hypothesis proposed and in accordance with research (Lisa, 2017) [13], (Iswajuni et al., 2018) [11], and (Maulana & Mediawati, 2022) [14] which states that profitability affects firm value. Companies with high profitability are able to provide better dividend-related benefits to investors. In addition, with high profitability the company is considered safer if something unwanted happens and makes investors more confident in companies with high profitability which results in increased company value.

The effect of company size on firm value. From the test results conducted, it is obtained that the regression coefficient of the company size variable (X2) is 0.011 with a positive sign at sig 0.930 which is greater than 0.05. So it can be concluded that company size has no effect on firm value. This is not in accordance with the proposed hypothesis but is supported by research (Wijayaningsih & Yulianto, 2021) [29] and (Kresna et al., 2021) [12] which state that company size has no effect on firm value. Large

companies may experience higher agency costs due to greater control. This makes shareholders less likely to choose companies that spend too much on things that are less important for the sake of increasing the profits earned. So that the size of the company has no effect on firm value. The effect of asset structure on firm value. From the test results conducted, it is obtained that the regression coefficient value of the asset structure variable (X3) is 0.160 with a positive sign at sig 0.219 which is greater than 0.05. So it can be concluded that asset structure has no effect on firm value. This is not in accordance with the proposed hypothesis but is supported by research (Wulandari et al., 2021) [30] and (Sinaga et al., 2022) [24] which states that asset structure has no effect on firm value. This is because firm value is more often influenced by the cash flow generated by assets than the asset structure itself. Although the composition of the company's assets can affect efficiency and productivity, the value of the company is more influenced by the company's ability to generate stable and sustainable cash flows.

So that a high asset structure has no effect on firm value. The effect of capital structure on firm value. From the test results, it is obtained that the regression coefficient of capital structure variable (Z) is 0.287 with a positive sign at sig 0.029 which is smaller than 0.05. So it can be concluded that capital structure affects firm value. This is in accordance with the hypothesis proposed and in accordance with research (Suteja & Abas, 2018) [28], (Nurazi et al., 2020) [18], and (Rahmawati, 2020) [22] which state that capital structure affects firm value. The use of debt creates tax savings because the interest paid on debt can be deducted from the company's taxable income. Thus, the company pays taxes on lower net income after taking into account the interest deduction. The use of debt creates tax savings because the interest paid on debt can be deducted from the company's taxable income. Thus, the company pays tax on lower net income after taking into account the interest deduction. Significant use of debt by companies can reduce taxes and provide operating profits to investors so as to increase company value. The effect of capital structure mediates the effect of profitability on firm value. Based on the data above, it is known that the direct effect given by X1 on Y is 0.518. While the indirect effect of X1 through Z on Y is the multiplication of the beta value of X1 on Y with the beta value of Y on Z, which is $-0.179 \times 0.287 = -0.051$. Then the total effect given by X1 on Z is the direct effect plus the indirect effect, namely $0.518 + (-0.051) = 0.467$. Based on the results of the above calculations, it is known that the direct effect value is 0.518 and the indirect effect is -0.051, which means that the indirect effect value is smaller than the direct effect value.

Where these results indicate that indirectly X1 through Z has no effect on Y or it can be said that Z is not able to mediate X1 through Z. This happens because the effect of profitability on capital structure shows a negative relationship because the higher the profitability of the company, the company is more likely to use internal funds rather than external which results in a decrease in the capital structure of the company. Although profitability on firm value has a positive effect and capital structure also has a positive effect on firm value, it can be concluded that capital structure is not able to mediate the relationship between profitability and firm value. The effect of capital structure mediates the effect of firm size on firm value. Based on the data above, it is known that the direct effect given by X1 on Y is 0.011. While the indirect effect of X1 through Z on Y is the multiplication of the beta value of X1 on Y with the beta value of Y on Z, namely $-0.180 \times 0.287 = -0.051$. Then the total effect given by X1 on Z is the direct effect plus the indirect effect, which is $0.011 + (-0.051) = -0.04$. Based on the results of the above calculations, it is known that the direct effect value is 0.011 and the indirect effect is -0.051, which means that the indirect effect value is smaller than the direct effect value. Where this result shows that indirectly X2 through Z has no influence on Y or it can be said that Z is not able to mediate the relationship between X2 to Y. This happens because the effect of firm size on capital structure shows a negative relationship because the larger the size of the company may experience high agency costs and shareholders may prefer a more conservative capital structure with less debt which results in a decrease in capital structure.

Coupled with the effect of firm size on firm value which shows a negative effect, it can be concluded that capital structure is not able to mediate the relationship between firm size and firm value. The effect of capital structure mediates the effect of asset structure on firm value. Based on the data above, it is known that the direct effect given by X1 on Y is 0.160. Meanwhile, the indirect effect of X1 through Z on Y is the multiplication of the beta value of X1 on Y with the beta value of Y on Z, which is $0.267 \times 0.287 =$

0.077. Then the total effect given by X1 on Z is the direct effect plus the indirect effect, which is $0.160 + 0.077 = 0.237$. Based on the results of the above calculations, it is known that the direct effect value is 0.518 and the indirect effect is 0.077, which means that the indirect effect value is smaller than the direct effect value. Where this result shows that indirectly X3 through Z has no influence on Y or it can be said that Z is not able to mediate the relationship between X3 and Y. This happens because the effect of asset structure on firm value shows a negative relationship because firm value is more often influenced by cash flow generated by assets than the asset structure itself. Although the composition of the company's assets can affect efficiency and productivity, the value of the company is more influenced by the company's ability to generate stable and sustainable cash flows. Therefore, a high asset structure does not affect the value of the company. Although asset structure to capital structure has a positive effect and capital structure also has a positive effect on firm value, it can be concluded that capital structure is not able to mediate the relationship between asset structure and firm value.

IV. CONCLUSION

From the test results conducted through SPSS on the effect of profitability, firm size, and asset structure on firm value with capital structure as a mediating variable in healthcare sector companies for the period 2020-2022, it can be concluded as follows. The Effect of Profitability on Capital Structure. Companies with a high level of profitability may be more likely to use internal capital for financing because they have enough profit generated to meet operational capital needs. This is in line with the pecking order theory which says that companies prefer internal funding over external funding. So that with high profitability, the capital structure will decrease. So it can be concluded that profitability has a negative effect on capital structure. The Effect of Company Size on Capital Structure. Large companies may experience higher agency costs due to greater separation of ownership and control. This makes shareholders may choose a more conservative capital structure with less debt because they are worried about ineffective use of funds by management. So that the size of the company can reduce the company's capital structure. So it can be concluded that company size affects the capital structure. The Effect of Asset Structure on Capital Structure. Companies with high asset structure tend to use fixed assets as debt collateral. Therefore, company with high asset structure is more likely to use debt for its operational activities. If the company cannot fulfill its obligation, its fixed assets can be used as collateral or sold to get cash. In other words, the greater the company's asset structure, the greater the capital structure derived from debt. So it can be concluded that asset structure affects the capital structure.

The Effect of Profitability on Firm Value. Companies with high profitability are able to provide benefits related to dividends to investors better. In addition, with high profitability the company is considered safer if something unwanted happens and makes investors more confident in companies with high profitability which results in increased company value. So it can be concluded that profitability affects firm value. The Effect of Company Size on Firm Value. Large companies may experience higher agency costs due to greater control. This makes shareholders less likely to choose companies that spend too much on things that are less important for the sake of increasing the profits earned. So that the size of the company has no effect on firm value. So it can be concluded that company size has no effect on firm value. The Effect of Asset Structure on Firm Value. This is because firm value is more often influenced by the cash flow generated by assets rather than the asset structure itself. Although the composition of the company's assets can affect efficiency and productivity, the value of the company is more influenced by the company's ability to generate stable and sustainable cash flows. So that with a high asset structure has no effect on firm value. So it can be concluded that asset structure has no effect on firm value. The Effect of Capital Structure on Firm Value. The use of debt creates tax savings because the interest paid on debt can be deducted from the company's taxable income. Thus, the company pays taxes on lower net income after taking into account interest deductions. Significant use of debt by companies can reduce taxes and provide operating profits to investors so as to increase company value. The Effect of Capital Structure Mediates the Effect of Profitability on Firm Value.

This happens because the effect of profitability on capital structure shows a negative relationship because the higher the profitability of the company, the company is more likely to use internal funds rather than external which results in a decrease in the company's capital structure. Although profitability on firm value has a positive effect and capital structure also has a positive effect on firm value, it can be concluded that capital structure is not able to mediate the relationship between profitability and firm value. The Effect of Capital Structure Mediates the Effect of Company Size on Firm Value. This happens because the effect of firm size on capital structure shows a negative relationship because the larger the size of the company may experience high agency costs and shareholders may prefer a more conservative capital structure with less debt which results in a decrease in capital structure. Coupled with the effect of firm size on firm value which shows a negative effect, it can be concluded that capital structure is not able to mediate the relationship between firm size and firm value. The Effect of Capital Structure Mediates the Effect of Asset Structure on Firm Value. This happens because the effect of asset structure on firm value shows a negative relationship because firm value is more often influenced by the cash flow generated by assets than the asset structure itself. Although the composition of the company's assets can affect efficiency and productivity, the value of the company is more influenced by the company's ability to generate stable and sustainable cash flow. Therefore, high asset structure does not affect the firm value. Although asset structure on capital structure has a positive effect and capital structure also has a positive effect on firm value, it can be concluded that capital structure is not able to mediate the relationship between asset structure and firm value.

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