COMPANY SIZE MODERATION TEST (X3) ON THE INFLUENCE OF CAPITAL STRUCTURE (X1) AND FINANCIAL PERFORMANCE (X2) ON COMPANY VALUE (Y)

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ABSTRACT

This study aims to model Capital Structure and Financial Performance on Company Value with Company Size moderation using Structural Equation Modeling (SEM) analysis. This study uses secondary data obtained from www.idx.com websites and the company's annual report. The sample used is chemical sub-sector companies from 2012 – 2023. The analysis used in this study is a structural equation modeling (SEM) analysis to model variables that affect capital structure and financial performance on company value with company size moderation. Based on the results of science analysis, this study provides information that the Company Size indicator is in quadrant II. This shows that the performance of the indicator is very good and must be maintained by the company. However, for the Capital Structure, Financial Performance and Company Value indicators, most of them are in quadrant I, so it is necessary to conduct an evaluation to improve the company's performance. Based on the results of the empirical analysis, it can be concluded that the Capital Structure has a significant and positive effect on Financial Performance. Furthermore, Capital Structure, Company Size, and Financial Performance have a significant effect on the Company's Value. In addition to the direct influence, the results of the test of the hypothesis of the influence of moderation variables were obtained, namely the size of the company being able to moderate Financial Performance on the company's value and the Capital Structure on the Company's Value.

INTRODUCTION

The focus of a company is to obtain maximum profits or wealth, especially for the benefit of its shareholders, which is reflected in efforts to increase or optimize the market value of the company's shares. This goal is generally influenced by the financial decisions taken in practice. The value is considered positive when it is beneficial and facilitates the fulfillment of related interests, while the value is considered negative if it is detrimental and difficult for the holder, which results in the value being avoided.

The value of a company can be equated with its corporate DNA, which helps its owners differentiate their business from competitors. No important business decision can be made without considering the value of the company.

The role of the chemical industry in Indonesia is very important, because it is the backbone of many other manufacturing industries and contributes to various national strategic projects. However, the industry also has a high level of import dependence. The

need for parallel pipes (PVC) and cables is increasing rapidly in national infrastructure development, while the oil and gas industry faces the challenge of lifting oil production that continues to decline and dependence on fuel imports (Dang, 2018). The enhanced oil recovery (EOR) program is a solution to overcome the decline in oil production, with the basic chemical industry playing an important role in implementing the EOR, including the use of polyacrylamides.

The government has acknowledged the importance of the chemical industry in the roadmap towards Indonesia 4.0, making it one of the five priority industries that are gaining focus. Many companies in this sector have received incentives in the form of tax holidays for the next 20 years, as a tangible support for the domestic chemical industry. However, challenges remain, especially in meeting the growing demand for chemicals in line with Indonesia's population growth and development agenda (Jin, 1998). This raises questions about investors' strategies to take advantage of this situation, as well as the feasibility of chemical industry stocks on the Indonesia Stock Exchange which is still interesting to consider.

LITERATURE REVIEW

Capital Structure

Capital structure is a very important issue because each company's capital structure directly affects the company's financial position. Capital structure refers to a mixture of long-term sources of funds, such as debt securities, long-term debt, preferred share capital and equity share capital including reserves and surpluses (Pandey, 2004). Furthermore, (Hampton, 2011) stated that the capital structure is a combination of debt and equity securities consisting of financing the company's assets. Thus, it can be concluded from some of these opinions that the capital structure is a balance or comparison between its own capital and foreign capital. In this sense, capital itself is retained and owned by the company, while foreign capital is in the form of short-term debt and long-term debt. Capital structure management aims to integrate permanent sources of funds that are used for operational activities and that will maximize the value of the company.

The capital structure reflects the proportion of liabilities, equity and assets owned by a group of chemical sub-sector companies listed on the IDX in 2012-2023. One of the financial manager's tasks is to determine the funding policy, in this case the capital structure. In this study, there are several capital structure proxies derived from literature and empirical studies, but still adjusted to research needs. The capital structure in this study is measured by the following indicators: (1) *Debt to asset ratio* (DAR); (2) *Debt to equity ratio* (DER), and (3) *Long-term debt to asset ratio* (LTD) (Widnyana et al., 2020). DAR is measured by the formulation: *Total debt/total assets*. Furthermore, DER is measured again by the formulation: *Total debt/total equity*, and *the Long-term debt to assets* ratio is measured by the formulation: *Long-term debt/total assets*.

Company Size

The size of the company is one of the important factors or indicators because it concerns a size, scale or variable that describes the size of the company based on several provisions. The size of the company will also be able to have an impact on the company's operations as well as trust from third parties in obtaining a number of loans for the company's future development. The size of the company is also a scale that can be calculated by the

level of total assets and sales that can indicate the condition of the company, where the larger company will have an advantage in the source of funds obtained to finance its investment in obtaining profits. The size of the company can be used to represent the financial characteristics of the company. Large companies that have been well stabilized will certainly find it easier to obtain capital in the capital market than small companies. Because the ease of access means that large companies have greater flexibility. Company size is a scale that classifies the size of a company in various ways, including total assets, *log size*, stock market value, and others. The size of the company will also affect the ability to bear the risks that may arise from the various situations faced by the company in question. The size of the company is: "The size of the company can be measured by the total assets or the size of the company's assets by using the calculation of the logarithmic value of total assets". Company size is measured through three indicators that best describe the size of a company, namely:

1. Total Assets
   Assets are something that is owned by a company every year, both in the form of fixed assets and current assets. The asset indicator uses the rupiah value of total assets.
2. Total Sales
   Sales or sales results are the amount of rupiah value of the total sales transactions in a period of time.
3. Employee
   Employees or labor are the number of permanent and honorary employees who are registered or working in the company at a certain time.

Financial Performance

Financial performance has a very important role for the company itself as well as for stakeholders who have various interests. Good financial performance means that the company has managed to make good use of all its resources so as to generate profits for the company. Therefore, the management of intangible assets by the company can create added value that is useful in improving the company's financial performance. Profitability ratio is a financial metric used by analysts and investors to measure and evaluate a company's ability to generate revenue (profit) relative to its revenue, balance sheet assets, operating expenses, and shareholder equity over a period of time. They show how well a company uses its assets to generate profits and value for shareholders (CFI-Financial Ratios-Cheat Sheet-eBook, 2021:4).

The financial performance in this study is the financial performance of chemical sub-sector companies listed on the IDX in 2013 - 2022 calculated using financial performance proxies derived from several literature and empirical studies, but still adjusted to research needs. Financial performance in this study also acts as a mediating variable.

1. Return of Assets: is the comparison between earnings before interest and taxes (EBIT) or operating profit with the total assets owned by the company. The value of return on assets is a ratio scale. Mathematically, the calculation is formulated as follows:

$$Return\ on\ assets\ = \frac{Earning\ before\ interest\ and\ tax}{Total\ assets}$$

Return on Equity: is a comparison between net profit and equity owned by a company. The value of return on equity is a ratio scale. Mathematically, the calculation is formulated as follows:

$$Return\ on\ equity\ = \frac{Net\ income}{Total\ equity}$$

2. Net Profit Margin: shows the ratio between net profit after tax or net income to total sales. This ratio measures a company's ability to generate net revenue to total sales achieved. Mathematically, the calculation is formulated as follows:

Company Values

$$Net\ Profit\ Margin\ = \frac{Earning}{Total\ Sales}$$

Company value is an investor's perception of a company's success rate which is often associated with the stock price. A high share price makes the value of the company also high, and increases market confidence not only in the company's current performance but also in the company's future prospects. Maximizing company value is very important for a company, because maximizing company value means also maximizing the company's main goals. Increasing the value of the company is an achievement that is in accordance with the wishes of the owners, because with the increase in the value of the company, the welfare of the owners will also increase. Several definitions of corporate value are put forward by experts and research based on various points of view. Company Value is the selling value of a company as a business that is operating. The existence of an excess selling value above the liquidation value is the value of the management organization that runs the company. Company Value is a company's performance reflected by stock prices formed by capital market demand and supply that reflects the public's assessment of a company's performance. Company Value is a condition that has been achieved by a company as a description of public trust in the company after going through a process of activities for several years, namely since the company was established until now. The company's value is the present value of future free cash flow at a discount rate according to the weighted average of the cost of capital. Free cash flow is cash flow available to investors (creditors and owners) after taking into account all expenses for the company's operations and expenses for investments and net current assets. In (Gitman, 2006), the value of a company is the actual value per share that will be received if the company's assets are sold at the share price.

The value of a company is to show the performance of management in managing the company's assets. In the Fama, 1978 (Huang, 2019) stated that the value of a company will be reflected in its stock market price. In this study, it is calculated using all the company value proxies derived from literature and empirical studies, but still adjusted to research needs. The value of the company in this case is measured by the value of *the Price Earning Ratio* (PER), Tobin's Q, and *Market to Book Value* Ratio (MBV *Ratio*).

METHODOLOGISTS

Research Data

This study uses secondary data that will be obtained from the www.idx.com and JKSE websites (stock exchange indices representing the Indonesia Stock Exchange (IDX) based in Jakarta, Indonesia) which are then collected according to the sample criteria in the study. Data collection is by adjusting to the research period of 2012 – 2023. The data taken is

that it has met the criteria in the sample, namely chemical sector companies listed on the Indonesia Stock

Exchange and have complete (audited) financial statement data that is not interrupted during the research period. The data was used to retrieve the variables Capital Structure (X1), Financial Performance (X2), Company Size (X3), and Company Value (Y)

Research Variables

The variables in this study are the Capital Structure (X1) and Financial Performance (X2) variables which are exogenous variables. Furthermore, this study involves a moderation variable, namely Company Size (X3).While the endogenous variable is the Company Value (Y). The analysis used in this study is *structural equation modeling* (SEM) analysis. (Figure 1)
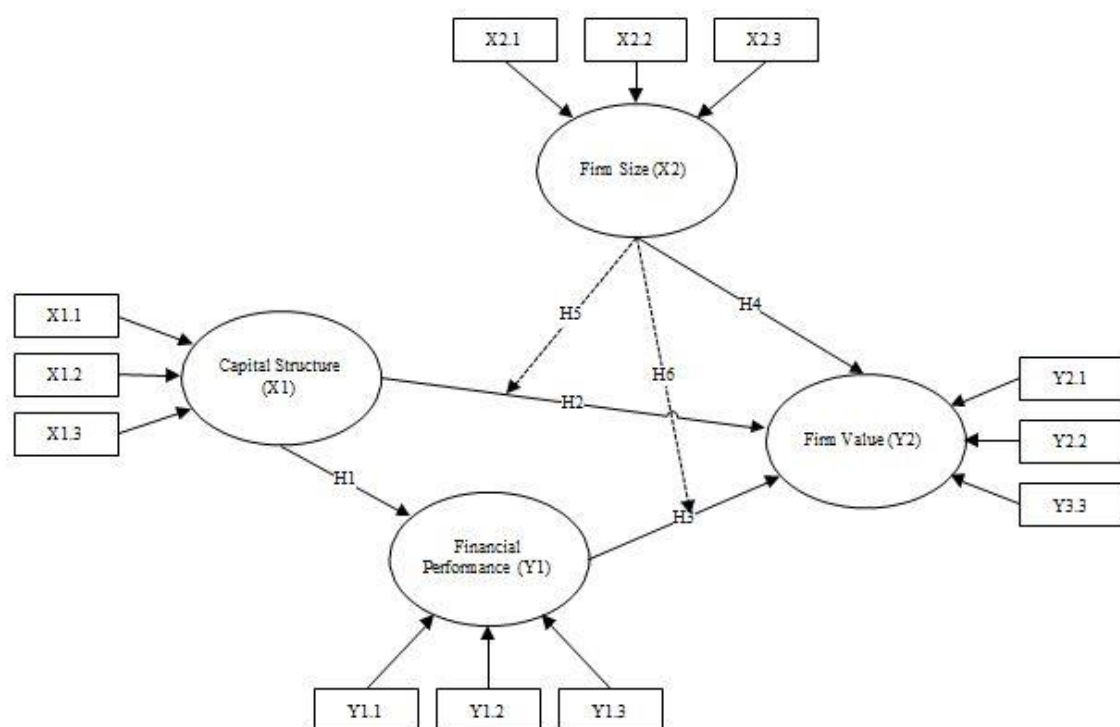

Figure 1
RESEARCH MODEL SOURCE: RESEARCHER PROCESSED (2024)

In the research model, 6 research hypotheses were tested to find out which variables can affect the Company's Value. The hypothesis formed is as follows.

H_{01}: *Capital Structure (X1) has a significant effect on Financial Performance (Y1)*
H_{02}: *Capital Structure (X1) has a significant effect on Company Value (Y2)*
H_{03}: *Financial Performance (Y1) has a significant effect on Company Value (Y2) H4Capital Structure (X1) has a significant effect on Company Value (Y2)*
H_{04}: *Company Size (X2) moderates the influence of Capital Structure (X1) on Company Value (Y2)*
H_{05}: *Company Size (X2) moderates the effect of Financial Performance (Y1) on Company Value (Y2)*

RESULTS AND DISCUSSION

Importance-Performance Analysis (IPA)

Importance-Performance Analysis (IPA) was first proposed by Martilla and James in 1977 to measure the level of importance and performance of a service's attributes from the customer's point of view. The level of importance describes the customer's expectations and the level of performance describes the customer's view of the actual conditions experienced. (Figure 2).

The following are the results of the *Importance-Performance Analysis* for each of the research variables:
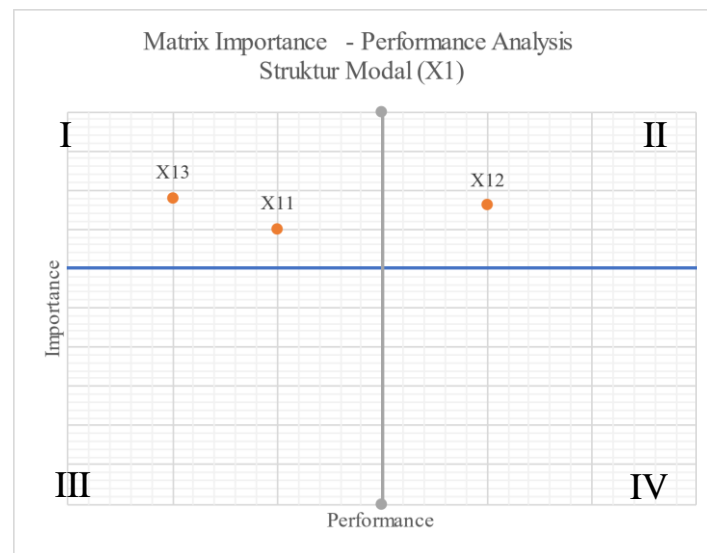
1. Capital Structure (X1)

Figure 2
CAPITAL STRUCTURE SCIENCE DIAGRAM (X1)

Figure 2 shows that there are two indicators in quadrant I. *The Catesius Chart* shows that *the Debt to Asset Ratio* (X11) and *Long-Term Debt to Asset Ratio* (X13) are very important for companies, but they have a fairly low performance. This indicates that companies need to increase their efforts to improve on this indicator. Meanwhile, the *Debt-to-Equity Ratio* (X12) indicator is included in quadrant II, so the indicator shows excellent performance and must be maintained. (Figure 3).
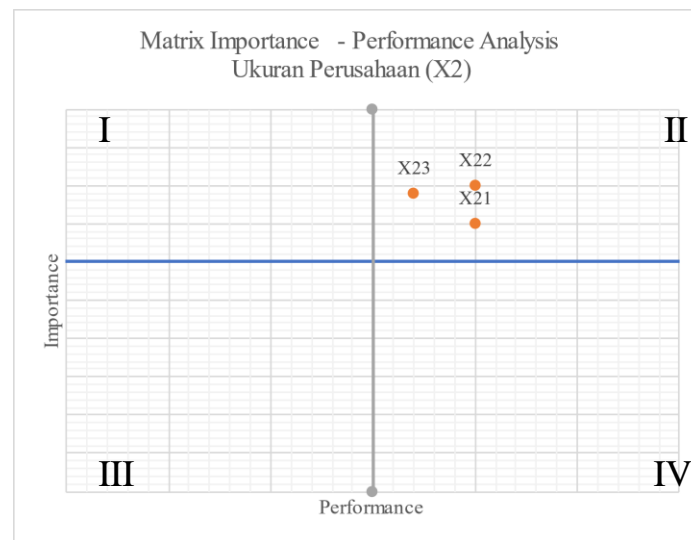
2. Company Size (X2)

Figure 3
COMPANY SIZE SCIENCE DIAGRAM (X2)

Figure 3 shows that there are three indicators in Quadrant II, namely *Total Assets* (X21), *Total Sales* (X22), and *Number of Employees* (X23). This shows that these three indicators have high performance and importance. The good performance of all three indicators must be maintained. (Figure 4).
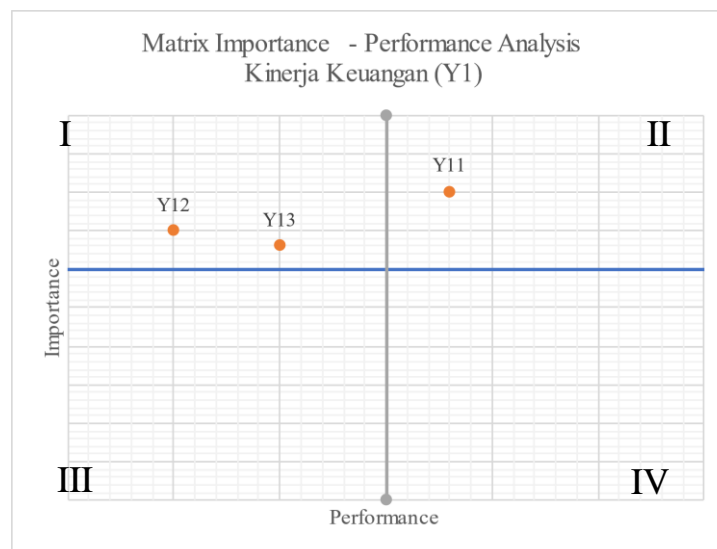
3. Financial Performance (Y1)

Figure 4
FINANCIAL PERFORMANCE SCIENCE DIAGRAM (Y1)

Figure 4 shows that there are two indicators in quadrant I. *The Catesius Chart* shows that *Return on Equity* (Y12) and *Net Profit Margin* (Y13) are very important for companies, but they have a low performance. This indicates that companies need to increase their efforts to improve on this indicator. Meanwhile, the *Return on Assets*

(Y11) indicator is included in quadrint II, so the indicator shows excellent performance and must be maintained. (Figure 5).
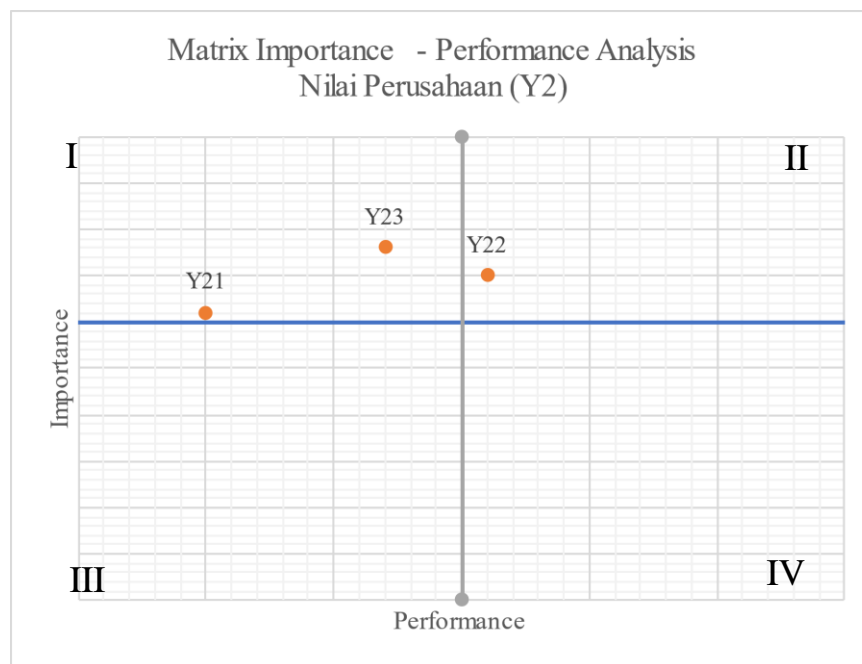
4. Company Value (Y2)

Figure 5
COMPANY VALUE SCIENCE DIAGRAM (Y2)

Figure 5 shows that there are two indicators in quadrant I. *The Catesius Chart* shows that *the Price Earnings Ratio* (Y21) and *Market to Book Value Ratio* (Y23) are very important for companies, but they have a low performance. This indicates that companies need to increase their efforts to improve on this indicator. Meanwhile, the Tobin's Q indicator (Y22) is included in quadrant II, so the indicator shows excellent performance and must be maintained.

Analysis Structural Equation Modeling (SEM)

In the SEM analysis, there are two models, namely the outer model and the inner model. Overall model testing in SEM involves an integrated structural model and a measurement model. According to Solimun in 2002, a model is said to be good if the development of a hypothesis conceptually and theoretically is supported by empirical data.

Variable Measurement Model

The outer weight value (for formative indicators) shows the weight of each indicator as a measure of each latent variable. In this study, a formative model is used so that the largest outer weight is seen, indicating that the indicator is the strongest (dominant) variable measure.

In the Model Structure variable, it is measured with a formative indicator model, so it is necessary to pay attention to the outer weight value to find out the strength and weakness of the influence of each indicator on the Capital Structure variable. This variable is

measured by three
indicators, namely *Debt to asset ratio* (X11), *Debt to equity ratio* (X12), and *Long-term debt to asset ratio* (X13). (Table 1)

Table 1
SIGNIFICANT MEASUREMENT MODEL MEASURING THE VARIABLE CAPITAL STRUCTURE (X1)

Variable	Indicator	*Outer Weight*	*P value*	Information
Capital Structure (X1)	Debt to asset ratio (X11)	0,898	0,020	Significant
	Debt to equity ratio (X12)	0,449	0,011	Significant
	Long-term debt to asset ratio (X13)	0,238	0,374	Insignificant

The first indicator in the measurement of the Capital Structure variable (X1) is *the Debt to asset ratio* (X11). Obtained an outer weight of 0.898, and *a p-value* of 0.020 (significant), the Debt *to asset ratio* indicator (X11), is significant as a measure of Capital Structure (X1). The high and low Capital Structure (X1) is determined by the high and low *Debt to asset ratio* (X11).

The second indicator that measures the Capital Structure variable (X1) is *the Debt-to-equity ratio* (X12). Obtained an outer weight of 0.449, and a p-value of 0.011 (significant), the Debt-to- equity *ratio* indicator (X12), is significant as a measure of Capital Structure (X.1). The high and low Capital Structure (X1) is determined by the high and low *Debt to equity ratio* (X12).

Furthermore, the last indicator that measures the Capital Structure (X11) *Long-term debt to asset ratio* (X13) variable. In this third indicator, the outer weight is 0.238, and the *p-value* is 0.374 (insignificant). This suggests that *the Long-term debt to asset ratio* (X13) cannot measure the high and low Capital Structure (X11).

Based on the explanation of the paragraph above, from the three indicators that significantly measure the Capital Structure (X1), namely *the Debt to asset ratio* (X11), *the Debt to equity ratio* (X12), and *the Long-term debt to asset ratio* (X13), it can be seen from the large *outer weight coefficient* obtained that the *Debt to asset ratio* (X11) is the largest measure of the Capital Structure (X1) because it has an *outer weight* value which is the largest compared to other indicators. This means that the Capital Structure (X.1) is mainly seen in the *Debt to asset ratio* (X11).

The second variable used in this study is Company Size (X2) which is measured by a formative indicator model, so it is necessary to pay attention to the outer weight value to find out the strong and weak influence of each indicator on the Company Size variable. This variable is measured by three indicators, namely *Total Assets* (X21), *Total Sales* (X22), and *Number of Employees* (X23). (Table 2).

Table 2
SIGNIFICANT MEASUREMENT MODEL IS PRESENTED MEASURING THE VARIABLE COMPANY SIZE

Variable	Indicator	*Outer Weight*	*P value*	Information
any Size (x2)	*Total Assets* (X21)	0,872	0,007	Significant
	Total Sales (X22)	0,272	0,459	Insignificant
	Number of Employees (X23)	0,525	0,004	Significant

The first indicator on the measurement of the Company Size variable (X2) is *Total Assets* (X21). Obtained an outer weight of 0.872, and *a p-value* of 0.007 (significant), the *Total Assets* indicator (X21), is significant as a measure of Company Size (X2). The height of the Company Size (X2) is determined by the height of *the Total Assets* (X21).

The second indicator that measures the Company Size variable (X2) is *Total Sales* (X22). The outer weight was obtained at 0.272, and the p-value was 0.459 (insignificant). This suggests that the percentage of *Total Sales* (X22) cannot measure the height of the Company Size (X2).

Furthermore, the last indicator that measures the Company Size variable (X2) is *Number of Employees* (X23). In this third indicator, the outer weight is obtained at 0.525, and the *p-value* is 0.004 (significant), then the *Number of Employees* (X23) indicator, is significant as a measure of Company Size (X2). The height of the Company Size (X2) is determined by the height of the *Number of Employees* (X23).

Based on the explanation of the paragraph above, from the three indicators that significantly measure the Company Size (X2), namely *Total Assets* (X21), *Total Sales* (X22), and *Number of Employees* (X23), it can be seen from the size of the outer weight coefficient obtained that *Total Assets* (X21) is the largest measure of Company Size (X2) because it has the largest outer weight value compared to other indicators. This means that the Company Size (X2) is mainly seen in *Total Assets* (X31).

The second variable used in this study is Financial Performance (Y1) which is measured by a formative indicator model, so it is necessary to pay attention to the outer weight value to find out the strong and weak influence of each indicator on the Financial Performance variable (Y1). This variable is measured by three indicators, namely *Return on Assets* (Y11), *Return on Equity* (Y12), and *Net Profit Margin* (Y13). (Table 3)

Table 3
SIGNIFICANT MEASUREMENT MODEL MEASURING THE FINANCIAL PERFORMANCE VARIABLE (Y1)

Variable	Indicator	*Outer Weight*	*P value*	Information
Financial Performance (Y1)	*Return on Assets* (Y11)	0,999	0,000	Significant
	Return on Equity (Y12)	0,335	0,042	Significant
	Net Profit Margin (Y13)	0,317	0,437	Insignificant

The first indicator in the measurement of the Financial Performance variable (Y1) is *Return on Assets* (Y11). Obtained an outer weight of 0.999, and *a p-value* of 0.000 (significant), the *Return on Assets* (Y11) indicator is significant as a measure of Financial Performance (Y1). The high or low Financial Performance (Y1) is determined by the high or low *Return on Assets* (Y11).

The second indicator that measures the Financial Performance variable (Y1) is *Return on Equity* (Y12). Obtained an outer weight of 0.335, and a p-value of 0.042 (significant), the *Return on Equity* indicator (Y12), is significant as a measure of Financial Performance (Y1). The high or low Financial Performance (Y1) is determined by the high and low *Return on Equity* (X22).

Furthermore, the last indicator that measures the Financial Performance variable (Y1) is *Net Profit Margin* (Y13). In this third indicator, the outer weight is 0.317, and the *p-value* is 0.437 (insignificant). This implies that the *Net Profit Margin* percentage (Y13) cannot

measure the high and low financial performance (Y1).

Based on the explanation of the paragraph above, from three indicators that significantly measure Financial Performance (Y1), namely *Return on Assets* (Y11), *Return on Equity* (Y12), and *Net Profit Margin* (Y13), it can be seen from the large outer weight coefficient obtained that *Return on Assets* (Y11) as the largest measure of Financial Performance (Y1) because it has the largest outer weight value compared to other indicators. This means that Financial Performance (Y1) is mainly seen in *Return on Assets* (Y11).

The fourth variable used in this study is Company Value (Y2) which is measured by a formative indicator model, so it is necessary to pay attention to the outer weight value to find out the strength and weakness of the influence of each indicator on the Company Value variable (Y2). This variable is measured by three indicators, namely *Price Earning Ratio* (Y21), *Tobin's Q* (Y22), and *Market to Book Value Ratio* (Y23). (Table 4).

Table 4
PRESENTS A SIGNIFICANT MEASUREMENT MODEL MEASURING THE VARIABLE OF COMPANY VALUE

Variable	Indicator	*Outer Weight*	*P value*	Information
Company Value (Y2)	*Price Earning Ratio* (Y21)	0,312	0,093	Significant
	Tobin's Q (Y22)	0,973	0,000	Significant
	ket to Book Value Ratio (Y23)	0,021	0,871	Insignificant

The first indicator that measures the Company Value variable (Y2) is *the Price Earning Ratio* (Y21). Obtained an outer weight of 0.312, and a p-value of 0.093 (significant), the *Price Earning Ratio* indicator (Y21), is significant as a measure of the Company's Value (Y2). The high or low Company Value (Y2) is determined by the high and low *Price Earning Ratio* (Y21).

The second indicator on the measurement of the Company Value variable (Y2) is Tobin's Q (Y22). Obtained an outer weight of 0.973, and *a p-value* of 0.000 (significant), the Tobin's Q indicator (Y22), is significant as a measure of Company Value (Y2). The high and low of the Company's Value (Y2) is determined by the high and low of Tobin's Q (Y22).

Furthermore, the last indicator that measures the Company Value variable (Y2) is *the Market to Book Value Ratio* (Y13). In this third indicator, the outer weight is 0.021, and the *p- value* is 0.871 (insignificant). This suggests that the *Market to Book Value Ratio* (Y13) cannot measure the high or low value of the Company (Y2).

Based on the explanation of the paragraph above, from the three indicators that significantly measure the Company Value (Y2), namely *the Price Earning Ratio* (Y21), Tobin's Q (Y22), and *the Market to Book Value Ratio* (Y23), it can be seen from the large outer weight coefficient obtained that Tobin's Q (Y21) is the largest measure of the Company Value (Y2) because it has the largest outer weight value compared to other indicators. This means that the Company's Value (Y2) is mainly seen in Tobin's Q (Y21).

Model Structural

Testing the structural *model* essentially tests the hypothesis in the research. The inner model questions the model of the relationship between latent variables, some of which are recursive and some are non-recursive. The structural model presents the relationship between

the research variables the structural coefficient *of the model* states the magnitude of the relationship between one variable and another. There is a significant influence between one variable on another, if the p-value is <0.05. The results of the direct influence are presented in (Table 5).

Table 5 **SIGNIFICANT INFLUENCE BETWEEN ONE VARIABLE ON ANOTHER**				
Variable		*Outer Weight*	*P value*	Conclusion
Exogenous	**Endogenous**			
Capital Structure (x1)	Financial Performance (Y1)	0,520	0,000	Significant
Capital Structure (x1)	ny Value (Y2)	0,104	0,041	Significant
any Size (x2)	ny Value (Y2)	0,438	0,000	Significant
Financial Performance (Y1)	ny Value (Y2)	0,740	0,000	Significant
Company Size (X2) x Financial Performance (Y1)	ny Value (Y2)	0,612	0,000	Significant
Company Size (X2) x Capital Structure (X1)	ny Value (Y2)	0,233	0,002	Significant

The effect of Capital Structure (X1) on Financial Performance (Y1), a path coefficient of 0.520 and a P-value of 0.000 was obtained. Because the P-value <0.05, as well as a positive coefficient indicates that there is a significant and positive influence between Capital Structure (X1) and Financial Performance (Y1). This means that the higher the capital structure, the higher the financial performance. The results of this study are also in line with the signal theory put forward by Ross in 1973 which represents the quality signal of the company. The level of capital structure is to show financial performance that describes the quality of the company comprehensively. The test results show that hypothesis 1 of this study is accepted.

The effect of Capital Structure (X1) on Company Value (Y2), obtained a path coefficient of 0.104 and a P-value of 0.041. Because the P-value >0.05, as well as the coefficient with a positive sign indicates that the higher the Capital Structure (X1) results in the higher the Company Value (Y2). This means that the higher the capital structure, the lower the value of the company. The results of this study are not in line with the theory of capital structure put forward by Hampton (2011) where a good capital structure can attract investors to buy company shares, increasing the market value of stocks and their securities. The test results show that the hypothesis of these 2 studies is accepted. The effect of Company Size (X2) on Company Value (Y2), obtained a path coefficient of 0.438 and a P-value of 0.000. Because the P-value <0.05, as well as a positive coefficient indicates that there

is a significant and positive influence between Company Size (X2) and Company Value (Y2). This means that the higher the size of the company, the higher the value of the company. This research is in line with the size of the company is one of the important factors that have an impact on the financial performance and value of a company. In addition, the size of the company is able to moderate the relationship between financial performance and company value. The test results show that the hypothesis of these 3 studies is accepted.

The effect of Financial Performance (Y1) on Company Value (Y2), obtained a path coefficient of 0.740 and a P-value of 0.000. Because the P-value is <0.05, it indicates that there is a significant and positive influence between Financial Performance (Y1) and Company Value (Y2). This means that the higher the Financial Performance (Y1) will result in a higher Company Value (Y2). The results of this study are in line with the valuation theory according to the opinion, where if the company's net profit increases, the company's fair price also increases. The test results show that the hypothesis of these 4 studies is accepted.

The effect of Financial Performance (Y1) moderated by Company Size (X2) on Company Value (Y2), obtained a path coefficient of 0.612 and a P-value of 0.000. Because the P-value is <0.05, it indicates that there is a significant and positive influence between Financial Performance (Y1) moderated by Company Size (X2) on Company Value (Y2). This means that the higher the Financial Performance (Y1) moderated by the Company Size (X2), the higher the Company Value (Y2). In line with empirical studies, where the size of the company moderates or strengthens the relationship between the company's financial performance and the company's value. The test results show that the hypothesis of these 5 studies is accepted.

The influence of the Model Structure (X1) moderated by the Company Size (X2) on the Company Value (Y2), obtained a path coefficient of 0.233 and a P-value of 0.002. Since the P- value is >0.05 and the coefficient is positive, it indicates that the higher the Model Structure (X1) moderated by the Company Size (X2) will increase the Company Value (Y2). This means that the higher the capital structure moderated by the size of the company, the higher the value of the company. These results are in line with the results of empirical studies shows that the size of the company is able to moderate the relationship between capital structure and company value. The test results show that the hypothesis of these 6 studies is accepted.

CONCLUSION

Based on the results of the science analysis, this study provides information that the Company Size indicator is in quadrant II. This shows that the performance of the indicator is very good and must be maintained by the company. However, for the Capital Structure, Financial Performance and Company Value indicators, most of them are in quadrant I, so it is necessary to conduct an evaluation to improve the company's performance. Based on the results of the empirical analysis, it can be concluded that the Capital Structure has a significant and positive effect on Financial Performance. Furthermore, Capital Structure, Company Size, and Financial Performance have a significant effect on the Company's Value. In addition to the direct influence, the results of the test of the hypothesis of the influence of moderation variables were obtained, namely the size of the company being able to moderate Financial Performance on the company's value and the Capital Structure on the Company's Value.

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