

CHAPTER V

CONCLUSION & SUGGESTION

5.1 Conclusion

This research was out to examine the impact of profitability, capital structure, dividend policy, and total asset turnover on the firm value of healthcare businesses listed between 2018 and 2022 on the Indonesia Stock Exchange. The following conclusions have been drawn from the research based on the findings after passing through the phases of data collection, processing, analysis, and interpretation are drawn:

1. The hypothesis 1 which predicts that the firm's value is influenced by capital structure, which leads to the conclusion that the hypothesis is false. This indicates that the link between capital structure and firm value is impacted by a number of factors, including industry characteristics, and that the capital structure of the company has no bearing on its total worth and unique business environments
2. This study reveals that the Dividend Policy, as measured by the Dividend Payout Ratio (DPR), has no appreciable effect on the value of the company within the healthcare sector. This implies that investors in the healthcare industry not really consider the dividend payout ratio as a decisive factor in assessing a company's value.
3. This study's results suggest that the firm's total asset turnover affects its

value in negative way. A decrease in the total asset turnover is associated with a rise in the company's worth. The study found a negative relationship, indicating that higher total asset turnover is linked to lower firm value, which can be concerning for the market. This negative effect is attributed to investor indifference to companies with high total asset turnover but low net income.

4. The study's findings point to a positive association between profitability and company value, indicating that the two variables are correlated. The value of the company rises in tandem with increased profitability, and vice versa. Increased profitability has the potential to draw in investors since profitable businesses are typically more desirable as investments, which raises the demand for their shares and, in turn, raises the company's value. This relationship aligns with the Trade-Off theory, which suggests that profitable companies, having ample internal funds, are less reliant on external financing, particularly equity, and are more likely to use retained earnings to fund their operations.

5.2 Research Implications

1. For companies, companies need to pay attention not only to total asset turnover, but also other elements include business size, dividend policy, and profitability. Furthermore, it is crucial to take into account the internal and external factors that influence the correlation between firm value and total asset turnover.

2. For investors, the advice from this study, the long-term pattern will be reviewed and consistency of company performance in all these factors. Companies with positive trends and consistency can provide a stronger picture of a potentially good investment and values.

5.2 Research Limitations

1. Data collection was hampered because several companies did not publish their financial reports.
2. This study only looks at a few indicators: Capital Structure (DER), Dividend Policy (DPR), Total Asset turnover (TATO), Profitability (ROA). There are still several other indicators that could have explain the relationship with the firm value.

5.4 Suggestions

1. It is anticipated that future studies will be able to include proxies for every variable and other research objects to obtain various results about what factors can affect the company's values, such as company size, institutional ownership, managerial ownership, investment decision.
2. Future research is anticipated to be able to rise the scope of the research sector to be broad.