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ANALYSIS OF INVESTMENT DECISIONS, FUNDING DECISIONS, AND DIVIDEND POLICIES ON THE PROFITABILITY OF THE INFRASTRUCTURE SECTOR ON THE INDONESIA STOCK EXCHANGE

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Investment Decisions, Funding Decisions, Dividend Policy, Profitability

ABSTRACT

This study aims to analyze the influence of investment decisions, funding decisions, and dividend policies on the profitability of infrastructure sector companies on the Indonesia Stock Exchange, both individually and together. The qualitative and quantitative data were collected using secondary data from the financial statements of Infrastructure sector companies taken from the Jakarta Stock Exchange website for the period 2018-2021. The results show that investment decisions have a positive but not significant influence on the profit margin of the infrastructure sector company. The dividend policy has a negative and insignificant effect on the profits of the company. Therefore, the higher the company's commitment to distributing dividends, the better the profitability will be encouraged. Based on the results of the study, it is recommended that the management of infrastructure sectors manage investment decisions and funding policies efficiently to increase profitability and competitiveness.

INTRODUCTION

The development of investment activities has now experienced very rapid progress. This is supported by the ease of obtaining information about investment and government deregulation so that it can increase public knowledge about how to invest optimally. The form of investment that is currently attracting the attention of investors is investment by buying shares in the capital market.

The capital market is a very important factor in the national economy because it provides an overview of how the economic condition of a country is. The capital market in general is a place where sellers and buyers meet to make transactions in order to obtain capital (Khasanov et al., 2021). In addition, the capital market also encourages the creation of efficient fund allocation, with the existence of the capital market, parties who have excess funds or investors can choose various investment alternatives that provide the most optimal rate of return.

Infrastructure is a facility in the form of technical, system, physical, software and hardware needed to carry out services to the community and support the network structure. The economy and social of the community can continue to run. The components of infrastructure consist of urban planning, urban rejuvenation, new city development, city roads, drinking water, drainage, wastewater, waste, flood control, housing, village improvement, market area infrastructure improvement, and rental houses.

The value of a company can describe the profit on the company through the amount of assets, debts, and capital owned by the company. The value of a company is also often associated with the price of shares traded on the stock market, so a high stock price has a positive relationship with the value of the company or vice versa which will have an impact on the value of the company.

Profitability is an indicator of performance carried out by company management in managing the company's wealth as shown by the profits generated by the company. The profit generated by the company comes from sales and investment decisions made by the company. High profitability shows good propsek and company value so that investors will respond positively and the company's value will increase (Apriana & Ayu, 2021).

The market capitalization of infrastructure sector companies listed on the Indonesia Stock Exchange from 2018 to 2021 fluctuates every year. In 2018, the total market capitalization was 25,205,027,337,428. Then, in 2019 there was an increase in total market capitalization of 38,695,166,566,333. Then, in 2020 there was a decrease in total market capitalization of 37,455,943,022,591. Then, in 2021, there was a high increase in total market capitalization of 54,808,924,418,256.

The management of the company aims to maximize the value of the company. Financial management has the task of making the company's financial decisions such as investment, funding, and dividend policies. A proportional combination of these three things will result in an optimal company valuation so that investors will be interested in investing in shares in the company.

A smart investment decision will draw investors to the company, therefore investment decisions are actions taken to allocate capital and assets in a certain area with the goal of influencing the company's worth. A company's worth can be impacted by its investment selections; a wise choice can draw in new capital, while a poor choice can force existing investors to take their money out of the business. According to signaling theory, investment expenditure provides a positive signal about the company's future growth, so that it can increase the stock price used as an indicator of the company's value (Himawan & Christiawan, 2016).

Funding decisions are decisions related to the source of funds obtained by the company. The source of funds comes from debt and its own capital. Investors make their choice based on funding decisions because the financing structure will determine the cost of capital which will be the basis for determining the desired required return (Steffen, 2020). The process of choosing the source of funding to employ for the intended investment, given the variety of available alternative sources, in order to achieve the most efficient combination of spending is known as funding decisions. Alternative funding made by companies can come from sources, debt, and equity.

The distribution of profits or profits to the owner of the company is referred to as dividends. The term "dividend policy" refers to a company's policy that specifies whether its profits will be maintained as retained earnings or given to shareholders as dividends. The distribution of dividends must be appropriate. Dividends that are too high will interfere with the company's expansion, while dividends that are too low will reduce investor interest. The right dividend policy will increase the stock price to be one of the indicators of the company's value (Wijaya et al, 2010).

Research conducted by Komala (2019) and Khikmah et al. (2020) stated that investment decisions have a significant positive effect on the value of the company, while research by Wahyudi & Chairunesia (2019) and Hasanuddin (2021) stated that investment decisions have a negative effect on the value of the company. Research by Santoso (2019) states that funding decisions have a negative influence on the value of companies. In contrast to Triani & Tarmidi (2019) and Fajaria (2018) who stated that funding decisions have a positive influence on the value of companies. Research by Margono & Gantino (2021) and Kanakriyah (2020)states that dividend policy has a significant positive influence on the company's value. In contrast to Chen et al. (2021) and Syofyan et al. (2020)stated that the dividend policy has no influence on the value of the company.

Based on the background description that has been stated above, this study aims to analyze the influence of investment decisions, funding decisions, and dividend policies on the profitability of infrastructure sector companies on the Indonesia Stock Exchange, both individually and together. This research is expected to provide benefits for investors by providing information that can help in making investment decisions and assessing the company's prospects, as well as for company management in increasing profitability through appropriate policies. In addition, the results of this study are also expected to increase knowledge and become a reference for future researchers who are interested in similar topics.

The hypotheses used in this study are:

1) Investment decisions have a negative and insignificant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

2) The funding decision has a negative and insignificant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.
3) The dividend policy has a negative and insignificant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.
4) Investment decisions, funding decisions, and dividend policies together have a positive and significant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

METHODS

This study uses qualitative and quantitative data, where qualitative data is in the form of notes from various literature sources, while quantitative data includes financial statements related to investment decisions, funding, and dividend policies of infrastructure sector companies on the Indonesia Stock Exchange. The location of the research and data collection was carried out at the IBK Nitro Makassar Investment Gallery for one month, using secondary data from the financial statements of infrastructure sector companies taken from the Indonesia Stock Exchange website for the period 2018-2021.

The research sample was taken from the population of infrastructure sector companies listed on the Indonesia Stock Exchange, with a purposive sampling method based on certain criteria such as the company's active status, publication of complete financial statements, number of outstanding shares, and main board categories on the Indonesia Stock Exchange during the 2018-2021 period. From these criteria, 10 companies were selected as research samples, including Telkom Indonesia, Sarana Menara Nusantara, and Waskita Karya.

This study's data analysis methods include multiple regression analysis along with traditional assumption tests, such as testing for heteroscedasticity, autocorrelation, multicollinearity, and normality. In order to determine the partial influence of independent variables on dependent variables, the t-test was used in hypothesis testing. To determine the simultaneous influence of independent variables on dependent variables, the F test was used. Furthermore, the degree to which the regression model can explain fluctuations in dependent variables is assessed using the determination coefficient (R2) test.

RESULTS

Variable Description

Investment Decision (Price Earning Ratio)

Tabel 1. Price Earning Ratio of 2018-2021

No	Company Code	*Price Earning Ratio*			
		2018	**2019**	**2020**	**2021**
1	TLKM	20,62	21,06	15,75	16,18
2	TOWR	15,57	25,20	16,10	16,39
3	WSKT	5,11	13,36	(2,65)	12,33
4	TBIG	17,15	30,14	35,21	40,53
5	META	17,53	27,06	57,29	335,29
6	POWR	12,48	10,16	10,83	7,67
7	EXCL	(15,91)	51,25	(25,03)	29,47
8	WEGE	4,99	6,49	15,99	8,37
9	WIKA	8,58	9,39	52,76	91,17
10	ADHI	8,02	6,30	118,35	57,78
Average		**9,41**	**20,04**	**29,46**	**61,52**

Data Source: Researcher-processed data, 2023

Based on the table above, it can be seen that the Price Earning Ratio (PER) in infrastructure sector companies on the Indonesia Stock Exchange from 2018 to 2021. From 2018 to 2021, the average Price Earning Ratio (PER) has increased. In 2018 the smallest PER (15.91) and the largest was 20.62, and the average PER in 2018 was 9.42. In 2019 the smallest PER was 6.30 and the largest was

51.25, and the average PER in 2019 was 20.04. In 2020 the smallest PER (2.65) and the largest was 118.35, and the average PER in 2020 was 29.46. In 2021, the smallest PER was 7.84 and the largest was 335.29, and the average PER in 2021 was 61.52.

Funding Decision (Debt to Equity Ratio)

Tabel 2. Debt to Equity Ratio of 2018-2021

No	Company Code	*Debt to Equity Ratio*			
		2018	**2019**	**2020**	**2021**
1	TLKM	0,76	0,89	1,04	0,91
2	TOWR	0,89	2,16	2,36	4,46
3	WSKT	3,31	3,21	5,37	5,70
4	TBIG	6,91	4,59	2,93	3,28
5	META	0,45	0,59	0,74	0,96
6	POWR	1,04	1,01	1,00	0,95
7	EXCL	2,14	2,28	2,54	2,62
8	WEGE	1,76	1,52	1,77	1,51
9	WIKA	2,44	2,23	3,09	2,98
10	ADHI	3,79	4,34	5,83	6,05
Average		**2,35**	**2,28**	**2,67**	**2,94**

Data Source: Researcher-processed data, 2023

Based on the table above, it can be seen that the Debt to Equity Ratio (DER) of infrastructure sector companies on the Indonesia Stock Exchange from 2018 to 2021. From 2018 to 2021, the average Debt to Equity Ratio (DER) fluctuated. In 2018 the smallest DER was 0.45 and the largest was 6.91, and the average DER in 2018 was 2.35. In 2019 the smallest DER was 0.59 and the largest was 4.59, and the average DER in 2019 was 2.28. In 2020 the smallest DER was 0.74 and the largest was 5.83, and the average DER in 2020 was 2.67. In 2021 the smallest DER was 0.91 and the largest was 6.05, and the average DER in 2021 was 2.94.

Dividend Payout Ratio

Table 3. Dividend Payout Ratio 2018-2021

No	Company Code	*Dividend Payout Ratio*			
		2018	**2019**	**2020**	**2021**
1	TLKM	-	0,87	0,73	0,67
2	TOWR	2,11	0,74	0,40	0,41
3	WSKT	0,20	0,66	(0,01)	-
4	TBIG	4,03	3,40	0,60	0,44
5	META	0,47	-	0,51	-
6	POWR	0,98	0,68	0,89	0,72
7	EXCL	-	-	(0,18)	0,29
8	WEGE	0,12	0,30	0,74	0,14
9	WIKA	0,14	0,18	1,35	-
10	ADHI	0,16	0,19	1,44	-
Average		**0,82**	**0,70**	**0,65**	**0,27**

Data Source: Researcher-processed data, 2023

Based on the table above, it can be seen that the Dividend Payout Ratio (DPR) of infrastructure sector companies on the Indonesia Stock Exchange from 2018 to 2021. From 2018 to 2021, the average Dividend Payout Ratio (DPR) decreased. In 2018 the smallest House of Representatives was 0.00 and the largest was 4.03, and the average House of Representatives in 2018 was 0.82. In 2019 the

smallest House of Representatives was 0.00 and the largest was 3.40, and the average House of Representatives in 2019 was 0.70. In 2020 the House of Representatives was the smallest (0.01) and the largest was 1.44, and the average House of Representatives in 2020 was 0.65. In 2021 the smallest House of Representatives was 0.00 and the largest was 0.72, and the average House of Representatives in 2021 was 0.27.

Profitability (Return On Asset)

Table 4. Return On Asset Year 2018-2021

No	Company Code	*Return On Asset*			
		2018	**2019**	**2020**	**2021**
1	TLKM	0,13	0,12	0,12	0,12
2	TOWR	0,10	0,09	0,08	0,05
3	WSKT	0,04	0,01	(0,09)	(0,02)
4	TBIG	0,02	0,03	0,03	0,04
5	META	0,05	0,04	0,02	0,00
6	POWR	0,06	0,09	0,06	0,07
7	EXCL	(0,06)	0,01	0,01	0,02
8	WAYS	0,08	0,07	0,03	0,04
9	WIKA	0,04	0,04	0,00	0,00
10	ADHI	0,02	0,02	0,00	0,00
Average		**0,05**	**0,05**	**0,03**	**0,03**

Data Source: Researcher-processed data, 2023

Based on the table above, it can be seen that the Return On Asset (ROA) of infrastructure sector companies on the Indonesia Stock Exchange from 2018 to 2021. From 2018 to 2021, the average Return On Asset decreased. In 2018 the ROA was the smallest (0.06) and the largest was 0.13, and the average ROA in 2018 was 0.05. In 2019 the smallest ROA was 0.1 and the largest was 0.12, and the average ROA in 2019 was 0.05. In 2020 the ROA was the smallest (0.09) and the largest was 0.12, and the average ROA in 2020 was 0.03. In 2021 the ROA was the smallest (0.02) and the largest was 0.12, and the average ROA in 2021 was 0.03.

Classical Assumption Test

Normality Test

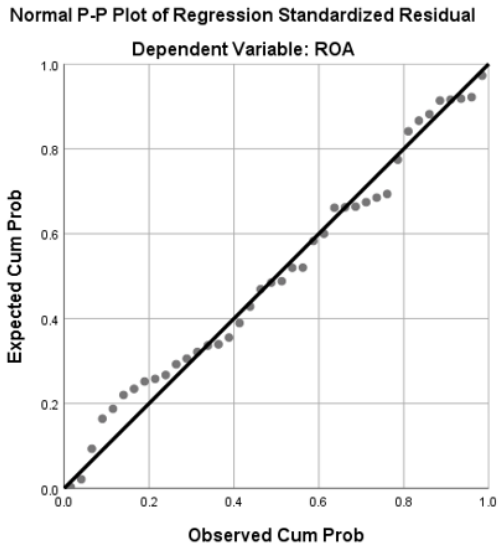

Figure 1. Test of Normality with P-P Plot of Regression
Source: SPSS Version 25 Output

Based on the figure above, it is known that the result of assuming the normality of the data, it can be seen that the data (points) spread not too far around the diagonal line and follow the direction of the diagonal line. Thus, it can be concluded that the data in the regression model meets the assumption of data normality.

Multicollinearity Test

Table 5. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Investment Decision	.999	1.001
Funding Decision	.919	1.088
Dividend Policy	.918	1.089

Source: SPSS Version 25 Output

Based on the table above, it is known that the tolerance value for Investment Decision (PER) is 0.999, the tolerance value for Funding Decision (DER) is 0.919, and the tolerance value for Dividend Policy (DPR) is 0.918. Thus, it can be concluded that the three independent variables do not have multicollinearity because the tolerance of all variables > 0.1.

Then, table IV.5 also shows that the Variance Inflation Factor (FIV) for Investment Decisions (PER) is 1.001, the VIF for Funding Decisions (DER) is 1.088, and the VIF for Dividend Policy (DPR) is 1.089. Thus, from all three independent variables, the VIF value is < 10. Therefore, referring to the basis for decision-making in the multicollinearity test, it can be concluded that there are no symptoms of multicollinearity in the regression model.

Autocorrelation Test

Table 6. Autocorrelation Test Results

Model Summary[b]					
Model	***R***	***R Square***	***Adjusted R Square***	***Std. Error of the Estimate***	***Durbin-Watson***
1	.671a	.450	.405	.03577	1.550

Source: SPSS Version 25 Output

Based on the table above, it is known that the Durbin-Watson value is 1,550. Therefore, as the basis for decision-making in the Durbin-Watson test above, it can be concluded that there is no autocorrelation because the DW is between 1.55 – 2.56.

Heteroscedasticity Test

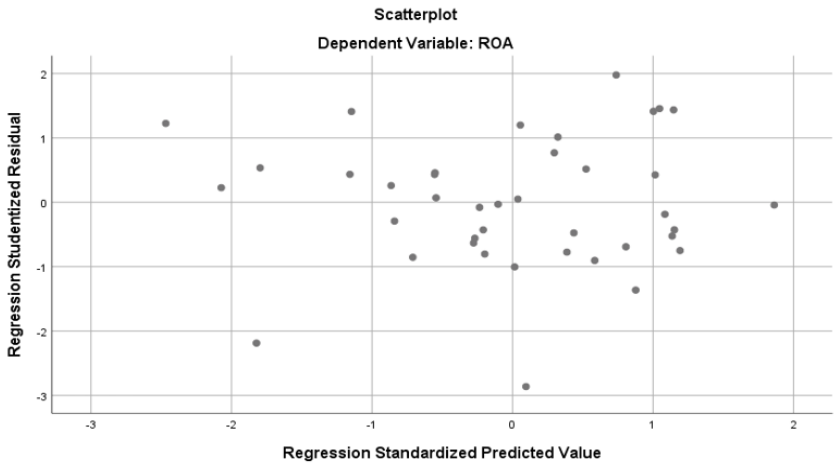

Figure 2. Heteroscedasticity Test Results
Source: SPSS Version 25 Output

Based on the output of the Scatterplot in the figure above, it is known that:

a) The data points are randomly spread above or below around the 0 number
b) The spread of data points does not form a pattern of widening waves and a specific pattern that is clear, then narrows and widens again
c) Deployment of unpatterned data points

Thus, it can be concluded that there is no heteroscedasticity problem, until a good and ideal regression model can be met.

Multiple Linear Regression Test

Table 7. Autocorrelation Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	***Std. Error***	***Beta***		
1	(Constant)	.078	.011		7.226	.000
	Investment Decision	.000	.000	-.159	-1.282	.208
	Funding Decision	-.018	.003	-.666	-.5.169	.000
	Dividend Policy	.017	.007	.323	2.505	.017

Source: SPSS Version 25 Output

Based on the table above, the multiple regression analysis model used in this study can be formulated as follows.

Y = 0,078 + 0,000(X1) – 0,018(X2) + 0,017(X3)

From the regression equation, it can be seen that the value of the regression coefficient of the Investment Decision (PER) is marked positively which means it has a positive effect on profitability, then the Funding Decision (DER) is marked negatively which means it has a negative effect on profitability, and the Dividend Policy (DPR) is marked positively which means it has a positive effect on profitability. So, the meaning of the analysis can be explained as follows:

1) The value of the constant is 0.078 which means that if the variables of investment decision (X1), funding decision (X2), and dividend policy (X3) are valued at 0 then the value of the dependent variable will remain at 0.078.
2) The regression coefficient of the investment decision variable (X1) of 0.000 means that if the investment decision increases by one unit, it will increase profitability by 0.000, and vice versa, if the investment decision decreases, it will decrease profitability by 0.000.

3) The regression coefficient of the funding decision variable (X2) of -0.018 means that if the funding decision increases by one digit, it will decrease profitability by -0.018, and vice versa, if the funding decision decreases by one unit, it will increase profitability by -0.018.
4) The regression coefficient of the dividend policy variable (X3) of 0.017 means that if the dividend policy increases by one unit, it will increase profitability by 0.017, and vice versa, if the dividend policy decreases by one unit, it will decrease profitability by 0.017.

Hypothesis Test

Test t (partial)

Table 8. Results of Hypothesis Test (t-Test)

Model		t	Sig.
1	(Constant)	7.226	.000
	Investment Decision	-1.282	.208
	Funding Decision	-.5.169	.000
	Dividend Policy	2.505	.017

Source: SPSS Version 25 Output

Test t Variable X1 (Investment Decision)

The table above shows that the investment decision variable produces a t-value of -1.282 and a profitability value (sig) of 0.208 > 0.05 which means that (H0) is rejected and the alternative hypothesis (H1) is accepted (the regression coefficient is not significant). Therefore, it can be concluded that investment decisions have a negative and insignificant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

Variable t-Test X2 (Funding Decision)

The table above shows that the funding decision variable produces a t-value of -5.169 and a profitability value (sig) of 0.000 < 0.05 which means that (H0) is rejected and the alternative hypothesis (H1) is accepted (significant regression coefficient). Therefore, it can be concluded that funding decisions have a negative and significant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

Test t Variable X3 (Dividend Policy)

The table above shows that the dividend policy variable produces a t-value of 2,505 and a profitability value (sig) of 0.017 < 0.05 which means that (H0) is rejected and the alternative hypothesis (H1) is accepted (significant regression coefficient). Therefore, it can be concluded that the dividend policy has a positive and significant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

Test F (Simultaneous)

Table 9. Simultaneous Test Results (Test F)

ANOVA						
	Model	*Sum of Squares*	*df*	*Mean Square*	*F*	*Sig.*
1	Regression	.038	3	.013	9.832	.000b
	Residual	.046	36	.001		
	Total	.084	39			

Source: SPSS Version 25 Output

Based on the table above, it can be seen that the results of the F test are 9.832 and the significant value is 0.000 < 0.05. By using an alpha level of 0.05 or 5%, H0 is accepted because it is proven by the results of the calculation that the sig value is 0.000 < 0.05. This shows that investment decisions, funding decisions, and dividend policies together (simultaneously) affect the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

Determination Coefficient Test (R2)

Table 10. Determination Test Results

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.671a	.450	.405	.03577	1.550

Source: SPSS Version 25 Output

Based on the table above, it can be seen that the results of the R Square test in this study obtained a value of 0.450. This shows that profitability is influenced by investment decisions, funding decisions, and dividend policies by 45%, while the remaining 55% is influenced by other factors that were not examined in this study.

Effect of Investment Decision (X1) on Profitability (Y)

Based on the analysis that has been carried out, the test partially shows that the investment decision variable produces a significant value of 0.208 > 0.05, then H0 is accepted and H1 is rejected. The regression coefficient of investment decisions (X1) is -1.282, which means that if the investment decision increases by one unit, it will decrease profitability by -1.282, and vice versa, if the investment decision decreases by one unit, it will increase profitability by -1.282. Thus, the variable of investment decisions partially has a negative and insignificant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

Based on the research conducted, the results obtained have a negative effect, it can be interpreted that the direction of the independent variable (X) and the dependent variable (Y) are not in the same direction, if the independent variable goes up, the dependent variable will go down. If investment decisions increase, profitability will decrease, and vice versa. The insignificant meaning obtained shows that the greater the investment decision, the less it will affect profitability. The results of this study are in line with the research of Wahyudi & Chairunesia (2019) which stated that investment decisions have no effect on profitability. Investors do not pay much attention to the company's investment decisions because investors look more at the news circulating in the market as well as the financial reports published by the company.

Effect of Funding Decision (X2) on Profitability (Y)

Based on the analysis that has been carried out, the test partially shows that the funding decision variable produces a significant value of 0.000 < 0.05, then H0 is rejected and H1 is accepted. The regression coefficient of funding decisions (X2) is -1.569, which means that if the funding decision increases by one unit, it will decrease profitability by -1.569, and vice versa, if the funding decision decreases by one unit, it will increase profitability by -1.569. Thus, the variable of funding decisions has a negative and significant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

Based on the research conducted, the results obtained have a negative effect, it can be interpreted that the direction of the independent variable (X) and the dependent variable (Y) are not in the same direction, if the independent variable goes up, the dependent variable will go down. If funding decisions increase, profitability will decrease, and vice versa. The significant meaning obtained indicates that the greater the company's funding decision, the greater the profitability. The results of this study are in line with research conducted by Santoso (2019) which states that funding decisions have a negative effect on the company's profitability, meaning that if the percentage of funding decisions goes up or down, this will not affect the company's profitability.

Effect of Dividend Policy (X3) on Profitability (Y)

Based on the analysis that has been carried out, the test partially shows that the dividend policy variable produces a significant value of 0.017 < 0.05, then H0 is rejected and H1 is accepted. Koefiisen regression of dividend policy (X3) of 2,505 which means that if the dividend policy increases by one unit, it will increase profitability by 2,505, and vice versa, if the dividend policy decreases by one unit, it will decrease profitability by 2,505. Thus, dividend policy variables have a positive and significant effect on the profitability of infrastructure sector companies on the Indonesia Stock Exchange.

Based on the research conducted, the results obtained have a positive effect, it can be interpreted that the direction of the independent variable (X) and the dependent variable (Y) are unidirectional, if the independent variable goes up, the dependent variable will go up. If the dividend policy increases, profitability will increase, and vice versa. The significant meaning obtained indicates that the greater the company's dividend policy, the greater the profitability. The results of this study are in line with the research conducted by Qulub et al. (2018) which stated that there was a significant positive influence between policies on profitability. The results obtained indicate that the higher the company's commitment to distributing dividends, the higher the profitability will be encouraged.

The Influence of Investment Decisions (X1), Funding Decisions (X2), and Dividend Policy (X3) on Profitability (Y)

After conducting an analysis, it is determined that simultaneous testing yields a profitability value (sig) = 0.000 < 0.05 for the variables of investment decisions, funding decisions, and dividend policies. Consequently, H0 is rejected and H1 is accepted. Regression coefficients of 9.832 for investment decisions, funding decisions, and dividend policies indicate that a simultaneous increase of one unit in any of these factors will result in a 9.832 increase in profitability; conversely, a simultaneous decrease of one unit in any of these factors will result in a 9.832 decrease in profitability. The profitability of infrastructure sector businesses listed on the Indonesia Stock Exchange is thus positively and significantly impacted by the variables of investment decisions, funding decisions, and dividend policies taken combined.

The study's findings have a favorable impact and suggest that the relationship between the independent variable (X) and the dependent variable (Y) is unidirectional—that is, if the independent variable rises, the dependent variable would rise as well, and vice versa. The important conclusion drawn from this is that the company's overall profitability will be influenced by the size of its funding, dividend policy, and investment decisions.

CONCLUSION

The study reveals that investment decisions have a positive but not significant impact on the profitability of Indonesian infrastructure sector companies listed on the Indonesia Stock Exchange. However, funding decisions have a negative and significant impact, while dividend policies have a positive and significant influence. The study recommends that management of these companies efficiently manages these factors to increase profitability and competitiveness. Investors should also consider financial ratios like PER, DER, and DPR as profitability indicators. Researchers are advised to expand the study's scope by increasing the number of companies, research periods, and variables used.

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