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The Effect of Sales Growth, Firm Size, and Dividend Policy on Firm Value: A Study of Energy Sector Companies Listed on The Indonesia Stock Exchange for the 2019–2023 Period

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A B S T R A C T

This study aims to examine in greater depth the effect of sales growth, dividend policy, and firm size on firm value in energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. Employing a quantitative method with panel data regression, the study uses purposive sampling to select 11 energy companies, resulting in 55 observations derived from audited annual reports and official IDX publications. Data analysis includes descriptive statistics, classical assumption tests, and model selection using the Chow Test, Hausman Test, and Lagrange Multiplier Test, followed by hypothesis testing through F-test and t-test using EViews 13 software. The findings reveal that the three independent variables jointly exert a significant influence on firm value, yet only firm size shows a significant negative partial effect, while sales growth and dividend policy do not demonstrate significant impacts. This finding confirms that in the energy sector, large companies do not always receive higher market valuations, making asset management efficiency and business strategy strengthening crucial factors.

KATA KUNCI
Nilai Perusahaan, Pertumbuhan Penjualan, Kebijakan Dividen, Ukuran Perusahaan, Sektor Energi

A B S T R A K

Penelitian ini bertujuan untuk menganalisis secara lebih mendalam pengaruh pertumbuhan penjualan, kebijakan dividen, dan ukuran perusahaan terhadap nilai perusahaan pada sektor energi yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2019–2023. Menggunakan pendekatan kuantitatif dengan regresi data panel, penelitian ini melibatkan 11 perusahaan energi yang dipilih melalui purposive sampling sehingga menghasilkan 55 observasi yang diperoleh dari laporan tahunan perusahaan yang telah diaudit serta publikasi resmi BEI. Analisis dilakukan melalui serangkaian uji statistik, termasuk uji deskriptif, uji asumsi klasik, dan pemilihan model regresi panel melalui Chow Test, Hausman Test, dan Lagrange Multiplier Test, disertai pengujian hipotesis menggunakan uji F dan uji t dengan bantuan software EViews 13. Hasil penelitian menunjukkan bahwa secara simultan, ketiga variabel independen berpengaruh signifikan terhadap nilai perusahaan. Namun, secara parsial, hanya ukuran perusahaan yang terbukti berpengaruh signifikan negatif, sementara pertumbuhan penjualan dan kebijakan dividen tidak menunjukkan pengaruh signifikan. Temuan ini menegaskan bahwa dalam sektor energi, perusahaan dengan ukuran besar tidak selalu memperoleh penilaian pasar yang lebih tinggi, sehingga efisiensi pengelolaan aset dan penguatan strategi bisnis menjadi faktor krusial.

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1. Introduction

Firm value represents a central construct that captures investors' perceptions of corporate success, primarily reflected through stock price performance. Rather than serving merely as an indicator of short-term financial gains, firm value embodies the long-term sustainability expected by shareholders. An increasing firm value signals favorable corporate prospects, managerial capability in maintaining stable cash flows, and an efficient capital structure, all of which stimulate investors' willingness to commit capital at higher valuations.

Firm value functions as a measure of the return on invested capital from the perspective of investors [1]. Beyond its relevance to external stakeholders, firm value also serves as an important managerial performance benchmark because it reflects how effectively managers utilize corporate resources [2]. When managers demonstrate strong performance, firm value strengthens, thereby contributing directly to shareholder welfare, making stock prices a widely accepted proxy for corporate success.

Firm value can be interpreted as the market's assessment of a company's performance and future prospects, often proxied through the movement of stock prices. A higher share price generally indicates a

stronger market valuation of the firm. This assessment is closely connected to signaling theory, which posits that managers intentionally communicate information—either positive or negative—to investors through various corporate actions [3]. The signals embedded in financial statements help stakeholders infer corporate quality [4], while effective signals enhance investor confidence by highlighting firms with consistently improving performance [5].

Within corporate finance, firm value is considered a critical parameter, particularly because it influences investment decisions and determines a firm's ability to expand its business scale. Firm value is a reflection of the company's current condition and future outlook, largely observable through market capitalization [6]. In this study, firm value is measured using the Price-to-Book Value (PBV), a commonly employed indicator for assessing intrinsic value and determining whether a firm is undervalued or overvalued [7]. PBV is widely favored by investors due to its simplicity and reliability in describing the relationship between market price and book value of equity. PBV reflects the firm's ability to generate market value through the efficient use of its capital base, thereby serving as a robust metric for long-term valuation analysis [8].

The energy sector experienced a notable decline in stock performance throughout 2023, as widely reported in national media outlets. According to Liputan6.com, the weakening of the energy index was significantly influenced by the sharp decline in PT Bayan Resources Tbk shares, which fell by more than 10 percent year-to-date, primarily due to stagnant coal prices and negative sentiment toward energy commodities. The situation was further aggravated by geopolitical tensions arising from the Russia–Ukraine conflict, which disrupted global energy supply chains and negatively affected Indonesia as one of the largest coal exporters. Although several energy companies such as ADRO, PGAS, and PTBA provided temporary support to the sector, others—MEDC, INDY, and BYAN—exerted downward pressure on the index. The overall performance of the energy sector lagged behind the broader market, suggesting diminishing investor interest amid external uncertainties [9].

A related phenomenon is highlighted by Stockbit.com, which reported a substantial sectoral rotation from energy to consumer and property industries. Between 18 April and 19 May 2023, the IDXENERGY index recorded a significant decline of –12.4%, while the consumer non-cyclical, consumer cyclical, and property indices rose by 4.2%, 4.7%, and 5.8%, respectively. Despite strong fundamentals and solid profitability within the energy sector, stock performance remained vulnerable to price volatility in underlying commodities. The downturn in coal and oil prices was largely attributed to weak demand expectations from China, the world's largest importer, as the country experienced a slower-than-expected economic recovery. These developments underscore the sensitivity of energy sector valuations to global macroeconomic conditions, regardless of firms' internal financial performance.

Multiple internal factors influence firm value, including firm size, sales growth, and dividend policy. Firm size plays a pivotal role in determining valuation outcomes [10]. Larger firms generally have easier access to capital markets and tend to exhibit more stable operational performance. Firm size positively influences firm value, with larger asset bases signaling financial stability and attracting investor interest [11]. However, other studies provide contrasting findings, where firm size does not always translate into higher firm value, as small firms may also generate substantial profits [12]. Different study adds nuance by noting that firm size contributes to firm value only when assets are managed efficiently [13]. Similarly, sales growth has been identified as another determining factor. Certain research finds a positive association between sales growth and firm value [14], whereas different one finds no significant effect [15], suggesting that increases in sales do not necessarily contribute to profitability when operational costs rise disproportionately.

Dividend policy represents another important determinant of firm value. Dividend policy is a strategic decision regarding the proportion of earnings allocated to shareholders versus retained for future investment [5]. Liquidity constraints often influence dividend distribution because companies must maintain sufficient cash reserves to issue dividends. Higher dividend payouts can increase share prices by signaling financial strength, thereby enhancing firm value [16]. This finding aligns with study which demonstrate that dividend policy positively affects firm value by shaping investor perceptions [17]. Conversely, different study argue that dividend policy may have no significant effect when firms prioritize retained earnings for reinvestment in productive assets, which may contribute more effectively to long-term value creation [18]. Given these mixed empirical findings, the present study seeks to provide further evidence by examining the effects of sales growth, firm size, and dividend policy on firm value in energy companies listed on the Indonesia Stock Exchange between 2019 and 2023.

2. Research Method

2.1. Research Approach

This study employs a quantitative method that focuses on hypothesis testing by analyzing numerical data related to sales growth, dividend policy, firm size, and firm value, obtained from the official website of the Indonesia Stock Exchange and annual reports of energy-sector companies for the 2019–2023 period. The quantitative approach is used to statistically

examine the relationships among variables [19]. Based on its purpose, this research is categorized as descriptive because it illustrates phenomena as they are and observes independent variables without manipulation [19], with units of analysis consisting of groups of energy-sector companies listed on the Indonesia Stock Exchange.

This study also constitutes a causal investigation that examines cause–effect relationships among variables [19], where researcher involvement is minimal, given that only secondary data are utilized without any intervention. The research is conducted in non-contrived settings, or natural conditions without artificial manipulation, and uses cross-sectional and time-series data for the 2019–2023 period, analyzed through panel data regression techniques. The sampling method employed is non-probability sampling using a purposive sampling approach, which selects samples based on specific characteristics relevant to the research population.

2.2. Data Collection Methods

Data collection in this research employs secondary data obtained from audited and publicly disclosed annual reports of energy-sector companies, sourced from the official website of the Indonesia Stock Exchange (IDX) and the companies' official annual reports. The data collection techniques include:

a. documentation, which involves obtaining data from existing records—in this case, the financial statements and annual reports of energy-sector companies for the 2019–2023 period, as well as data retrieved from the IDX website; and

b. literature study, which involves gathering information from reference books, articles, journals, and previous research relevant to this study.

The data analysis technique used in this research is quantitative analysis supported by descriptive statistical methods to identify the influence of independent variables on the dependent variable. Hypothesis testing is conducted using 13 software to process and analyze the collected data. Panel data regression is applied because the dataset comprises a combination of cross-sectional data (various energy-sector companies) and time-series data (company data collected over the 2019–2023 period).

2.3. Research Location and Object

The population is defined as a generalization area consisting of a group of objects or subjects that possess similar characteristics and become the focus of research from which conclusions are drawn [19]. The population in this study comprises all energy-sector companies listed on the Indonesia Stock Exchange (IDX). The sample, in contrast, represents a smaller subset of the population that retains the essential characteristics of the larger group [19].

In this research, the sample must appropriately represent the characteristics of the population to ensure the validity of the findings. The sampling technique employed is non-probability sampling using a purposive sampling approach. Purposive sampling involves selecting samples based on predetermined criteria and eliminating those that do not meet these criteria [19]. The sample in this study consists of energy-sector companies listed on the IDX during the 2019–2023 period, selected according to the following criteria:

a. energy-sector companies listed on the IDX in 2019–2023;

b. energy-sector companies consistently listed on the IDX throughout 2019–2023; and

c. energy-sector companies listed on the IDX that did not consistently publish annual reports during 2019–2023.

Based on these criteria, the sampling process resulted in a total sample of 11 companies, producing 55 observations over the five-year period.

3. Result and Discussion

3.1. Descriptive Statistical Analysis Results

Based on the results presented in Table 1, the dependent variable firm value (PBV) shows a mean of 4.90, which is lower than the standard deviation of 5.85, indicating that the firm value data are heterogeneous or highly varied. The maximum PBV value is recorded at 19.75 for one of the energy-sector companies, while the minimum value is 0.01. For the dividend policy variable (DPR), the mean value of 0.084 is also lower than the standard deviation of 0.136, suggesting that the DPR data exhibit heterogeneity; the maximum DPR is 0.68, and the minimum is 0. Meanwhile, the firm size variable (LN Total Assets) has a mean of 27.63, which is higher than the standard deviation of 2.18, indicating that firm size data are relatively homogeneous or show low variability; the maximum value recorded is 29.84 and the minimum is 21.95. Lastly, the sales growth variable shows a mean value of 0.19, which is lower than the standard deviation of 0.55, demonstrating that the sales growth data are heterogeneous, with a maximum value of 3.07 and a minimum value of –0.78.

Table 1. Descriptive Statistical Analysis Results

	Sales Growth	DPR	LN Total Asset	PBV
Mean	0.194301377	0.084458456	27.635803460	4.900762232
Median	0.064458813	0.000000000	28.202135590	1.325670974
Standard Deviation	0.557542366	0.136242854	2.185261535	5.850640707
Kurtosis	12.521879680	5.907684478	1.401900396	0.080228800
Skewness	2.692115472	2.097584233	1.457950735	1.173788008
Minimum	0.784006203	0.000000000	21.955403360	0.014540211
Maximum	3.074710293	0.686577181	29.84424298	19.756436420

3.2. Multicollinearity Test

Based on the multicollinearity test results shown in the correlation matrix on Table 2, the correlation values among the independent variables are significantly low: the correlation between DPR and LN Assets is –0.002797, DPR and Sales Growth is 0.034826, and LN Assets and Sales Growth is –0.007536. Since all correlation values fall far below the 0.80 threshold that typically indicates the presence of multicollinearity, it can be concluded that no strong linear relationships exist among the independent variables. Therefore, the regression model used in this study is free from multicollinearity, and the independent variables—dividend policy, firm size, and sales growth—can each be interpreted regarding their contributions to the dependent variable without distortion caused by correlations among predictor variables.

Table 2. Multicollinearity Test Result

Variable	DPR	LNASSET	SALESGR
DPR	1.000000	-0.002797	0.034826
LNASSET	-0.002797	1.000000	-0.007536
SALESGR	0.034826	-0.007536	1.000000

3.3. Heteroskedasticity Test

Based on the results of the Glejser test as shown in the Table 3, the probability (Prob.) values for DPR, LN Assets, and Sales Growth are 0.9752, 0.2181, and 0.2586, respectively. Since all probability values exceed the 0.05 significance level, it can be concluded that no significant influence exists between the independent variables and the absolute residual values. Therefore, the regression model used in this study is free from heteroskedasticity and meets the assumption of homoskedasticity. This indicates that the distribution of residuals in the model is constant and that no variance inequality occurs across observations, thereby ensuring that the resulting estimation outcomes can be interpreted with greater accuracy and validity.

Table 3. Heteroskedasticity Test Result

Dependent Variable: ABS(RESID)
Method: Panel Least Squares
Date: 10/01/25 Time: 11:56
Sample: 2019 2023
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-8.256043	6.846590	-1.205682	0.2392
DPR	0.028377	0.029300	0.931394	0.9752
LNASSET	0.091689	0.069666	-1.253098	0.2217
SALESGROWTH	0.186178	0.161047	-1.156002	0.2686

Effects Specification
Cross-section fixed (dummy variables)

R-squared	0.571683	Mean dependent var	0.353778
Adjusted R-squared	0.423360	S.D. dependent var	0.349685
S.E. of regression	0.292385	Akaike info criterion	0.807405
Sum squared resid	2.568017	Schwarz criterion	1.187762
Log likelihood	6.522972	Hannan-Quinn criter.	0.957073
F-statistic	6.468977	Durbin-Watson stat	2.018811
Prob(F-statistic)	0.000462		

3.4. Chow Test Results

The probability value for the Cross-section F test, based on Table 4, is 0.0000, and the probability value for the Cross-section Chi-square test is also 0.0000. Since both probability values are smaller than the significance level of 0.05, the decision is to reject H_0 and accept H_1. Therefore, the most appropriate panel data regression model to be used is the Fixed Effect Model (FEM), rather than the Common Effect Model (CEM).

Table 4. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	15.884372	(6,25)	0.0000
Cross-section Chi-square	54.990761	6	0.0000

Cross-section fixed effects test equation
Dependent Variable: PBV
Method: Panel Least Squares
Date: 10/01/25 Time: 13:39
Sample: 2019 2023
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DPR	-5.471312	1.520671	-3.597598	0.0011
LNASSET	-0.139465	0.078227	-1.782095	0.0840
SALESGROWTH	-0.196006	0.082495	-2.376205	0.0231
C	5.875253	2.158147	2.722352	0.0105

R-squared	0.341800	Mean dependent var	1.268094
Adjusted R-squared	0.273180	S.D. dependent var	0.743891
S.E. of regression	0.633575	Akaike info criterion	2.028727
Sum squared resid	14.097970	Schwarz criterion	2.409084
Log likelihood	-29.502730	Hannan-Quinn criter.	2.178395
F-statistic	4.976307	Durbin-Watson stat	0.827497
Prob(F-statistic)	0.004294		

3.5. Hausman Test

The results of the Hausman test based on Table 5 show that the Chi-Square Statistic is 9.063326, with a probability (Prob.) value of 0.0285. Since the probability value is smaller than the significance level of 0.05, the decision is to reject H_0 and accept H_1. Thus, the most appropriate panel data regression model for this study is the Fixed Effect Model (FEM), rather than the Random Effect Model (REM).

Table 5. Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.063326	3	0.0285

Cross-section random effects test comparisons

Variable	Fixed	Random	Var(Diff.)	Prob.
DPR	2.797903	-0.033126	1.066637	0.0061
LNASSET	-1.177126	-0.206364	0.290754	0.0718
SALESGROWTH	0.508524	0.244425	0.015155	0.0319

Cross-section random effects test equation
Dependent Variable: PBV
Method: Panel Least Squares
Date: 10/01/25 Time: 13:48
Sample: 2019 2023
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	32.538330	15.133530	2.150002	0.0414
DPR	2.797903	1.997795	1.400530	0.1697
LNASSET	-1.177126	0.853497	-1.378925	0.1755
SALESGROWTH	0.508524	0.355975	1.428567	0.1617

Effects Specification

Cross-section fixed (dummy variables)			
R-squared	0.863224	Mean dependent var	1.268094
Adjusted R-squared	0.819355	S.D. dependent var	1.947052
S.E. of regression	0.833935	Akaike info criterion	2.520782
Sum squared resid	19.467710	Schwarz criterion	2.901139
Log likelihood	-36.111720	Hannan-Quinn criter.	2.670450
F-statistic	19.690670	Durbin-Watson stat	2.140312
Prob(F-statistic)	0.000000		

3.6. Determination Coefficient Test

Based on the estimation results of the fixed effect panel regression model, which can be seen on Table 6, the coefficient of determination (R^2) is 0.863224. This indicates that approximately 86.32% of the variation in firm value (PBV) can be explained by the independent variables in the model, namely dividend policy (DPR), firm size (LN Assets), and sales growth. In other words, the majority of changes in the firm value of energy sector companies during the 2019–2023 period can be accounted for by these three variables. Meanwhile, the remaining 13.68% is influenced by other factors outside the model, such as external factors including macroeconomic conditions, global energy prices, government policies related to energy transition, as well as internal factors such as profitability, leverage, or ownership structure.

Table 6. Test Results

R-squared	0.863224	Mean dependent var	1.268094
Adjusted R-squared	0.813985	S.D. dependent var	1.349736
S.E. of regression	0.582134	Akaike info criterion	1.990725
Sum squared resid	8.472008	Schwarz criterion	2.435110
Log likelihood	-24.837690	Hannan-Quinn criter.	2.144127
F-statistic	17.531180	Durbin-Watson stat	2.140312
Prob(F-statistic)	0.000000		

The Adjusted R^2 value of 0.813985 further demonstrates that, even after considering the number of independent variables and sample size, the explanatory power of the model remains high at 81.39%. This reinforces the validity of the model, indicating that the independent variables used contribute substantially to explaining variations in firm value.

3.7. F-Test

Based on the estimation results of the fixed effect panel regression model on Table 6, the F-statistic is 17.53118 with a probability value of 0.0000. Since the probability value is smaller than the significance level of 0.05, it can be concluded that H_0 is rejected and H_1 is accepted. This means that the independent variables used in this study—dividend policy (DPR), firm size (LN Assets), and sales growth—simultaneously have a significant effect on firm value (PBV) among energy sector companies listed on the Indonesia Stock Exchange for the 2019–2023 period.

3.8. t-Test

Based on the t-test results presented in the regression output on Table 6, the conclusions are as follows:

a. The probability value is 0.1737 with a coefficient value of 2.797903. Since the probability value is greater than the significance level of 0.05 (probability > 0.05), dividend policy does not have a significant partial effect on firm value in energy sector companies listed on the Indonesia Stock Exchange during 2019–2023. Thus, the amount of dividends distributed has not been able to provide a meaningful impact on increasing firm value.

b. The probability value is 0.0471 with a coefficient value of –1.177126. Since the probability value is smaller than the significance level of 0.05 (probability < 0.05), firm size has a significant partial effect on firm value. The negative coefficient indicates that larger firm size (measured by LN Assets) tends to reduce firm value in energy sector companies listed on the Indonesia Stock Exchange during the study period. This suggests that firms with larger assets are not always valued higher by the market, possibly due to high operational costs or inefficiencies in asset management.

c. The probability value is 0.1655 with a coefficient value of 0.508524. Since the probability value is greater than the significance level of 0.05 (probability > 0.05), sales growth does not have a significant partial effect on firm value. Although the positive coefficient indicates a tendency for increased sales to raise firm value, the statistical test indicates that this relationship is not sufficiently strong to be considered significant for energy sector companies during the study period.

3.9. Discussion

3.9.1. The Influence of Dividend Policy, Sales Growth, and Firm Size on Firm Value

The results of the F-test reveal that the model produces an F-statistic of 17.53118 with a probability value of 0.0000, indicating that dividend policy, sales growth, and firm size jointly exert a significant influence on firm value. Since the probability value is lower than the 0.05 significance threshold, it can be concluded that the three independent variables collectively affect the firm value of energy-sector companies listed on the Indonesia Stock Exchange during 2019–2023. This finding implies that the simultaneous interaction between dividend decisions, the ability to generate sales growth, and the scale of corporate assets contributes significantly to shaping investors' assessments of firm value within this industry context [20].

Furthermore, the regression model demonstrates strong explanatory power, as reflected by the coefficient of determination (R^2) of 0.863224, meaning that 86.32% of the variation in firm value can be accounted for by the three independent variables. This indicates that

most fluctuations in firm value are attributable to dividend policy, sales growth, and firm size, whereas the remaining 13.68% is influenced by external macroeconomic conditions, global energy price volatility, geopolitical dynamics, government policies on energy transition, as well as internal variables such as profitability, leverage, and ownership structure. The high explanatory strength of the model underscores that the chosen variables are relevant predictors of firm value in the energy sector [21].

These results align with Signaling Theory, which states that firms convey information to investors through key strategic decisions such as dividend payouts, sales stability, and asset accumulation. Collectively, these variables serve as comprehensive signals regarding profitability prospects, operational strength, and corporate resilience. Investors tend to respond more strongly to such integrated signals rather than isolated indicators, since a combination of consistent dividends, stable sales performance, and optimal asset size provides a more complete representation of firm fundamentals [3]. Therefore, even though not all variables may be significant individually, their simultaneous influence reflects a broader strategic narrative that affects investor perceptions and ultimately determines firm value in the energy industry.

3.9.2. The Influence of Dividend Policy on Firm Value

Based on the partial t-test results, the dividend policy variable (DPR) exhibits a coefficient of 2.797903 with a probability value of 0.1737, which exceeds the 0.05 significance level. This indicates that although dividend policy has a positive coefficient, it does not significantly influence firm value among energy-sector companies listed on the Indonesia Stock Exchange during 2019–2023. Thus, the amount of dividends distributed is not considered a primary determinant for investors in evaluating firm value within this particular industry context. The lack of statistical significance suggests that dividend decisions do not offer strong predictive information regarding the firm's future performance or market valuation [20].

This finding is consistent with study which examined manufacturing firms in Indonesia and found that dividend policy does not significantly affect firm value [22]. Similarly, another study reported that the dividend payout ratio does not exert a meaningful influence on firm value, reinforcing the idea that dividends may not always serve as a credible signal to the market [23]. In the context of the energy sector, the results of this study further strengthen the premise that dividend payments are not interpreted as a clear indicator of long-term profitability or corporate strength, possibly due to the volatile and risk-prone nature of the industry.

From the perspective of Signaling Theory, the insignificance of dividend policy suggests that investors do not consider dividends a sufficiently strong or credible signal of future performance in the energy sector. Instead, investors appear to prioritize other indicators that more accurately reflect the fundamental condition of energy companies, such as fluctuations in global commodity prices, operational efficiency, and the firm's ability to generate sustainable profits [3]. Consequently, signals transmitted through dividend distribution fail to materially affect firm value, as market participants rely more heavily on macroeconomic and sector-specific performance indicators when forming valuation judgments in this industry.

3.9.3. The Influence of Sales Growth on Firm Value

The partial t-test shows that the sales growth variable has a regression coefficient of 0.508524 and a probability value of 0.1655, which is higher than the 0.05 significance level. This result indicates that while sales growth has a positive coefficient, it does not significantly affect firm value among energy-sector companies listed on the Indonesia Stock Exchange from 2019 to 2023. This suggests that an increase in sales does not automatically translate into a higher firm value, likely because sales volume alone does not reflect profitability, risk exposure, or long-term operational efficiency within the energy industry [20].

These findings are in line with study which observed that sales growth did not have a significant impact on firm value in the food and beverage subsector [24]. Similarly, the work of different study reinforces the conclusion that sales growth does not significantly influence firm value, implying that the market may discount sales increases that are not supported by profitability or operational improvements [25]. This emphasizes that mere expansion in sales figures is insufficient to shape investor perceptions in industries where price volatility and cost structures play dominant roles.

When viewed through the lens of Signaling Theory, the insignificance of sales growth indicates that the market does not perceive sales increases as a strong or reliable signal of future performance in the energy sector. Investors may be more attentive to factors such as cost efficiency, margin stability, and asset productivity, which more accurately reflect long-term financial sustainability. Thus, the growth in sales volume fails to function as a credible signal of improved firm performance, especially in a sector that is heavily influenced by external shocks and fluctuating commodity prices [3].

3.9.4. The Influence of Firm Size Variable (LN Asset) on Firm Value

The results of the partial t-test reveal that the firm size variable (LN Asset) has a regression coefficient of –

1.177126 with a probability value of 0.0471, indicating a significant influence on firm value at the 0.05 significance level. Interestingly, the negative coefficient suggests that larger firm size is associated with lower firm value in the energy sector. This implies that companies with larger asset bases do not necessarily receive higher market valuations, likely due to higher operating costs, inefficiencies in resource utilization, or challenges in managing large-scale assets effectively [20].

This outcome is consistent with the findings of certain study which reported that firm size negatively influences firm value because investors prioritize the efficiency of asset utilization over the sheer scale of assets [26]. Similarly, different study found that in the mining industry, larger firm size does not always correlate with higher market value [27]. These studies collectively demonstrate that investors may be skeptical of firms with extensive asset holdings if such assets do not generate proportional returns or efficiency gains.

Theoretically, these findings correspond with Signaling Theory, which posits that investors react more favorably to signals reflecting efficiency and profitability rather than size alone. In the energy sector, possessing a large asset base may even be considered a burden if it is not accompanied by strong operational performance, productivity, and cost management. Thus, the research emphasizes that firm size does not inherently create value; instead, market participants place greater importance on how effectively firms utilize their assets to generate returns [28]. Effective asset management, therefore, becomes a stronger determinant of firm value than merely the magnitude of assets owned [29].

4. Conclusion

The descriptive statistical analysis shows that firm value (PBV), dividend policy (DPR), and sales growth exhibit heterogeneous distributions, marked by substantial variability across energy companies, while firm size (Ln Total Assets) is relatively homogeneous within the sector. The study further finds that dividend policy, firm size, and sales growth jointly have a significant effect on firm value, indicating that these variables collectively form a meaningful signal influencing investor perception. However, partial tests reveal that dividend policy and sales growth do not significantly affect firm value, as dividend distributions are inconsistent due to long-term capital needs and sales growth does not necessarily translate into higher profitability amid volatile energy prices. In contrast, firm size shows a significant negative effect on firm value, suggesting that larger asset bases may indicate inefficiencies and higher operational costs, which transmit negative signals to investors in the energy sector during the 2019–2023 period.

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