

ABSTRACT

This study aims to analyze the effect of capital structure, profitability, and dividend policy on firm value with external audit as a moderating variable in property, real estate, and construction companies listed on the Indonesia Stock Exchange during the 2019–2024 period. This research is motivated by the highly dynamic nature of the property sector, which is capital intensive, sensitive to macroeconomic conditions, and significantly affected by the COVID-19 pandemic and the post-pandemic economic recovery period.

This study employed a quantitative approach using Structural Equation Modeling based on Partial Least Squares (SEM-PLS). The sample consisted of 46 companies with a total of 254 panel data observations selected through purposive sampling. The variables examined include capital structure proxied by Debt to Equity Ratio (DER), profitability proxied by Return on Assets (ROA) and Return on Equity (ROE), dividend policy proxied by Dividend Payout Ratio (DPR) and Dividend Yield (DY), external audit proxied by Big Four and non-Big Four audit firms, and firm value proxied by Price to Book Value (PBV) and Tobin's Q.

The results show that profitability has a positive and significant effect on firm value. Meanwhile, capital structure and dividend policy do not significantly affect firm value. Furthermore, external audit is unable to moderate the relationship between capital structure, profitability, and dividend policy on firm value. In addition, the research model demonstrates good predictive relevance with a Q^2 value of 0.452 and an R^2 value of 0.327, indicating that the independent variables explain 32.7% of the variation in firm value.

This study concludes that firm value in the property, real estate, and construction sectors is more influenced by the company's ability to generate profits than by financing decisions or dividend distribution policies. These findings indicate that investors tend to place greater emphasis on the company's fundamental performance in making investment decisions, particularly during periods of economic uncertainty.

Keywords: Capital Structure, Profitability, Dividend Policy, External Audit, Firm Value, SEM-PLS.