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Prediction of Stock Prices of IDX30-Indexed Companies using Dividend Policy, Profitability, and Firm Size

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ABSTRACT

This research aims to determine the influence of Dividend Policy, Profitability, and Firm Size in Predicting Stock Prices of IDX30-indexed companies simultaneously & partially. The data was obtained from the company's financial reports listed on the Indonesia Stock Exchange. The method used is a quantitative method. The sample was determined using a purposive sampling method on IDX30-indexed companies for the period 2018 to 2023. Based on this sampling, 16 companies were obtained as samples. The research findings show that Dividend Policy, Profitability, and Firm Size simultaneously influence Predicting Stock Prices, Dividend policy partially has no influence in predicting stock prices, while partially, both Profitability and Firm Size have an influence in Predicting Stock Prices.

Keywords : Stock Price; Dividend Policy; Probability; Firm Size; IDX30

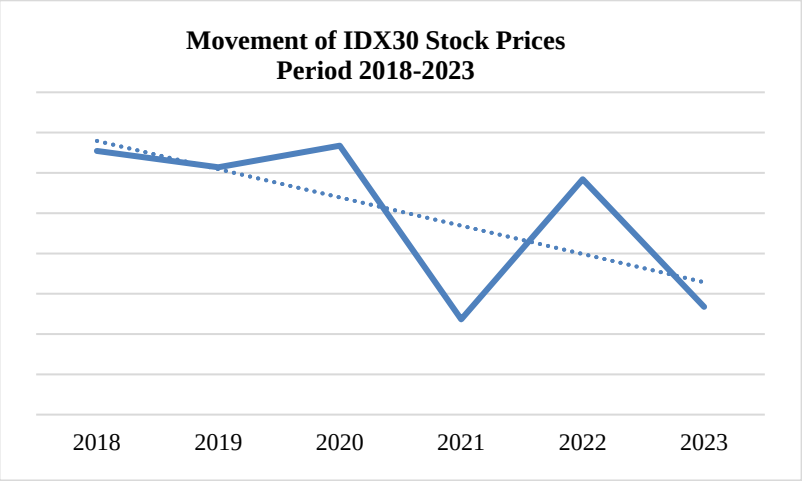
ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh Kebijakan Dividen, Profitabilitas, dan Ukuran Perusahaan dalam Memprediksi Harga Saham pada perusahaan yang terdaftar di IDX30 secara simultan dan parsial. Data diperoleh dari laporan keuangan perusahaan yang terdaftar di Bursa Efek Indonesia. Metode yang digunakan adalah metode kuantitatif. Sampel ditentukan dengan menggunakan metode purposive sampling pada perusahaan yang terdaftar di IDX30 periode 2018 sampai dengan 2023. Berdasarkan pengambilan sampel tersebut, diperoleh 16 perusahaan sebagai sampel. Temuan penelitian menunjukkan bahwa Kebijakan Dividen, Profitabilitas, dan Ukuran Perusahaan secara simultan berpengaruh dalam Memprediksi Harga Saham, Kebijakan Dividen secara parsial tidak memiliki pengaruh dalam Memprediksi Harga Saham, sedangkan secara parsial baik Profitabilitas maupun Ukuran Perusahaan memiliki pengaruh dalam Memprediksi Harga Saham.

Kata Kunci **:** ***Harga Saham; Kebijakan Dividen; Profitabilitas; Firm Size; IDX30***

INTRODUCTION

The existence of the capital market contributes to the growth of businesses in Indonesia. Capital markets are mechanisms that connect investors with individuals who have funds to groups that need funds, such as governments and companies. One way to determine investment goals is by looking at market indices. The market index is an indicator that displays the fluctuations in stock prices over time. The market index serves as an indicator of market trends, depicting market conditions and providing information about stock movements, whether they are experiencing an upward, downward, or stable trend. A good market index tends to have a rising or increasing market trend, as it indicates strong and positive performance of the stocks within that market index, which can encourage an increase in stock prices. The IDX30 index is a market index in Indonesia that is overseen by the Indonesia Stock Exchange (IDX). The IDX30 index tracks the performance of 30 stocks with strong company fundamentals, high liquidity, and large market capitalization (idx.co.id, 2024). The movement of IDX30 stock prices from 2018 to 2023 is presented in the following chart.



Source: Data Processed, 2024

Figure 1. Movement of IDX30 Stock Prices Period 2018-2023

In Figure 1 the trend of stock price movements from 2018 to 2023 shows a downward trend year by year. Based on this, the company needs to maintain the stability of its stock price because ideally, a good stock price should have a trend that tends to rise or increase. The decline of the IDX30 stock index has caught the attention of many parties. Stock market volatility, characterized by fluctuations in stock prices over a given period, is a phenomenon influenced by various factors, including economic indicators, geopolitical events, and market sentiment (Baker, 2024). This phenomenon is influenced by various global and domestic economic factors, such as the Federal Reserve's tight monetary policy, capital outflows, global economic uncertainty, supply chain disruptions, spikes in energy and food prices, and the slowdown of the Chinese economy. These factors are causing selling pressure in the stock market, a decline in demand for export products, and a deterioration in the performance of companies listed on IDX30. Domestic factors such as the weakening of the rupiah exchange rate, suboptimal financial performance of issuers, and less supportive government policies are contributing to this situation. These factors are driving both foreign and local investors to sell their shares, resulting in a decline in the IDX30 stock prices. The decline in the stock prices of the IDX30 index is a complex phenomenon influenced by various global and domestic factors.

Therefore, investors need to pay attention to global and domestic economic developments as well as the financial performance of companies listed on IDX30 before making investment decisions. To observe the financial performance of a company, one can conduct a fundamental analysis of the companies listed in IDX30 to understand their intrinsic value. The phenomenon in this study is the decline in stock prices. The three variables in this study are Dividend Policy, Profitability, and Firm Size, which are used to prediction stock prices. The dividend policy is a decision made by the company regarding the distribution of profits to investors and retained earnings (Darmawan, 2018). The announcement of a dividend increase will have a positive impact on the market, which means that the share price will rise and vice versa (Amelia & Margie, 2023). According to Kasmir, profitability refers to a company's ability to generate profit (Kasmir, 2019). According to Brigham & Houston, the size of a company can be measured through total revenue, total assets, and total equity of the company (Brigham & Houston, 2019). Investors need to understand the variables that can influence stock prices in order to make informed investment decisions.

The relationships among the variables mentioned above have been studied by several previous researchers; however, the connections between these variables are inconsistent and there are still some gaps. The variable dividend policy in the research conducted by (Fitri & Serli, 2023) indicates that dividend policy has a positive effect on stock prices. Meanwhile, the research conducted by (Dewi & Sunarto, 2024) and (Sugianto & Istanti, 2024) states that dividend policy does not have an effect on stock prices. The profitability variable in the research conducted by (Sara et al., 2023) and (Misnawati & Prananingrum, 2023) indicates that profitability has a positive effect on stock prices. Meanwhile, the research conducted by (Choiriyah et al., 2021), (Pangaribuan et al., 2022), (Natalia & Akbar, 2024) and (Sari & Trisnawati, 2022) states that profitability does not affect stock prices. Then, the Firm Size variable in the research conducted by (Pamungkas et al., 2024) and (Pradanimas & Sucipto, 2022) indicates that firm size affects stock prices. Conversely, the research conducted by (Amelia & Margie, 2023) states that firm size does not affect stock prices.

Based on the background outlined above and the existing research gap from previous studies, the author is interested in re-examining by combining dividend policy, profitability, and firm size for further investigation. Therefore, the author undertakes research titled "Prediction of Stock Prices of IDX30 Indexed Companies Using Dividend Policy, Profitability, and Firm Size." The novelty of this research is in the combination of independent variables that are still rarely researched and a more updated research period. This research period starts from the period 2018 to 2023.

RESEARCH METHOD

This study use a quantitative research, the data that is the subject of this study consists of quantitative data on Dividend Policy, Profitability, Firm Size, and Stock Prices of companies indexed in IDX30 for the period 2018-2023. Quantitative research emphasizes theory testing through measuring research variables with numbers and analyzing data with statistical procedures. Quantitative research aims to describe the problem statement in detail, thus showing the need for an explanation of the relationship between the variables involved in the research (A.Siroj et al., 2024). In obtaining data and information for this study, the authors collected secondary data. Secondary data is data obtained from observing the financial statements of companies indexed in IDX30 for the period 2018-2023.

The grand theory used in this research is Signal Theory. Spence is known for the development of signal theory, which states that there is unreliable information in the labor market, in his study from 1973 titled "Job Market Signaling." To enhance the effectiveness of decision-making, Spence developed signaling criteria. Brigham & Houston define signals as activities undertaken by businesses to inform investors about their prospects (Brigham & Houston, 2019). This includes details about the actions taken by management to fulfill the owner's requests. Information for stock market investors may be encouraged to be provided by well-performing companies. Investors should consider whether this information is a good (positive) signal or a bad (negative) signal before investing.

Stock prices change over time in a typical time series, and the theoretical basis for technical analysis of stock market forecasting is the assumption that history repeats itself (Zhao et al., 2023). Stock prices are determined by the interaction between supply and demand in the capital market. According to Jogiyanto, stock prices reflect the value formed in the stock market at a specific time and are influenced by the decisions of market participants (Jogiyanto, 2018). This research uses the closing price of stocks as a reference. The closing price used at the end of the relevant year reflects the company's performance and provides more accurate information when trading is completed.

Dividend policy refers to the decision made by a company to distribute a portion of its profits to its shareholders as dividends (Azab et al., 2023). Darmawan states that financial management uses dividend policy as a tool to decide how much profit should be distributed to investors (Dr. Darmawan M.AB, 2018). The Dividend Payout Ratio serves as an indicator of dividend policy in this research. The Dividend Payout Ratio (DPR) is a ratio that is useful in calculating how much will be distributed to investors in the form of dividends based on net income after tax presented. Investors gain profits if the DPR price is high, while losses occur if the DPR value is low or minimal. Calculated using the following formula 1.

$$\boldsymbol{DPR} = (\boldsymbol{Dividend\ Per\ Share}\ (\boldsymbol{DPS}))/(\boldsymbol{Earnings\ Per\ Share}\ (\boldsymbol{EPS})) \qquad (\mathbf{1})$$

As explained by Hery, the profitability ratio is an indicator that measures a company's capacity to generate profit (Hery, 2018). In this analysis, the company's capacity to generate profit is determined by Return on Assets (ROA). The reason for using ROA is that it measures how well a business operates in general in terms of generating profit from all its assets. It is calculated using the following formula 2.

$$\boldsymbol{ROA} = (\boldsymbol{Net\ Income})/(\boldsymbol{Total\ Asset}) \qquad (\mathbf{2})$$

Companies that have large total assets are considered to have good prospects in a relatively stable period of time and are able to generate profits compared to companies that have small total assets (Meiryani et al., 2020). Brigham & Houston argue that Firm Size can be categorized based on total revenue, total assets, and total equity (Brigham & Houston, 2019). The natural logarithm (LN) of the company's total assets is used in this study to estimate the size of the company. A company with high total assets indicates that it has matured, as seen from its strong cash flow and good long-term prospects. In addition, large companies are considered superior in managing business and producing high-quality financial reports. Calculated using the following Formula 3.

$$\boldsymbol{Firm\ size} = \boldsymbol{LN}\ (\boldsymbol{Total\ Assets}) \qquad (\mathbf{3})$$

This research aims to identify and test the hypothesis that the stock prices of companies listed on IDX30 can be predicted by dividend policy, profitability, and firm size. Hypothesis one (H1) in this study is that Dividend Policy, Profitability, and Firm Size are suspected to have a simultaneous effect on Stock Prices of companies indexed in IDX30 during the period of 2018-2023. Then hypothesis two (H2) is that the Dividend Policy is suspected to have a partial effect on Stock Prices of companies indexed in IDX30 during the period of 2018-2023. Then hypothesis three (H3) is that Profitability is suspected to have a partial effect on Stock Prices of companies indexed in IDX30 during the period of 2018-2023. And hypothesis four (H4) is that Firm Size is suspected to have a partial effect on Stock Prices of companies indexed in IDX30 during the period of 2018-2023.

According to Sugiyono, research procedures are scientific techniques that are helpful in gathering reliable data in order to find, develop, and validate certain information (Sugiyono, 2019). This research uses descriptive and verification methods. Descriptive analysis, according to Sugiyono, is a statistical technique that involves determining the minimum, maximum, average (mean), and standard deviation of data in order to describe it as it has been collected without trying to draw any broad conclusions or generalizations (Sugiyono, 2019). The descriptive method is used to describe the Dividend Policy, Profitability, Company Size, and Stock Price variables of companies listed on IDX30 during the period 2018 to 2023. Verification analysis in Sugiyono definition, is research that empirically tests a theory, aims to generate new scientific knowledge, and concludes whether or not to accept a hypothesis that is used to ascertain the relationship (cause and effect) between two or more variables (Sugiyono, 2019). The verification method of this study aims to determine the effect of Dividend Policy, Profitability, and Firm Size in predicting the Stock Price of companies listed on IDX30 during the period 2018 to 2023.

The population in this study consisted of 55 companies, and to determine the sample in this study purposive sampling technique was used, namely by setting certain criteria. Based on the sample selection criteria that have been determined, 16 companies out of 55 companies listed on IDX30 that meet these criteria are obtained. The samples of this research are PT Bank Central Asia Tbk, PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk, PT Bank Republik Indonesia (Persero) Tbk, PT Aneka Tambang Tbk, PT Indah Kiat Pulp & Paper Tbk, PT Semen Indonesia Tbk, PT. United Tractor Tbk, PT Kalbe Farma Tbk, PT Charoen Pokphand Indonesia Tbk, PT Indofood CBP Sukses Makmur Tbk, PT Adaro Energy Tbk, PT Bukit Asam Tbk, PT Unilever Indonesia Tbk, and PT Telkom Indonesia Tbk.

Regression is a statistical analysis that shows the relationship between one dependent variable and one or more independent variables. In its development, regression analysis can not only be observed at one time but can be observed over several time periods, known as panel data regression (Madany et al., 2022). The data analysis technique used in this research is panel data regression. The selection of panel data is based on the use of time series data and involves several companies. Time series data was chosen because this study covers a period of 6 years, namely from 2018 to 2023. Meanwhile, cross-sectional data is used because this study involves data from 16 companies in IDX30. In this study, Microsoft Excel and Eviews 12 software were used as tools for data processing. Furthermore, the use of cross-section because the research data was taken from 16 companies indexed by IDX30. The following is the panel data model in Formula 4.

$$\boldsymbol{Yit = \alpha + \beta 1X1it + \beta 2X2it + \ldots + \beta nXnit + eit} \qquad (\mathbf{4})$$

Based on Formula 4, Yit is the value of the variable that we want to predict in the i-th company in the t-th period. α is a constant, which is the basic value of Yit when all independent variables are zero. β1 and β2 are coefficients that show how much influence the change in the independent variable (X1it) has on the change in the dependent variable (Yit). X1it is the value of the first independent variable in the i-th company in the t-th period. i indicates the i-th company (the first company, the second, and so on until the 16th company). t indicates the t-th time period (for example, the first year, the second year, and so on).

The tests carried out are model selection test, classical assumption test, and hypothesis testing. The tests carried out are model selection test, classical assumption test, and hypothesis testing. Model selection test is the process of selecting the statistical model that best fits the data. Model selection testing is the process of selecting the statistical model that best fits the data. The model consists of 3 models, namely the Common Effect Model (CEM), Fixed Effect Model (FEM) and Random Effect Model (REM). The Chow test is used to compare the CEM & FEM models. The Hausman test is used to compare the REM & FEM models and the LM test compares the CEM & REM models.

The classical assumption test is a series of tests carried out to ensure that the data used meets the basic assumptions in regression analysis. The classic assumption test is a series of tests carried out to ensure that the data used meets the basic assumptions in regression analysis. If the model chosen is CEM or FEM, the classical assumption tests carried out are Heteroscedasticity Test and Multicollinearity Test. Meanwhile, if the selected model is REM, the classical assumption tests carried out are Normality Test and Multicollinearity Test (Basuki, 2019).

Hypothesis testing is a statistical procedure to decide whether to accept or reject the proposed hypothesis. Hypothesis testing is a statistical procedure to decide whether to accept or reject a proposed hypothesis. If the probability value < 0.05, the proposed hypothesis is accepted, but if the probability value > 0.05, the proposed hypothesis is rejected.

RESULTS AND DISCUSSION

Results

Descriptive Statistical Analysis

A total of 96 observation data were obtained for each variable from 16 companies participating in this study between the years 2018 and 2023. The descriptive analysis of this research takes into account the standard deviation, mean, median, as well as the lowest and highest values. The results of the descriptive analysis are presented in Table 1 as follows.

Table 1. Result of Descriptive Statistical Analysis

Description	HS	DPR	ROA	FS
Mean	6807,969	53,45552	9,831563	32,35323
Maximum	27350,00	100,00000	46,30000	35,32000
Minimum	765,0000	2,000000	0,500000	29,50000
Standar Deviasi	5424,679	25,17217	8,838192	1,649643

Source: Data Processed, 2024

Panel Data Regression Model Selection Test

The three panel data regression models used are the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The model that best fits the research objectives will be selected from the three estimated models. The test results are presented in the following Table 2.

Table 2. Results of the Panel Data Regression Model Selection

Model Selection Test	Model Estimation	Selected Model
Chow Test	CEM & FEM	FEM
Hausman Test	FEM & REM	REM
LM Test	CEM & REM	REM
Selected Model		REM

Source: Data Processed, 2024

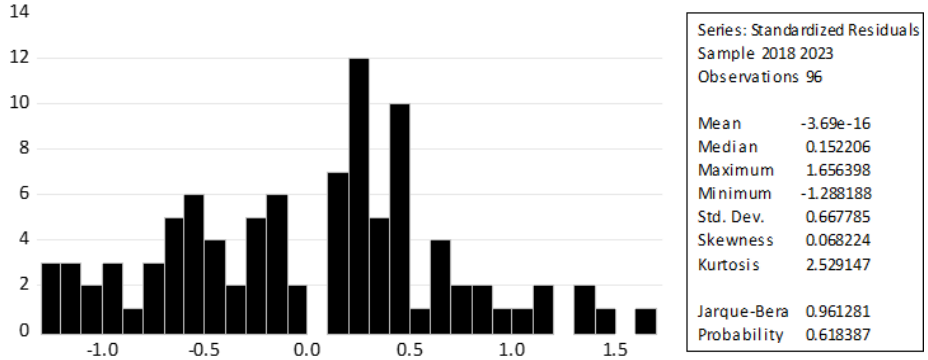
Verificative Statistical Analysis

Classical Assumption Test

Normality test, heteroscedasticity, autocorrelation, and multicollinearity are four components of the classical assumption test. One advantage of the Random Effects Model (REM) the classical assumption tests used are the multicollinearity test and the normality test (Basuki, 2019).

Normality Test

The normality test is necessary to identify whether the data in the regression model follows a normal distribution or not (Ghozali, 2018). The output results of the Normality Test are presented in Figure 2 as follows.



Source: Data processed, 2024

Figure 2. Results of Normality Test

Based on Figure 2, it can be concluded that one of the requirements for the classical assumption test of Generalized Least Squares (GLS) is met. In the Normality Test, the results showed that the Jarque-Bera probability value obtained was 0.618387 > α. (0,05). It can be concluded that the research data set is normally distributed.

Multicollinearity Test

The Multicollinearity Test is used by the author to ensure the relationship between independent variables. The output results of the Multicollinearity Test are reflected in Table 3 as follows.

Table 3. Results of the Multicollinearity Test

Variables	Prices Stocks	Dividend Policy	Profitability	*Firm Size*
Prices Stocks	1,0000	-0,2997	0,0246	0,3408
Dividend Policy	-0,2997	1,0000	0,3213	-0,0856
Profitability	0,0246	0,3213	1,000	-0,6021
Firm Size	0,3408	-0,0856	-0,6021	1,0000

Source: Data Processed, 2024

In Table 3, it can be seen that there is no relationship or values less than 0.80, meaning there is no significant correlation between one independent variable and another, which indicates that the data used in this study does not experience multicollinearity issues.

Hypothesis Test

F-Test

Testing the simultaneous influence of independent variables on the dependent variable is one of the steps in the F statistical test process. The Table 4 presents the output results of the F-Test

Table 4. Results of the F-Test

Description	Value
R-squared	0.289775
Adjusted R-squared	0.266616
S.E of regression	0.213933
F-statistic	12.51214
Prob(F-statistic)	0.000001

Source: Data Processed, 2024

In Table 4, it can be seen that the F-statistic probability value is 0.000001, which is smaller than the α value (0.000001 < 0.05). This indicates a rejection of H0 and an acceptance of H1, which means that the dependent variable (stock price) is simultaneously influenced by the independent variables (dividend policy, profitability, dan firm size). The model's ability to explain the variance of the dependent variable is measured through the coefficient of determination (R^2), with a value range between 0 and 1. An adjusted R-square of 0.266616 indicates that the independent variables can only explain 26.6% of the variation in the dependent variable, while the remaining 73.4% is influenced by other variables not included in the model.

T-Test

The effect of each independent variable on the dependent variable is tested partially through the T-Test. The results of the T-Test are shown in Table 5.

Table 5. Results of T-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.421189	2.119841	1.613889	0.1100
Kebijakan Dividen	-0.002299	0.001564	-1.469764	0.1450
Profitabilitas	0.264168	0.044579	5.925860	0.0000
Firm Size	0.147306	0.065122	2.261995	0.0261

Source: Data Processed, 2024

The T-Test findings for each independent variable in relation to the dependent variable are analyzed based on Table 5. With a probability of 0.1450 and a coefficient of -0.002299, the Dividend Policy variable produces a t-statistic of -1.469764. Since the probability value (0.1450) is greater than the significance level (0.05), H0 is accepted and H2 is rejected, indicating that the Dividend Policy variable (DPR) does not have a significant effect on stock price predictions.

On the other hand, for the Profitability variable, the probability value of 0.0000 and a coefficient of 0.0264168 yield a t-statistic of 5.925860. With a probability much smaller than the significance level (0.0000 < 0.05), H0 is rejected and H3 is accepted, indicating that the profitability variable (ROA) has a significant effect in predicting stock prices.

For the variable Firm Size, the obtained t-statistic is 2.261995 with a probability of 0.0261 and a coefficient of 0.147306. Since this probability is less than the α value (0.0261 < 0.05), H0 is rejected and H4 is accepted, indicating that the Firm Size variable has a significant effect in predicting stock prices.

Discussion

The Influence of Dividend Policy, Profitability, and Firm Size on Stock Prices Simultaneously

Based on the F-test results from the Eviews 12 application output, the Prob(F-statistic) value obtained is 0.00, which is below the significance level of 0.05. Thus, it can be stated that the alternative hypothesis (H1), which asserts that stock prices are simultaneously influenced by dividend policy, profitability, and firm size, can be accepted. In this test, the author conducted a simultaneous hypothesis test of three internal company variables, namely Dividend Policy, Profitability, and Firm Size in predicting Stock Prices. These three variables are fundamental factors for the company and can influence stock price movements. When a company's internal conditions are good, reflected in optimal dividend policies, high profitability, and an ideal company size, the company has the potential to gain profits and trust from stakeholders, including investors. This situation can lead to an increase in the company's stock price, where a higher stock price can reflect a strong company value.

The results of this study confirm the findings from the research conducted by (Mendrofa & Maharani, 2022) which indicates that dividend policy, profitability, and firm size simultaneously have an influence in predicting stock prices.

The Influence of Dividend Policy on Stock Prices Partially

The analysis results show that the Dividend Policy variable has a probability value of 0.1450 and a coefficient of -0.00 as displayed in Table 5 from the t-test conducted using Eviews 12 software. With a significance level of 5% (0.05), the data indicates that the probability value (p 0.14 > α 0.05) is greater than the significance level, thus the hypothesis

stating that Dividend Policy does not affect IDX30 Stock Prices or H2 cannot be accepted. This means that there is no significant relationship between Dividend Policy and stock prices, so H0 is accepted.

The dividend policy based on the Dividend Payout Ratio (DPR) seems to have no significant impact on the stock prices of IDX30. This result is in line with the Dividend Irrelevance Theory, which states that rational investors focus more on total return (dividends + capital gains) rather than just dividends. Investors also consider the company's retained earnings, which can be reinvested for growth and to increase stock prices in the future. Other factors such as investor preferences and economic conditions can also influence investors' perceptions of dividend policies. Different investor preferences related to their needs and investment goals can lead to varying interpretations of dividend policies. A positive macroeconomic condition can enhance investor optimism and risk tolerance, which in turn positively affects stock prices, and vice versa.

The results of this study are consistent with the research conducted by (Rachman & Wahyudi, 2023), (Dewi & Sunarto, 2024), and (Sugianto & Istanti, 2024). Thus, the non-ideal dividend policy has led to a decrease in investor interest in stocks, which triggered a decline in the IDX30 stock prices from 2018 to 2023.

The Influence of Profitability on Stock Prices Partially

The profitability variable measured by Return on Assets (ROA) has been tested using a T-Test with the assistance of Eviews 12 software. The analysis results show a probability of 0.00 and a coefficient of 0.26. Based on the test with a significance level of 5% (0.05), profitability has an impact on the IDX30 stock price, as the probability value is smaller than the significance level (p 0.00 < α 0.05). In other words, profitability can predict stock prices.

This finding shows that a high ROA impacts the company's profitability, indicating that higher profitability reflects better company performance. A company's good performance can enhance its appeal to investors, which in turn can drive up stock prices. The increase in stock prices has the potential to enhance shareholder wealth and attract new investors. This research aligns with the findings of studies by (Mengga, 2023), (Lubis et al., 2024) and (Misnawati & Prananingrum, 2023) which indicate that profitability has a significant impact on stock prices. Therefore, it can be concluded that higher profitability will positively affect stock prices, which in turn impacts the prosperity of IDX30 shareholders during the period of 2018-2023.

The Influence of Firm Size on Stock Prices Partially

The firm size variable obtained a probability value of 0.02 and a coefficient value of 0.14, based on the t-test results conducted using Eviews 12. Based on the analysis with a significance level of 5% (0.05), it can be stated that firm size has an influence in predicting IDX30 stock prices, which means H4 is accepted because the probability value is smaller than the significance value (p 0.02 < α 0.05). In other words, there is a partial relationship between Firm Size and predicting Stock Prices.

If a stock can survive in the capital market and its value increases in the eyes of investors, a company with a large amount of assets is considered to have a promising future and the ability to reward its shareholders. Stock prices tend to rise along with the growth of the company's size, measured by its total assets. A large firm size indicates positive development, which will trigger a positive response from investors and ultimately increase the company's value. The larger the scale of the company, the more prosperous

and financially successful it becomes. As a consequence, stock prices will rise because investors are more interested and confident in investing their funds by purchasing shares of the company.

The results of this study confirm the research conducted (Pradanimas & Sucipto, 2022), and (Pamungkas et al., 2024) which states that stock prices can be predicted by firm size. Larger companies tend to have broader access to various funding sources, so firm size can influence the stock prices of IDX30.

CONCLUSION

This research aims to assess the impact of Dividend Policy, Profitability, and Firm Size on companies listed in IDX30 on the Indonesia Stock Exchange (BEI) during the period of 2018-2023. The findings from the panel data regression analysis indicate that: In the results of the study conducted simultaneously, Dividend Policy, Profitability, and Firm Size have an impact on predicting the Stock Prices of companies indexed in IDX30 for the period of 2018-2023. In the partial results of the study, Dividend Policy does not have an effect on predicting the Stock Prices of companies indexed in IDX30 for the period 2018-2023. In the partial results of the study, Profitability has an effect on predicting the Stock Prices of companies indexed in IDX30 for the period 2018-2023. In the partial results of the study, Firm Size has an effect on predicting the Stock Prices of companies indexed in IDX30 for the period 2018-2023.

RECOMMENDATION

The recommendation is for future researchers to include additional variable such as value ratio, activity ratio and growth ratio, as this would refer to the coefficient of determination to account for the 73.4% influence of other variables not examined in this research. So that it can produce research that is more accurate, more presentative, and adds new knowledge about the measurements that influence the stock price of a company. For companies, it is advisable to enhance profitability so that the profitability value remains high, as this research indicates that profitability has the greatest influence compared to other variables on stock prices. In addition, the company needs to implement an effective dividend policy by maintaining the dividend payout ratio (DPR) at a moderate level. For investors, when assessing investment opportunities in companies listed on IDX30, a thorough analysis of the company's fundamental factors is necessary. In this case, profitability and firm size have been shown to have a significant impact on the stock prices of companies listed on IDX30.

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