

The Effect of Intangible Assets on The Financial Performance, Financial Policy and Corporate Value of LQ 45 Companies Listed on The IDX in 2018-2022

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ABSTRACT

This research was written with the aim to determine the effect of intangible assets on financial performance, financial policies, and firm value with assets size and leverage as control variables for LQ 45 companies in the period of 2018-2022. This type of research is a causal study that is based on cause and effect. The type of data used in this research is quantitative data in the form of intangible assets, assets size, leverage, financial performance, financial policies, and firm value. The data source for this research is the financial statements of companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2022, for a period of 5 years. The population in this research is LQ 45 companies listed on the IDX. The sample in this research is 18 companies multiplied. The sampling technique used in this study is non-probability sampling. The results of this research show that intangible assets have a positive effect on financial performance, financial policies, and firm value.

Keywords: Intangible Assets, Assets Size, Leverage, Financial Performance, Financial Policies, and Firm Value.

INTRODUCTION

The goals to be achieved by each company vary, but basically it is to get maximum profit. This advantage is one of the indicators in evaluating company performance (Suryandari et al., 2021). Financial performance reflects a company's financial condition over a given period, which may change over time including accumulated funds and is measured through liquidity, profitability, and capital adequacy (Jumingan, 2014). Company conditions reflected in financial performance can provide positive or negative signals for investors (Hartono, 2022). As a leading indicator, financial performance is used by companies to evaluate the achievement of goals.

The results of the analysis show that in 2022, Aneka Tambang Tbk (ANTM) has the highest ROA, indicating that the company is able to generate profit after tax by utilizing all its assets. However, there was a decline in financial performance in ANTM in 2019 with an ROA of 0.61%. Meanwhile, JAPFA Comfeed Indonesia Tbk (JAPFA) recorded the highest ROA in 2018 and the lowest in 2022 at 4.6%. Unilever and Ace Hardware (ACES) companies also experienced a decline in ROA in 2021 and 2022. Meanwhile, the Gudang Garam (GGRM) company recorded the highest ROA in 2019 and the lowest in 2022 at 3.1%. The decrease in ROA in each LQ45 company shows that the financial performance of these companies is considered underrated because it results in a lower rate of return from the assets invested. This is due to the increase in operating expenses along with the increase in sales, as well as a significant decrease in non-current assets, especially

goodwill, in each company. The decline was mainly due to the consolidated full impairment loss incurred in the Company's subsidiary LQ45.

To carry out the company's activities, financial managers need to find the most efficient source of funds, both through the use of internal funds such as retained earnings and depreciation, and external such as equity and debt (Gamayuni, 2015). The right decision in terms of funding will have an impact on the company's performance, because each funding source has different risks and advantages. The combination of equity and debt is referred to as the capital structure. To meet the expectations of investors, money managers strive to maximize the profits of investors by taking the right decisions in funding, investment, and dividend policies. The three financial decisions need to be considered simultaneously because they are interconnected and have the potential to affect the value of the company (Jensen & Smith, 2005; and Brigham & Ehrhardt, 2000).

Based on the data listed, it can be concluded that every year ANTM, JAPFA, UNVR, ACE and GGRM companies succeed in paying debts by utilizing their assets. This shows that the company's financial performance can also be assessed from the company's ability to manage debt as a source of funding (Fikri et al., 2017). Theory pecking order stated by Myers & Majluf (1984) explained that companies tend to choose to use internal funds to pay dividends and take advantage of growth opportunities.

Generally, companies have a goal to obtain maximum profits with certain sacrifices (Devi & Amanah, 2021). In an uncertain economic situation and increasingly fierce competition, companies are required to have the ability to survive (Rochmah & Fitria, 2017). One way to attract investors is to maintain the value of the company (Anisah et al., 2023). Investors will not be careless in choosing companies when investing. Increasing company value is a must for every company, because company value is a major consideration for investors. In addition, company value is also an important indicator in assessing the financial performance of companies that have been Go public. Rochmah & Fitria (2017) A company's value reflects investors' perception of a company's success and is often linked to its share price.

It can be concluded that the phenomenon of ups and downs in stock prices indicates changes in the value of companies that fluctuate following their stock prices, causing polemics about the causes of unstable company values. Changes that occur in each period vary or are not the same between one company and another. In 2022, ANTM's stock return decreased (bear market) However, from 2019 to 2021 there was an increase (bull market). But in 2019-2022 return JAPFA shares declined. This condition is contrary to the changes that occur in ANTM. Likewise with other companies that experience changes in stock returns in each period. Phenomena related to change return Stocks can be very complex and are influenced by a variety of economic, financial, and market factors. Changes return This stock will provide profits and losses, especially for investors. Therefore, fundamental analysis needs to be done before investing to estimate and minimize the risk of loss in the future. Ang (1997) argues that before investing, investors will consider the returns and risks that must be borne as a consequence of their investment. Fundamental analysis can be done by looking at the company's financial performance from its financial statements. Financial statements provide information about the company's financial condition, including activity ratios, liquidity, asset turnover, total assets, stock prices, and others.

Factors that can affect financial performance, financial policies, and company value are intangible assets reflected in the market value of equity (MVE) and book value of equity. The difference between market value and book value causes investors to consider factors other than the book value of equity listed in the company's financial statements, namely the market value of the equity. Lee & Lin, (2005) Finding strong connections between intangible assets that can asset

size and financial leverage. Identifiable intangible assets as a whole support debt financing in companies that lack tangible assets. Although such data sets provide estimates of the fair value of intangible assets for only a small percentage of companies

Intangible assets has gained fundamental economic benefits in the company, where causing businesses to rely more Intangible assets (Zambon et al., 2020 and Barker et al., 2020). Today's economy is mainly driven by development and management Intangible assets, which is a key factor in the company's competitiveness and main driver of growth (Córcoles, 2010 and Zambon et al., 2020). Intangible assets is a key driver of change in the economic value creation chain since economies have shifted from being asset-based to increasingly asset-based ones Intangible assets (Lev, 2018). However, accounting rules have not been able to reflect these shifts, causing a decrease in the usefulness of financial statements (Kimouche, 2022).

Research conducted by Penman (2009); Lev (2018); and Kimouche & Rouabhi (2016) has highlighted the decline in the financial relevance and usefulness of the report due to the growing gap between the company's market valuation and its book valuation, and the inability of reported earnings to reflect the company's performance. Therefore, previous studies considered that omission Intangible assets From the statement of financial position is a serious failure deep accountancy (Penman, 2009). One of the proposals Lev (2018) To restore the usefulness of financial statements is the capitalization and amortization of expenses for assets that create value, especially those related to Intangible assets to improve income-expense matching in profit and loss.

Intangible assets form the foundation for businesses to use intangible knowledge for resource and wealth creation (Osinski et al., 2017). To achieve profitability, a business needs to create and gain a competitive advantage over business competitors (Barney & Arian, 2005). Aspects such as market research, capital equipment, and research and development have a strong relationship with the success rate of a business and its profitability (Fabling & Grimes, 2007).

Research related to intangible assets, Financial performance, financial policies and corporate values have been carried out before. Where Intangible assets Positive effect on financial performance (Zelalem & Abebe 2022; Mohammed & Ani 2020; Anh et al. 2022; Niculita et al. 2012 and Li & Wang 2014). Intangible assets Influencing financial policy (Canarella & Miller, 2019 and Mohammed & Ani 2017). However, there are some studies that state that Intangible assets Does not have influence on financial policy (Alves & Martins, 2014; Gamayuni, 2015 and Zelalem & Abebe, 2022). Intangible assets Contribute to the value of the company (Garanina & Pavlova, 2011; Lew, 2015 and Swanson, 2018). Financial performance affects the value of the company (Sucuahi & Cambarihan, 2016 and Pascareno & Siringoringo, 2016).

Observations related to financial performance and financial policy have been made by Zelalem & Abebe (2022) However, the studies conducted only looked at Intangible assets. In this study, the variable of company value was added. Corporate value is an effective method of measuring value creation and profit which means that a company must add value to its resources (Mohammed & Ani, 2020). Observations related to influence Intangible assets to the value of the company has been done by Mohammed & Ani (2020) concentrate more on the industrial sector in Oman while this study concentrates on LQ 45 companies listed on the Indonesia Stock Exchange.

This study aims to expand existing knowledge by investigating the effect of intangible assets on financial performance, financial policies, and company value. Thus, it is expected that this research can make a significant contribution to the field of accounting science by developing a

deeper theoretical understanding of the variables studied and provide positive implications for management in applying the value of the company LQ 45.

RESEARCH METHODS

In this study using one independent variable, namely: Intangible Assets, two control variables namely Asset Size and Leverage and three dependent variables: financial performance, financial policy and company value. Intangible Assets measured by looking at the ratio of values given to Intangible assets against total assets, Asset Size measured by the annual logarithm of total wealth and Leverage measured using total debt to total assets (DAR) refers to: Zelalem & Abebe (2022). Financial Performance using ROA refers to Gitman & Zutter (2015). As for financial policy using the debt to equity ratio (DEBT) look at the reference Gitman & Zutter (2015). Furthermore, to measure the value of the company using Tobin's Q ratio refer to research Lusiana & Agustina (2017).

The data used in this study is secondary data derived from the financial statements of LQ 45 Company during the 2018-2022 period listed on the Indonesia Stock Exchange (IDX). Data analysis was carried out using parametric statistical methods and the population studied was 45 companies for 5 years, so the total was 225. The sampling method used is nonprobability sampling with target sampling techniques, namely sampling based on certain criteria (Sekaran & Bougie, 2016). From the results, 18 LQ 45 companies were selected to be listed on the IDX for 5 years, so that a total of 90 companies were sampled for the study. Thus, this study uses data that has been verified and recognized as valid by the IDX.

In this study, the method used to analyze the data was descriptive statistical analysis. This method includes variables with mean values, minimum values, maximum values, standard deviations, and conventional assumptions to assess the validity of the research model (Ghozali, 2011). In addition, multiple regression analysis is used as a statistical tool to test hypotheses. The equation used in this study is as follows:

$$Y = a + \log b_1X_1 + \log b_2X_2 + b_3X_3 + e \dots\dots\dots (1)$$

Where:

a :Constant

Y : Financial Performance, Financial Policy and Corporate Value

B1 :Coefficient Intangible Assets

X1 : Intangible Assets

B2 :Coefficient Asset Size

X2 : Asset Size (Control variable)

B3 :Coefficient Leverage

X3 : Leverage (Control variable)

RESULTS AND DISCUSSION

Descriptive Analysis

Descriptive analysis provides an overview of the characteristics of the data used, such as maximum value, minimum value, average, and variation of the data.

Table 1. Descriptive Statistical Test Results

		Statistics					
		SHE	AXLE	LEV	ROA	DER	TOBIN'S Q
N	Valid	90	90	90	90	90	90
	Missing	0	0	0	0	0	0
Mean		13.298444	1.378078E1	.419456	.184289	.653611	1.778411
Std. Deviation		.67770091	.3551902	.1872460	.1454581	.4872062	1.3266570
Minimum		10.8100	13.2600	.0200	-.0350	.0670	.1860
Maximum		14.6000	14.6200	.7820	.6300	2.2320	5.5480

Data Source : Processed Data

Based on the data listed in the table, it can be concluded that the number of observations used in this study was as many as 90. From the variable intangible assets (X1), a mean value of 13.29 was obtained from the maximum value of intangible assets which reached 14.60. This shows that the higher the value of intangible assets, the greater the value owned by the company. Factors such as company reputation, patents, trademarks, and owned technology can affect the value of intangible assets. In addition, market conditions and competition can also affect the value of a company's intangible assets. If the market is in decline or competition is intensifying, then the value of intangible assets can also be affected.

In the asset size control variable, the average asset size value is 1.378 out of the maximum total asset size which reaches 14.6200. This indicates that asset sizes tend to be at relatively low levels. The cause can stem from internal company factors such as ineffective management, which can affect the growth of asset size. In addition, unfavorable market conditions can also be a factor that hinders the growth of a company's asset size. An example is an economic recession that can make it difficult for companies to develop their business.

The control variable leverage shows that the average leverage value in the control variable is 0.4194, which is much lower than the maximum leverage value of 0.7820. This shows that companies tend to use relatively little leverage in their operations. The use of this low leverage can provide advantages for companies because it can reduce the financial risks faced. Some factors that affect the value of leverage include the company's financial policy, market and industry conditions, and interest rates. Companies that implement more conservative policies tend to have lower leverage values, while more aggressive companies tend to have higher leverage values ..

The ROA variable (Y1) has a mean value of 0.1842 or 18.42% of the total maximum ROA value of 0.630 or 63.00%. This shows that overall, these companies are able to generate quite good profits from their assets. However, there are also companies that have a below-average ROA of -0.0350. This can be caused by several factors such as inefficient asset management, high operational costs, or decreased sales.

The average DER (Y2) value of 0.653 out of a total maximum value of 2.2320 indicates that the company tends to use more debt than its capital to finance its operations. This can be due to several factors such as rapid growth, low interest rates, or the company's strategy to maximize profits. In other words, a low DER indicates good financial stability and the company's ability to repay its debts, whereas a high DER indicates higher financial risk due to greater obligations to creditors.

The value of the company (Y3) indicates that the average value is 1.77 out of a maximum value of 5.5480. This shows that in general, the market still believes that a company's book value is higher than market value. A company value higher than 1 indicates that investors believe that the company has the potential to generate greater profits in the future. However, a company value lower than 1 can be caused by various factors such as poor company performance or uncertainty in the market. In Tobin's Q analysis, a value higher than 1.5 is considered an indicator that the company is in good shape and has bright prospects in the future.

Classical Assumption Analysis

Normality Test

Normality test analysis aims to evaluate whether the data owned has a distribution that matches the normal distribution. The results of the analysis are based on the Sig. Kolmogorov-Smirnov values that indicate whether the data is normally distributed or not are as follows.

Table 2. Dependent Normality Test Results 1 (ROA)

One-Sample Kolmogorov-Smirnov Test		
		Unstandar dized Residual
N		90
Normal	Mean	.0000000
Parametersa	Std. Deviation	.12435765
Most Extreme	Absolute	.104
Differences	Positive	.104
	Negative	-.086
Kolmogorov-Smirnov Z		.982
Asymp. Sig. (2-tailed)		.290
a. Test distribution is Normal.		

Data Source : Processed Data

Table 3. Dependent Normality Test Results 2 (DER)

One-Sample Kolmogorov-Smirnov Test		
		Unstandi zed Residual
N		90
Normal Parametersa	Mean	.0000000
	Std. Deviation	.41990123
	Absolute	.104

Most Extreme	Positive	.104
Differences	Negative	-.085
Kolmogorov-Smirnov Z		.989
Asymp. Sig. (2-tailed)		.282
a. Test distribution is Normal.		

Data Source : Processed Data

Table 4. Dependent Normality Test Results 3 (Tobin's Q)

One-Sample Kolmogorov-Smirnov Test		
		Unstandardi zed Residual
N		90
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	1.13023354
Most Extreme Differences	Absolute	.107
	Positive	.107
	Negative	-.087
Kolmogorov-Smirnov Z		1.014
Asymp. Sig. (2-tailed)		.255
a. Test distribution is Normal.		

Data Source : Processed Data

So, in table 5, table 6, and table 7, it can be concluded that all variables are normally distributed. such is indicated in the Kolmogorov-Smirnov Sig. column, $> \alpha = 0.05$. This means that all variables in this study can be intended for regression model analysis.

Autocorrelation Test

The Durbin-Watson (DW) test is one of the formal methods often used to detect autocorrelation. DW returns a value indicating the presence of autocorrelation:

Table 5. Dependent Autocorrelation Test Results 1 (ROA)

Model Summary ^b					
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.519a	.269	.244	.12651	1.908
a. Predictors: (Constant), Lev, AS, IA					
b. Dependent Variable: ROA					

Data Source : Processed Data

Table 6. Dependent Autocorrelation Test Results 2 (DER)

Model Summary^b					
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.507a	.257	.231	.4271623	1.872
a. Predictors: (Constant), Lev, AS, IA					
b. Dependent Variable: DER					

Data Source : Processed Data

Table 7. Dependent Autocorrelation Test Results 3 (Tobin's Q)

Model Summary^b					
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.524a	.274	.249	1.1497779	1.903
a. Predictors: (Constant), Lev, AS, IA					
b. Dependent Variable: Tobin's Q					

Data Source : Processed Data

The results of the DW test in table 8 dependent autocorrelation 1 can be said that this model has no autocorrelation symptoms, the DW value of 1.908 is located in the free autocorrelation region, so this model is free from autocorrelation.

The results of the DW test in table 9 dependent autocorrelation 2 can be said that this model has no autocorrelation symptoms, the DW value of 1.872 is located in the free autocorrelation region, so this model is free from autocorrelation.

The results of the DW test in table 8 dependent autocorrelation 3 can be said that this model does not have autocorrelation symptoms, the DW value of 1.903 is located in the free autocorrelation region, so this model is free from autocorrelation.

Multicollinearity Test

The multicollinearity test is carried out to determine whether there is a significant relationship between the independent variable X. The test results are based on the value of Tolerance and Variance Inflation Factor (VIF) which shows that there is no multicollinearity problem in the data tested.

Table 8. Dependent Multicolonearity Test Results 1 (ROA)

Coefficients ^a								
		Unstandardized		Standardized		Collinearity		
		Coefficients		Coefficients		Statistics		
Type		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.226	.553		.408	.684		
	IA (X1)	.104	.020	.486	5.162	.000	.960	1.041
	AS_Kontrol _1	-.107	.038	-.261	-2.783	.007	.965	1.037
	Lev_Kontrol _2	.108	.072	.139	1.500	.137	.990	1.010

a. Dependent Variable: ROA

Data Source : Processed Data

Table 9. Dependent Multicolonearity Test Results 2 (DER)

Coefficients ^a								
		Unstandardized		Standardize		Collinearity		
		Coefficients		d		Statistics		
				Coefficients				
Type		B	Std. Error	Beta	t	Sig.	Toleranc	VIF
1	(Constant)	.274	1.866		.147	.884		
	IA (X1)	.345	.068	.480	5.058	.000	.960	1.041
	AS_Kontrol _1	-.318	.130	-.232	-2.447	.016	.965	1.037
	Lev_Kontrol _2	.395	.243	.152	1.624	.108	.990	1.010

a. Dependent Variable: DER

Data Source : Processed Data

Table 10. Dependent Multicolonearity Test Results 3 (Tobin's Q)

		Coefficients^a							
		Unstandardized		Standardize				Collinearity	
		Coefficients		d				Statistics	
Type		B	Std. Error	Beta	t	Sig.	Toleranc	e	VIF
1	(Constant)	2.208	5.024		.440	.661			
	IA (X1)	.963	.184	.491	5.241	.000	.960		1.041
	AS_Kontrol_1	-.989	.349	-.265	-2.831	.006	.965		1.037
	Lev_Kontrol_2	.947	.654	.134	1.448	.151	.990		1.010

a. Dependent Variable: Tobin's Q

Data Source : Processed Data

Based on Table 11, table 12 and table 13 it can be concluded that there is no multicollinearity between the independent variables X and Y in regression. This can be seen from the value of Tolerance and Variance Inflation Factor (VIF) which is close to 1 and < 10 for all independent variables X. Therefore, it can be concluded that regression between the independent variable X and the dependent variable Y does not occur multicollinearity, so the research variable can be used for regression model analysis.

Heteroscedasticity Test

The heteroscedasticity test is performed to determine whether there is a non-constant or variable variation in the value of X by looking at the graph between Y and the residue. Based on the calculation results based on the Scatterplot, it can be concluded as follows:

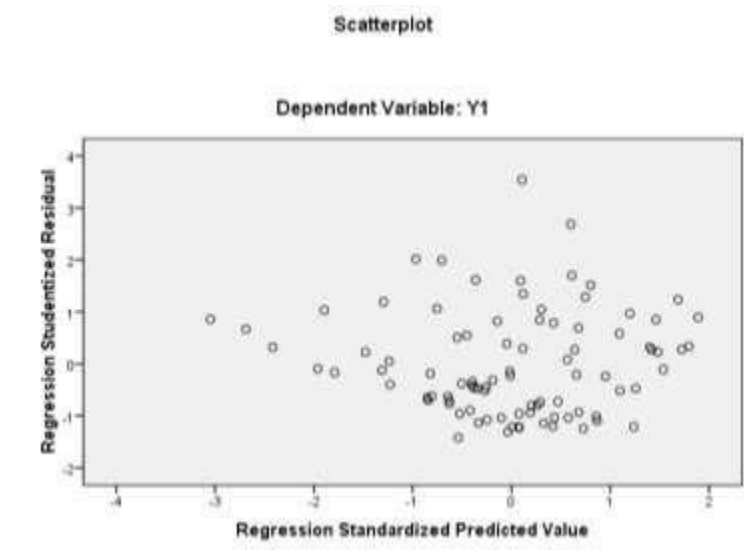


Figure 1. Scatterplot Dependent 1 (ROA)
Data Source : Processed Data

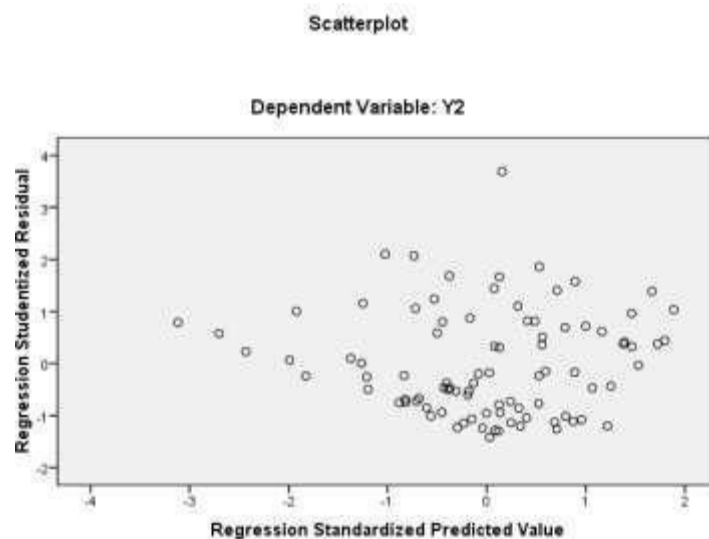


Figure 2. Scatterplot Dependent 2 (DER)
Data Source : Processed Data

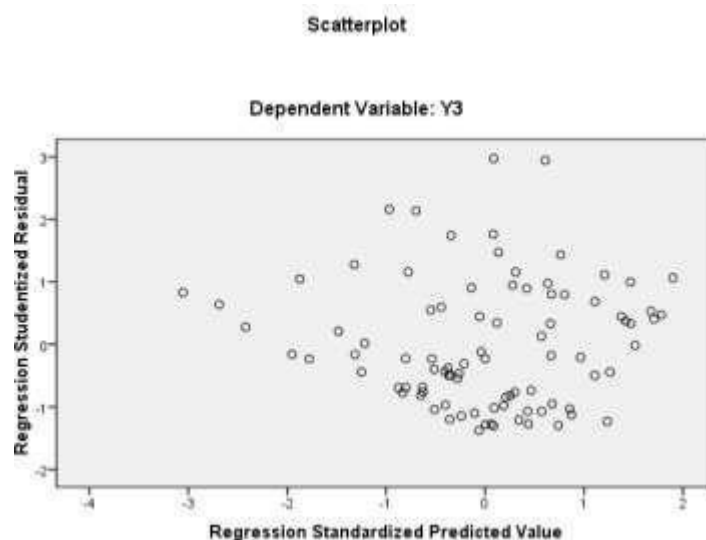


Figure 3. Scatterplot Dependent 3 (Tobin's Q)
Data Source : Processed Data

Based on figure 2, figures 3 and 4 above can be concluded that there is no heteroscedasticity in regression between the independent variable X and the dependent variable Y. This can be seen from the scatterplot which shows a random spread of points around the Y axis without a clear pattern. Therefore, it can be concluded that the regression between the independent variable and the dependent variable in this study can be used to perform regression model analysis.

Multiple Linear Regression Analysis (not yet paraphrased)

To find out whether there is a relationship between the independent variable consisting of intangible assets (X1) with asset size and leverage as a control variable for variables bound to financial performance, financial policy, and company value (Y), a multiple linear regression equation is used in this study which can be seen as follows:

Table 11. Dependent Multiple Linear Regression Results 1 (ROA)

		Coefficients^a				
		Unstandardized Coefficients	Standardized Coefficients			
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	.226	.553		.408	.684
	IA (X1)	.104	.020	.486	5.162	.000
	AS_Kontrol_1	-.107	.038	-.261	-2.783	.007
	Lev_Kontrol_2	.108	.072	.139	1.500	.137

a. Dependent Variable: ROA

Data Source : Processed Data

Table 12. Dependent Multiple Linear Regression Results 2 (DER)

		Coefficients^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Type		B	Std. Error	Beta		
1	(Constant)	.274	1.866		.147	.884
	IA (X1)	.345	.068	.480	5.058	.000
	AS_Kontrol_1	-.318	.130	-.232	-2.447	.016
	Lev_Kontrol_2	.395	.243	.152	1.624	.108

a. Dependent Variable: DER

Data Source : Processed Data

Table 13. Dependent Multiple Linear Regression Results 3 (Tobin's Q)

		Coefficients^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Type		B	Std. Error	Beta		
1	(Constant)	2.208	5.024		.440	.661
	IA (X1)	.963	.184	.491	5.241	.000
	AS_Kontrol_1	-.989	.349	-.265	-2.831	.006
	Lev_Kontrol_2	.947	.654	.134	1.448	.151

a. Dependent Variable: Tobin's Q

Data Source : Processed Data

Based on table 14, table 15 and table 16, it can be concluded that the higher the intangible assets and leverage as control variables, the higher the financial performance (ROA), financial policy (DER) and company value (Tobin's Q) but the asset size control variable decreases when intangible assets increase.

Intangible Assets to Financial Performance

Based on the results of the study, it can be concluded that there is a significant influence between intangible assets and financial performance. This shows that intangible assets have an important value for the company in achieving optimal financial performance. Therefore, companies need to pay attention and manage intangible assets well in order to make a positive contribution to financial performance. In addition, companies also need to pay attention to the size of their assets in order to maximize their influence on the company's financial performance. According to Wernerfelt (1984) theory resource based view of the firm states that the company

can achieve excellence by utilizing important assets, both tangible and intangible, to improve financial performance optimally. By utilizing the assets owned by the company through investments in intangible assets, the company can improve financial performance and obtain higher profits. This can be done by managing assets efficiently and effectively, so as to increase the value of the company and strengthen its competitive position. This can be seen from the high ROA value. Superior financial performance will affect the overall performance of the company which will also be positive (Mulyana & Dalam, 2020). This research is in line with research conducted by Zelalem & Abebe (2022) related Intangible assets Financial performance shows that there is a positive effect between Intangible assets to the performance of the company. This is supported by research Mohammed & Ani (2020) which provides empirical evidence that intangible assets have a significant impact on financial performance. Anh et al. (2022) and Niculita et al. (2012) assumes that Intangible assets has a strong impact on the company's performance.

Intangible Assets to Financial Policy

Based on the results of research that has been done, it can be concluded that there is a significant influence between Intangible assets and financial policy. Intangible assets It is an asset that is intangible and cannot be seen physically, but has important economic value for the company. Therefore, Intangible assets may affect the company's financial policy. When using the approach Signaling theory stated by Ross (1977) which states that a company's financial policy can be used as a signal to investors about the company's performance and prospects. In this case, Intangible assets can affect the company's financial policy because it can improve the company's performance and prospects, so the company can use more aggressive financial policies to show confidence in its performance and prospects. In addition, there are several other factors that can explain the impact Intangible assets to the company's financial policy. First Intangible assets can increase the company's ability to generate higher profits, so as to minimize the risk of bankruptcy and increase the company's ability to pay dividends. Second Intangible assets can increase the value of the company, so that it can obtain external funding at a lower cost. Third Intangible assets It can also increase the company's attractiveness to investors, which in turn can increase the liquidity of the company's shares and strengthen the company's bargaining position in negotiations with external parties. This is in accordance with research conducted by Canarella & Miller (2019) and Mohammed & Ani (2017) shows that Intangible assets Effect on financial policy.

Intangible Assets to Company Value

The results of the hypothesis test show that the value of the company is affected by intangible assets. Theory Resource-Based View (RBV) is a concept used to study and develop a company's competitive advantage strategy with other companies that have advantages in knowledge or economics that focus on the intangible assets owned by the company (Wernerfelt, 1984). Using knowledge to determine investment priorities in non-physical assets can improve a company's competitiveness compared to its competitors. This can drive the company's growth in the market and ultimately increase the value of the company in the eyes of the public. Intangible assets that have a high value in a company can give a positive signal to the capital market, demonstrating a competitive advantage that sets the company apart from others (Kurniawan & Mertha, 2016). This is in line with research conducted by Garanina & Pavlova (2011) and Lew (2015) who argue that Intangible assets and company values have a positive effect.

Research Findings

The results of this study show that 1) there is a significant influence between Intangible assets and financial performance, 2) there is a significant influence between Intangible assets and financial policy, 3) there is a significant influence between Intangible assets and the value of the

company, and 4) the theory used in this study is Signaling theory which emphasizes the importance of management actions in providing accurate and transparent information to investors to reduce information imbalances (Handoko, 2021). Thus, this study proves that Signaling Theory plays an important role in providing direction to investors regarding the company's prospects and providing financial information that can minimize information imbalance. Companies that have Intangible assets A strong one can give a positive signal to the market about its growth potential and competitive advantage. This can improve the company's image in the eyes of investors. In addition, financial decisions taken by companies can provide an indication to the market about the company's value, financial performance, and growth prospects. These signals have the potential to affect market perception and overall financial performance of the company. Therefore, companies must consider signal theory when making financial decisions in order to increase company value and financial performance optimally.

CONCLUSION

This study aims to examine the effect of intangible assets (X) on financial performance, financial policies, and company value (Y). Based on the results of research and analysis, it can be concluded that there is a significant relationship between the variable intangible assets (X) with financial performance, financial policies, and company value (Y).

This research has several limitations that need to be corrected, such as the use of secondary data that has been published and is only limited to time series data for 5 years (2018-2022). In addition, this study considered only one independent variable, namely intangible assets. Therefore, future research may add other variables to provide a more comprehensive picture of a company's financial performance, financial policies, and values, such as profit quality and ownership structure. Thus, research can provide more accurate and reliable results.

The suggestions given in this study are 1) improve the management of intangible assets by conducting periodic evaluations of assets owned. This can be done by conducting regular asset audits to ensure that intangible assets still have relevant value and can make a significant contribution to the company's financial performance. 2) Companies need to optimize the use of their intangible assets by utilizing them efficiently and effectively. This can be done by developing appropriate marketing strategies to maximize the value of intangible assets, such as trademarks, patents, and copyrights. 3) Companies can improve sustainable financial policies by considering environmental, social, and corporate governance (ESG) factors in the financial decision-making process. Thus, the company can strengthen its reputation in the eyes of investors and the public and have a positive impact on financial performance and company value.

From the results of this study, the managerial implications that must be done are that companies must apply consistent accounting policies to their intangible assets. It is important to ensure that the value of intangible assets recorded in the financial statements reflects their true value and can be accounted for. Consistent accounting principles emphasize that companies should use the same methods of measuring, acknowledging, and reporting similar transactions from period to period. By applying this principle, companies can ensure that the financial statements presented reflect actual financial conditions and can be consistently compared from one period to another.

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