

| **The Effect of Covid-19 and Company Fundamentals on Firm Value (Empirical Study of Mining Companies Registered in the Sharia Securities Register for the 2017-2021 Period)** | | |
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| ***Article Info*** |  | ***Abstract*** |
| ***Paper type: Literatrure Review*** |  | *This study aims to analyze the variables of covid19, capital structure, asset structure, company size, company growth, financial performance, Islamic social reporting, and earnings per share in influencing firm value. The population in this study are mining companies registered on the Sharia Securities List for the period 2017-2021. The data used in this study is panel data from 16 selected samples of companies, with a total sample of 80. The results show that covid-19, asset structure, company growth, and Islamic social reporting, have a positive and significant effect on firms value. Meanwhile, capital structure, firm size, financial performance, and earnings per share have a negative effect on firm value.* |
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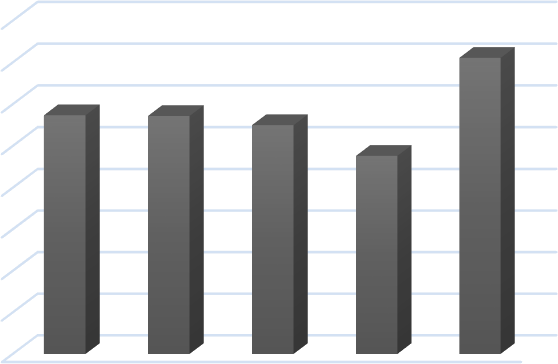
# Introduction

Positive *trend* every year, but in 2020 the Indonesian capital market will experience instability. This instability is not without reason, because the cause is the Covid-19 pandemic which has hit the whole world, including Indonesia. The impact arising from these circumstances hampers the company's operations and economic activities, thereby affecting the current and future periods and in the end the company is in uncertainty.

One of the sectors that can be used to support economic development is the mining sector, because it provides the energy resources needed for the country's economic growth. Government support to create a conducive investment climate and Indonesia's abundant natural resource potential provides growth opportunities for companies engaged in this sector. Financing or capital is the main issue related to the development of companies in the mining sector, especially those that have *gone public* . This is because the sector or industry is capital intensive, very large, long term, high risk, or direct investment risk. There is high or large uncertainty (Dewi et al., 2014).

Mining is known to have unique and different characteristics compared to other industries. The mining industry is generally a long-term and capital-intensive investment. Mineral deposits are generally located in *remote* areas and lack of infrastructure, so they are very high risk in various aspects such as technical, geological, market, fiscal, policy and environment. Seeing these unique characteristics, many mining investors want special rules so that long-term investment can be guaranteed. There are two things that must be considered when investors invest in the mining sector, namely the income received ( *return* ) and the risk it bears. High *returns have an impact on company performance thereby affecting the company's market value.*

Increasing the value of the company is the goal of every company, because the higher the value of the company, the higher the prosperity of shareholders will follow. Firm value provides management with an overview of investors' perceptions of past performance and future prospects for the company . Normatively, the objective of financial decisions is to maximize firm value. Because by maximizing the value of the company, the company owner will be more prosperous (Tegar, 2018).

Figure 1 Data on Average Corporate Value of Mining Companies Registered on the Sharia Securities List for the 2017-2021 Period

| 80 |  | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 70 |
| 60 |
| 50 |
| 40 |  |  |  |  |  | Nilai Perusahaan (PER) |
| 30 |  |  |  |  |  |  |
| 20 |  |  |  |  |  |  |
| 10 |  |  |  |  |  |  |
| 0 | 2017 | 2018 | 2019 | 2020 | 2021 |  |

Source: [www.idx.co.id](http://www.idx.co.id/) and company *website* (data processed, 2023)

Based on figure 1 above , it can be seen that during 2017-2021 mining companies were included in *the listing* The List of Sharia Securities has a company value that fluctuates every year by using *the price earning ratio proxy* . *The price earning ratio* , which is used as a proxy for the company value variable, throughout 2020 was recorded as having the lowest value when compared to the years before and after. This situation becomes a signal for investors as an indicator of a company's success, which is usually related to a company's stock price.

Covid-19 is a factor that can affect Company Value. Covid-19 is a disease caused by a corona virus, specifically SARS-CoV-2. Several corona viruses are known to cause infections of the respiratory tract (WHO, 2020).

The mining sector has a high level of investment risk related to the nature of its industry in the context of searching for, excavating and extracting minerals that are in the bowels of the earth. Especially when it is related to the condition of Covid-19 which has a broad impact including socio-economic impacts. On the other hand, companies engaged in the mining sector are still one of the primadona industries in providing a large revenue contribution to our country because of their export activities which can strengthen the exchange rate of the *rupiah* against the dollar. The mining sector's income is large because it is supported by the natural conditions of Indonesia's territory which is rich in natural resources including quarrying materials (Movizar & Manurung, 2022).

Research related to the effect of the Covid-19 pandemic on company value was conducted by Nasution et al. (2020), which stated that the Covid-19 pandemic brought the capital market in a negative direction due to the lack of investor sentiment towards the market. This is in line with research conducted by Kefi et al. (2020), Rifa'i, et al. (2020), and Meilani et al. (2021) who looked at the Composite Stock Price Index (IHSG) before and after the pandemic, the results were different which resulted in a decrease in stock prices and company value (Rahmani, 2020). In Ofeser & Susbiyantoro's research (2021), it shows that Covid-19 has no effect on company value. Meanwhile, in research conducted by Revinka (2021), and Retnosari et al. (2022), shows that Covid-19 has a negative effect on Company Value.

Capital Structure is one of the factors that can affect Company Value. Capital structure is defined as the debt ratio and equity ratio to the company's total capital (Min Ha & Min Tai , 2017). Optimal capital structure is a balance between tax savings on the use of debt with the cost of difficulties due to the use of debt. Determining optimal capital structure targets is one of the main tasks of company management (Khoirunisa et al., 2018). Based on the theory of capital structure, if the position of the capital structure is above the optimal capital structure target, then any increase in debt will reduce the value of the company (Pratiwi et al., 2018).

From research conducted by Pratiwi et al. ( 2016), Ukhriyawati & Dewi ( 2019), Setiadharma & Machali ( 2017) show that capital structure has a positive effect on firm value. In research conducted by Aeni ( 2019), Kurniawan et al. ( 2019), Irawan & Kusuma (2019), Osazawa & Ahmad ( 2018) show that the capital structure variable has no effect on firm value. Meanwhile, in the study of Mathur et al . ( 2021), and Ketut & Adi ( 2021) , show that capital structure has an effect on firm value.

In addition to capital structure, asset structure also plays a role in influencing company value. Assets or assets are officially defined as future economic benefits that are quite certain that are controlled by an entity as a result of past transactions or events ( Dwi , 2017) . The asset structure describes the amount of assets that can be guaranteed by the company when the company makes loans to creditors. Asset structure is the proportion of fixed assets owned by the company ( Dwi , 2017). The composition of fixed assets determines the value of a particular company. Most companies with stable finances have a high investment value in terms of fixed assets. When these assets are utilized optimally by competent staff, this will increase company *returns* and ultimately affect the growth of company value (Dwi, 2017) .

Based on research conducted by Niskanen et al. (2011), Pribadi (2018), Setiadharma & Machali (2017), and Pamungkas et al. (2020), shows that asset structure has a positive effect on company value. Meanwhile, from research conducted by Alipour (2013), Putri (2019), and Widyaastuti et al. ( 2020), shows that the asset structure variable has a negative effect on firm value.

Firm size is the next component that influences firm value. Company size is considered capable of influencing the value of the company. The larger the size or scale of the company, the easier it will be for the company to obtain funding sources, both internal and external. Company size is a reflection of the total assets owned by a company. The company itself is categorized into two types, namely small-scale companies and large-scale companies. Large- scale companies tend to attract investors because they will impact the value of the company later, so it can be said that the size of a company directly affects the value of the company ( Rudangda & Sudiarta, 2016).

Research on company size on firm value has been conducted by Prasetyorini ( 2013), Raharja ( 2014), Ernawati & Widyawati ( 2015), Pratama & Wiksuana ( 2016), Rudangga & Sudiarta ( 2016), Handriani & Robiyanto ( 2018) , and Astuti & Yadnya ( 2019), stated that the variable firm size has a significant effect with the direction of a positive relationship to value company. Unlike the research conducted by Abdullah et al. ( 2017), Ukhriyawati & Dewi ( 2019), and Oktaviani et al. ( 2019) , whose research results state that the variable firm size has a significant effect on the direction of a negative relationship to firm value.

On the other hand, the growth of the company also influences the value of the company. Companies with high potential growth rates have a tendency to generate high future cash flows and high market capitalization which will attract investors to invest. Firm value formed by stock market value indicators is influenced by investment opportunities, so if the company's growth is good, then investors respond more positively to invest in the company, it will also have a positive impact on firm value (Ramdhonah et al., 2019).

Research on company growth was conducted by Dhani & Utama (2017), Fajaria & Isnalita (2018), and Suwardika & Mustanda (2019), which stated that the company's growth variable has a significant effect on company value. In the study of Sugianto et al. (2020), shows that the company's growth variable has no effect on company value. Meanwhile, the research by Amelia & Anhar (2019), Muliana & Ikhsani (2019), and Ukhriyawati & Dewi (2019), and Oktaviani (2020), states that the company's growth variable has a negative effect on company value.

In addition to the growth of companies that have a stake in the company's operations, financial performance also has a contribution that is no less important in a company. Marfuah & Nindya (2017) stated that one of the factors that influence company value is financial performance. The company's financial performance is one of the important factors considered by investors in determining stock investment. Financial performance is an analysis carried out to see how far the company has implemented and used the rules of financial implementation properly and correctly . Financial performance can be measured by the level of company profitability. The greater the return on assets reflects the company's ability to generate profits by using the assets owned by the company (Mudjijah et al., 2019 ) .

Research on financial performance has been conducted by Tauke et. al (2017), Ulfa & Fun (2018), and Mudjijah, et al. (2019), states that financial performance variables have a positive effect on company value. In Gamayuni's research (2015), Ratri & Dewi (2017), states that financial performance variables have a significant effect on firm value. Meanwhile, in research that was conducted by Dewandi & Djajadikerta (2017), and Lesmana et al. (2020), states that financial performance variables have no effect on company value.

Another factor that can affect the company's value is the company's social performance. *Corporate Social Responsibility* or called Corporate Social Responsibility has a very important role in a business unit. Through the disclosure of *Islamic Social Reporting,* it is hoped that it can improve the company's image and reputation which will have an impact on increasing company value. This is in line with research (Wahyuni , et al. 2018) which shows that the existence of ISR practices can affect company value .

Another fundamental variable that can affect company value is *earnings per share* . *Earning Per Share* is the main component in fundamental analysis that is carried out by investors in analyzing before deciding to buy or sell shares. *Earning Per Share* is one of the interesting things for investors to decide to invest their funds in the company. If the profit generated by each outstanding share is so good, then the welfare of shareholders can be guaranteed by looking at dividend payments at the end of each year the company operates (Pioh et al., 2018).

Based on research that was conducted by Nafisah et al. (2018), Pioh et al. (2018), and Sitorus et al. (2020), shows that the *earnings per share variable* has a positive effect on company value. In the study of Hadiantini et al. (2021), shows that the *earnings per share variable* has a significant effect on company value. Whereas in the research of Wahyu & Manfud (2018), and Ayuningsih et al. (2019), states that *the earnings per share variable* has a negative effect on company value.

This research refers to research conducted by Revinka (2021), entitled The Influence of the Covid-19 Pandemic on Firm Value in Eleven Sectors on the Indonesian Stock Exchange (IDX), research conducted by Ramdhonah et al. (2019), with the title Effect of Capital Structure, Company Size, Company Growth, and Profitability on Company Value. As well as research conducted by Setiadharma & Machali (2017), entitled *The Effect of Asset Structure and Firm Size on Firm Value With Capital Structure as Intervening* , and research conducted by Ratri & Dewi (2017), entitled *The Effect of Financial Performance on Firm Value with Islamic Social Reporting (ISR) Disclosure as Intervening Variable In Companies Listed at Jakarta Islamic Index (JII)* . The difference in this study with previous research is the addition of the independent variable, namely Covid-19 and on different research objects.

Based on the background of these problems, an in-depth study is needed to find out how much influence Covid-19 has, Capital Structure, Asset Structure, Company Size, Company Growth, Company Financial Performance, *Islamic Social Reporting* and *Earning Per Share* on company value . So the writer is interested in conducting research with the title **" *The Influence of Covid-19 and Company Fundamentals on Company Value (Empirical Study of Mining Companies Registered in the Sharia Securities Register for the 2017-2021 Period).* ”** .

# Literature Review Agency Theory

Agency theory basing the contractual or owner and management or manager relationship. According to this theory, the relationship between owners and managers is essentially difficult to create because of conflicting interests. The purpose of agency theory is to make companies healthier, and agency theory is expected to be an indicator that can convince investors that they will get a return on their investment ( Inayah & Wijayanto, 2020).

# Signaling Theory

*signaling* theory is that managers and shareholders do not have the same access to company information or there is information asymmetry. There is certain information that only managers know, while shareholders do not know this information (Irawan & Kusuma, 2019). Signal theory explains how managers provide signals to investors to reduce information asymmetry through financial reports. Signal theory has an important influence on optimal capital structure, so that two managers' perspectives emerge, namely the company's prospects will be favorable and unfavorable.

# The value of the company

In operating the company, each company has its own goals. In general, company goals include goals in the short term as well as in the long term. The goal in a short period of time for the company is to gain profit ( *profit* ) in its operational activities and maximize *profit* by using effective resources, then for a long period of time the company's goal is to maximize the value of the company (Umam & Hartono, 2019) . The amount of price that must be paid by prospective buyers when a company is sold is called the company value (Bintari & Kusnandar, 2020). The value of a company can reflect the market value, this is because when the value of the company's stock price increases, the impact that will arise in these conditions is an increase in the value of the company, so that in the end it will prosper the *shareholders* (Dianawati & Fuadati, 2016).

# Covid-19

WHO (2020) defines Covid-19 as an infectious disease caused by the Coronavirus, SARS-COV 2, which is a respiratory pathogen. The Indonesian Ministry of Health (2020) states that Coronavirus is a large family of viruses that cause disease in humans and animals. In humans, it usually causes respiratory tract infections, ranging from the common cold to serious diseases such as *Middle East Respiratory Syndrome* (MERS) and Severe *Acute Respiratory Syndrome* (SARS).

# Capital Structure

Capital structure is a combination of debt and equity in the company's long-term financial structure. Capital structure is an important issue for companies because both the bad capital structure will have a direct effect on the company's financial position which will ultimately affect the company's value (Irawan & Kusuma, 2019) . According to Irawan & Kusuma (2019) , the theory of capital structure is related to the effect of changes in the capital structure itself on firm value assuming constant investment decisions and dividend policies.

**Asset Structure**

The asset structure describes a portion of the total assets that can be used as collateral

. Septiani & Suaryana (2018), stated that companies with a high proportion of fixed assets have a greater ability to pay off their debts, so they have more opportunities to obtain debt. This is because the existing fixed assets can be used as collateral for debt by the company.

# Company Size

Company size is the size of a company that can be seen through the amount of equity, sales and total assets of the company. The greater the company's total assets, it can be illustrated that the company has reached its maturity stage. Companies that are already at the maturity stage have positive cash flows and are expected to have profitable aspects in a relatively long period of time. ( Rai & Merta, 2016) .

# Company Growth

growth can reflect that a company will develop or not. Company growth is a ratio that shows the company's ability to maintain its economic position amidst economic growth and its business sector (Suwardika & Mustanda , 2017).

# Financial performance

Financial performance is an analysis that uses the rules of financial implementation properly and correctly, which is carried out with the aim of seeing how far a company has implemented these rules. Company performance is an analysis using financial analysis tools regarding a description of a company's financial condition, so that it can be known about the merits of a company's financial condition that reflects work performance in a certain period. One way is to measure financial performance by analyzing financial reports using financial ratios. The results of measuring the achievement of financial performance are used as a basis for management or company managers to improve company performance in the next period and are used as the basis for giving *rewards* and *punishments* to managers and members of the organization. Measurement of financial performance which is carried out every certain period of time is very useful for assessing the progress that has been achieved by the company and produces information that is very useful for management decision making and is able to create value for the company itself to *stakeholders* . Measurement of financial performance is used by companies to make improvements to their operational activities in order to compete with other companies. Financial performance analysis is a critical assessment process of *reviewing* data, measuring, calculating, interpreting, and providing financial solutions for a certain period (Ulfa & Asyik, 2018).

# Islamic Social Reporting

The ISR index is a benchmark for the implementation of the social performance of sharia institutions which contains a compilation of CSR standard items set by *Accounting and Auditing Organization for Islamic Financial Institutions* (AAOIFI) which was further developed by researchers regarding CSR items that require disclosure by an Islamic entity (Othman, Thani, & Ghani, 2009). It is believed that the ISR index can be a starting point in terms of standards for implementing CSR activities and reporting CSR according to an Islamic perspective ( Hadinata, 2019 ).

# Earning Per Share

*Earning Per Share* (EPS) or earnings per share is the net profit for each share that the company is able to achieve when carrying out its operations. *Earning Per Share* (EPS) is one of the accounting information that shows the amount of net profit per share that the company can generate. EPS is used as a measurement tool that is most often used in company value. This figure shown from *Earning Per Share* (EPS) is often used as a company's *performance in selling its shares to the wider community ( go public* ) (Rakasiwi et al., 2017).

# Methodology

In this study, the data used were obtained from financial statements and annual reports for mining companies registered on the Sharia Securities List from 2017 to 2021. The data for this study uses secondary data types. The criteria for selecting the sample in this study used *purposive sampling* with regard to certain criteria. The criteria in question are as follows:

1. Companies that have consistently been included in the Sharia Securities List on the Indonesia Stock Exchange for five consecutive years in the 2017-2021 period.
2. Mining companies that publish consecutive annual reports and financial reports for the 2017- 2021 period on their respective company websites and have complete data related to the variables used in the research.
3. Mining companies that use dollars in their financial statements.

Based on these criteria, there are 16 companies that can meet the criteria with a 5-year research period, so there are 80 company financial statements as the total data to be used in the study. Firm value is the dependent variable (independent) in this study while the independent variables that can influence it are covid-19, capital structure, asset structure, company size, company growth, financial performance, Islamic social reporting, and *earnings* per *share* .

# Result and Discussion

# T test

The t test was conducted to see the significance of the effect of the individual independent variables on the dependent variable by assuming the other independent variables are constant. In this study, the decision-making criteria were based on a significance level of 0.05 ( 𝛼 = 5%), that is, if the sig. 𝑡𝐻𝑖𝑡𝑢𝑛𝑔<0.05 means that the independent variable partially has a significant effect on the dependent variable, while if the sig. 𝑡𝐻𝑖𝑡𝑢𝑛𝑔> 0.05 indicates that the independent variable partially has no effect on the dependent variable (Ghozali, 2018:98). At a significance of 0.05 (5%), the following are the results *of* the t-statistical test conducted with the *Eviews 12.0 program* :

Table 1 T test results

Dependent Variable: Y

Method: Panel EGLS (Cross-section weights) Date: 10/24/22 Time: 22:54

Sample: 2017 2021

Periods included: 5

Cross-sections included: 16

Total panel (balanced) observations: 80

Linear estimation after one-step weighting matrix

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| --- | --- | --- | --- | --- |
| C | 564764.1 | 840577.6 | 0.671876 | 0.5044 |
| X1 | 22877.32 | 15120.79 | 1.512972 | 0.0136 |
| X2 | -3847.595 | 5255.067 | -0.732169 | 0.0467 |
| X3 | 300044.9 | 89045.33 | 3.369575 | 0.0014 |
| X4 | -37692.91 | 45910.21 | -0.821014 | 0.0042 |
| X5 | 54478.55 | 33914.80 | 1.606335 | 0.0114 |
| X6 | -364283.5 | 80145.35 | -4.545286 | 0.0000 |
| X7 | 274207.3 | 165562.9 | 1.656213 | 0.0103 |
| X8 | -1035.057 | 946.6068 | -1.093439 | 0.0279 |

Source: *Eviews 12.0* (data processed, 2022)

# Effect of Covid-19 on Company Value

Testing 𝐻1 based on table 1. The above shows the output results with a probability value <0.05 (0.0136 <0.05), a value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = 1.5129 and a coefficient value of 22877.32. The output shows that Covid-19, which is proxied by the *dummy* variable, has a positive and significant effect on company value in mining companies *listed* on the Sharia Securities List. *The output* of partial testing on the Covid-19 variable is in accordance with the hypothesis that has been made, namely Covid-19 has a positive and significant effect on company value. These results are also in line with research conducted by (Ningsih & Hariyati, 2020). These results prove that the measurement of company value is strongly influenced by the market value of equity which is obtained by multiplying the share price and the number of outstanding shares. In addition, the value of the company is also influenced by financial performance. Thus, if there is a decrease in the company's stock price and financial performance, the measurement results of the company's value may also decrease.

**Effect of Capital Structure on Firm Value**

Testing 𝐻2 based on table 1. above , shows the output results with a probability value <0.05 (0.0467 <0.05), value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = -0.732169 and a coefficient value of -3847.595. The output shows that the capital structure proxied by DER has a negative and significant effect on company value in mining companies listed on the Sharia Securities List. This result means rejecting the hypothesis which states that a high capital structure will increase firm value. This research proves that a high capital structure actually reduces the value of the company and vice versa. The negative *Debt to Equity Ratio* is caused by the average DER value every year of 1.04 % and every year it fluctuates. A good ratio is when debt and equity are balanced (Hasibuan et al., 2016).

These results also indicate that the company still uses more debt composition than its own capital as a result of which the company's value decreases. Large debt is a signal that shows the health condition of a company while at the same time describing the company's prospects for survival getting smaller, this condition indicates a decline in company value (Arizki et al., 2019).

# Effect of Capital Structure on Firm Value

Testing 𝐻2 based on table 1. above , shows the *output results* with a probability value <0.05 (0.0467 <0.05), value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = -0.732169 and a coefficient value of -3847.595. The *output* shows that the capital structure proxied by DER has a negative and significant effect on company value in mining companies *listed* on the Sharia Securities List. This result means rejecting the hypothesis which states that a high capital structure will increase firm value. This research proves that a high capital structure actually reduces the value of the company and vice versa. The negative *Debt to Equity Ratio* is caused by the average DER value every year of 1.04 % and every year it fluctuates. A good ratio is when debt and equity are balanced (Hasibuan *et al.,* 2016).

These results also indicate that the company still uses more debt composition than its own capital as a result of which the company's value decreases. Large debt is a signal that shows the health condition of a company while at the same time describing the company's prospects for survival getting smaller, this condition indicates a decline in company value (Arizki et al., 2019).

# Effect of Asset Structure on Firm Value

Testing 𝐻3 based on table 1. above , shows the *output results* with a probability value 0.05 (0.0014 <0.05), value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = 3.369575 and a coefficient value of 300044.9. The *output* shows that the asset structure proxied by DER has a positive and significant effect on company value in mining companies *listed* on the Sharia Securities List. *The output* of the partial test on the asset structure variable is in accordance with the hypothesis that has been made, namely asset structure has a positive and significant effect on firm value. These results are also in line with research conducted by (Mandalika, 2016). These results prove that the measurement of company value is strongly influenced by collateral for debt because it will be easier to obtain debt than with companies that do not have collateral at all, so it can be said that companies that have fixed assets with a large enough amount will automatically find it easier. in getting opportunities to those who have funds because the size of the fixed asset value can be used as collateral for the company's debt.

# The Effect of Company Size on Firm Value

Testing 𝐻4 based on table 1. above shows the *output results* with a probability value of <0.05 (0.0042 <0.05), value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = -0.821014 and a coefficient value of -37692.91. The *output* shows that company size has a negative and significant effect on company value in mining companies *listed* on the Sharia Securities List. This result means rejecting the hypothesis which states that a high firm size will increase firm value. This research proves that a high company size actually reduces the value of the company and vice versa. When the size of a large company can cause the possibility of a decrease in the value of the company. The results of previous research according to Nuraina (2012) and Prasetia et al. (2014), explained that large companies can enter the capital market more easily. Companies have the ability to obtain funds from external parties because access to the capital market is more flexible. , 2013).

# Effect of Company Growth on Firm Value

Testing 𝐻5 based on table 1. above shows the *output results* with a probability value of <0.05 (0.0114 <0.05), value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = 1.606335 and a coefficient value of 54478.55. This *output* shows that company growth has a positive and significant effect on company value in mining companies *listed* on the Sharia Securities List. This result means rejecting the hypothesis which states that high company growth will reduce company value. This research proves that high company growth actually increases the value of the company and vice versa. At the time of the growth of large companies can cause the possibility of increasing the value of the company. This result is in line with (Utami et al., 2017), who found that company growth has a direct and positive effect on company stock prices, which means that information about company growth is responded positively by investors, so that it will increase stock prices. Company growth is a change (decrease or increase) in total assets owned by the company.

# Effect of Financial Performance on Firm Value

Testing 𝐻6 based on table 1. above shows the *output results* with a probability value of <0.05 ( 0.0000 <0.05), value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = -4.545286 and a coefficient value of -364283.5. The *output* shows that financial performance has a negative and significant effect on company value in mining companies *listed* on the Sharia Securities List. This result means rejecting the hypothesis which states that high financial performance will increase firm value. This research proves that high financial performance actually reduces the value of the company and vice versa. At the time of the growth of large companies can cause the possibility of increasing the value of the company. This condition can be caused because the profit of a company is the hope for investors, but investors must also be careful when making decisions to invest because if it is not right, then investors will lose *returns* and it is possible if investors will lose their initial capital invested as well. Another reason is because the results of the descriptive statistics of the companies listed on the Sharia Securities List under study show that the average financial performance proxied by *Return on Assets* is 0.09 %.

**Effect of *Islamic Social Reporting* Against Corporate Values**

Testing 𝐻7 based on table 1. above, shows the *output results* with a probability value of <0.05 (0.0103 <0.05), value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = 1.656213 and a coefficient value of 274207.3. The *output* shows that *Islamic Social Reporting* has a positive and significant effect on company value in mining companies *listed* on the Sharia Securities List. *The output* of the partial test on the Islamic social *reporting variable* is in accordance with the hypothesis that has been made, namely *Islamic social reporting* has a positive and significant effect on firm value. Islamic Social Reporting proves that the CSR standard items set by AAOIFI ( *Accounting and Auditing Organization for Islamic Organizations* ) are able to demonstrate the objectives of the ISR itself, namely a form of accountability to Allah SWT, the community, and increase the transparency of business activities by presenting relevant information by taking into account the spiritual needs of Muslim investors or sharia compliance in decision making (Prameswari, *et. al.,* 2019). *Islamic Social Reporting* is expected to be able to contribute to company reporting in an Islamic way and can become a bridge between the world and the hereafter to increase human awareness. **Effect of *Earning Per Share* on Company Value**

Testing 𝐻8 based on table 1. above shows the *output results* with a probability value of <0.05 (0.0279 <0.05), value 𝑡ℎ𝑖𝑡𝑢𝑛𝑔 = -1.093439 and a coefficient value of -1035.057. The *output* shows that financial performance has a negative and significant effect on company value in mining companies *listed* on the Sharia Securities List. This result means rejecting the hypothesis which states that high *earnings per share* will increase firm value. This study proves that high *earnings per share actually reduces the value of the company and vice versa.* When *the earnings per share* is large, it can cause the company's value to decrease. The results of previous research according to (Dani, 2015) and (Ayuningsih, *et al.* , 2019), explain that profit information shown through EPS does not reflect stock prices which are the basis for calculating company value. The anomaly that occurs is probably because investors' expectations of company profits are too high. As soon as the information on increasing profits is widespread in the market, investors will compare the profit figures in the financial statements with the expected profit expectations ( *overreact* to announcements). Investors with high expectations will view information on profit increases in financial reports as " *bad news* ". If the number of investors who see " *bad news* " is more, then the stock price will decrease, thus affecting the value of the company.

# F test

The F test is used to test whether the independent variables simultaneously affect the dependent variable. The guidelines used in drawing conclusions from the F test are as follows (Widarjono, 2013):

1. If 𝐹𝐻𝑖𝑡𝑢𝑛𝑔 ˃ 𝐹𝑇𝑎𝑏𝑒𝑙or the probability value < 0.05 , then the test results mean that simultaneously found a significant influence between the independent variables and the dependent variable.
2. If 𝐹𝐻𝑖𝑡𝑢𝑛𝑔< 𝐹𝑇𝑎𝑏𝑒𝑙or probability value > 0.05 , the test results mean that simultaneously there is no effect between the independent variables and the dependent variable.

Table 2 Statistical F Test Results

| F Statistics | 5.892499 |
| --- | --- |
| Prob(F Statistics) | 0.000000 |
| F Table | 2.07 |

Source: *Eviews 12.0* (data processed, 2022)

Based on table 3 above, the F-Statistics is obtained or 𝐹𝐻𝑖𝑡𝑢𝑛𝑔equal to 5.892499 with a probability value of 0.000000. The probability value is smaller than 𝛼 = 5% . In addition, with n = 80 and k = 9, the value 𝐹𝑇𝑎𝑏𝑒𝑙obtained is 2.07 with df1 (k-1) = 8 and df2 (nk) = 72 with a probability value of 5%. Because 𝐹𝐻𝑖𝑡𝑢𝑛𝑔 ˃ 𝐹𝑇𝑎𝑏𝑒𝑙(5.892499 ˃ 2.07) and probability value ˂

0.05 (0.000000 ˂ 0.05) it can be concluded that the Covid-19 variable, Capital Structure, Asset Structure, Company Size, Company Growth, Financial Performance , *Islamic Social Reporting*

, and *Earning Per Share* have a significant simultaneous effect on the Company Value of mining companies listed on the Sharia Securities List.

# Coefficient of Determination (R 2 )

The coefficient of determination test is intended to assess the ability of the independent variable to explain the dependent variable. In this study, the coefficient used is the adjusted coefficient of *determination* 𝑅2. This is because *adjusted* 𝑅2. is a coefficient that has been corrected so that it can allow data to increase or decrease as new variables are added to the model (Winarno, 2017).

Table 3 Test Results for the Coefficient of Determination

| R-squared | 0.707614 |
| --- | --- |
| Adjusted R-squared | 0.587527 |

Source: *Eviews 12.0* (data processed, 2022)

Based on the results of the regression with *the Fixed Effect Model* as listed in the table, it is known that the adjusted Rsquared value is 0.587527 . This shows that the variation of the dependent variable, namely Company Value, can be explained by the independent variables, namely Covid-19, Capital Structure, Asset Structure, Company Size, Company Growth, Financial Performance, *Islamic Social Reporting* , and *Earning Per Share* of 58.75 % while the rest 41.25 % influenced by other factors outside of the variables studied.

# Conclusion

Based on the results of the research and discussion above, it can be concluded that the Covid 19 variable, asset structure, company growth, and *Islamic social reporting* , have a positive and significant effect on company value. Meanwhile, the variable capital structure, firm size, financial performance, and *earnings per share* have a significant negative effect on firm value.

# Author's Contribution

Silvani Rizki Amalia: Collected research data and prepared manuscript drafts.

Tenny Badina and Mohammad Ainun Najib: Director and final coordinator of the manuscript.

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# Declaration of Competing Interests

There are no competing interests or conflicts of interest in this research.

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