

ABSTRACT

The company's long-term goal is to optimize the company's value to attract investors to invest in the company. The success of company management in managing resources is related to stock prices. It is necessary to improve the quality of the company's financial performance as a means of accountability to capital owners. By using financial ratio analysis as a tool for assessing the company's financial performance.

This study aims to analyze the effect of the company's financial performance using Return on Equity (ROE), Current Ratio (CR), and Debt to Equity Ratio (DER) on company value using Price to Book Value (PBV) proxy. The object of this research is in telecommunications sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period.

This research sample technique uses purposive sampling with certain criteria. As many as 14 companies were obtained with a four-year research period, so that a total of 42 research samples were obtained using company financial statements on the Indonesia Stock Exchange. This research method uses panel data regression analysis with fixed effect model and Eviews 12 software.

The results of this study show that financial performance using the variables Return on Equity (ROE), Current Ratio (CR), and Debt to Equity Ratio (DER) simultaneously have a significant effect on company value. The variable Debt to Equity Ratio (DER) partially has a significant positive effect on the value of the company. The variable Return on Equity (ROE) and Current Ratio (CR) partially do not have a significant effect on the value of the company.

Further research can be expected to increase the number of research samples and the period of research years to obtain better results. This research is expected to be a consideration for companies to pay attention to good financial performance for company value and can be a consideration for investors in making decisions to invest.
Keywords: *Company Value, Return on Equity, Current Ratio, Debt to Equity Ratio*