

ABSTRACT

High company value will be highly expected by all companies, good company value reflects the prosperity of shareholders. Company value is one indicator of how much investors appreciate the company. The higher the value of the company, the more investors will be interested in investing in the company.

The purpose of this study is to analyze what factors can influence a company in increasing company value. This study intends to determine the effect of independent variables on the dependent variable both simultaneously and partially. In this study, independent variables namely capital structure (DER), growth opportunity (ASSET GROWTH), and cash holding (CASH) are used on the dependent variable, namely firm value (PBV).

The population in this study is the metal sub-sector companies and the like listed on the Indonesia Stock Exchange in 2014-2018. The method in this study is a quantitative research method. The sampling technique used in this study was purposive sampling technique which obtained 7 research samples with a period of 5 years so that 35 sample units were obtained.

The data analysis technique used is panel data regression and hypothesis testing using the eviews program. The random effect model was chosen after going through 3 tests of the panel data regression model selection test. The results showed that simultaneous capital structure (DER), growth opportunity (ASSET GROWTH), and cash holding (CASH) affect the firm's value (PBV).

Based on the tests that have been done, the results of this study indicate that capital structure, growth opportunity, and cash holding simultaneously affect the value of the company which is proxied by Price to Book Value (PBV). With the capital structure, growth opportunity, and cash holding investor confidence will arise that will increase the value of the company. While partially, capital structure and cash holding variables have a positive effect on firm value (PBV), while the growth opportunity variable has no effect on firm value (PBV).

Keywords: Company Value, Capital Structure, Growth Opportunity, and Cash holding