

ABSTRACT

Firm value is a long-term goal of a company. the value of the company is an important indicator because it reflects the market price of the company's shares which will be observed by investors about the movement of the company's shares which will be used as investment decisions. The more the share price increases, the higher the level of prosperity of the shareholders.

This study aims to determine the effect of profitability, leverage, and firm size on firm value in LQ-45 companies listed on the Indonesia Stock Exchange in the 2016-2019 period either simultaneously or partially.

The population in this study are companies that are on the LQ-45 index. The selection technique used is purposive sampling with a total of 16 samples and 64 observations. The method used is panel data regression analysis using evIEWS 10 software.

The results of this study indicate that profitability, leverage, and firm size have a simultaneous effect on firm value. Partially, profitability has an effect on firm value, while leverage and firm size have no effect.

The results of this study are expected that the company can make maximum investment decisions so that it can increase the value of the company. Investors can pay attention to the factors that can affect the value of the company before making a decision to invest. Further researchers can use other variables such as capital structure, liquidity, and good corporate governance in order to get accurate results.

Keywords: *Firm Value, Profitability, Leverage and Firm Size*