

ABSTRACT

Company value is the company's performance as reflected by the stock price formed by the demand and supply of the capital market which reflects the public's assessment of the company's performance. One of the goals of the company is to increase the value of the company, which is reflected in the stock price, if the value of the company is high, it can attract the attention of investors so that shareholders will invest in the company.

The purpose of this study was to determine the relationship between profitability, leverage, foreign ownership, and political connections to firm value in transportation subsector companies listed on the Indonesia Stock Exchange for the 2015-2019 period, either simultaneously or partially.

The method used in this research is quantitative. The research sample consisted of 125 observational data from 25 companies for 5 years and was obtained using purposive sampling technique. Data were analyzed using descriptive statistical analysis methods and multiple linear regression.

The results showed that profitability, leverage, foreign ownership, and political connections have a simultaneous effect on prudence. And partially, profitability, leverage, and political connections have no effect on firm value. Meanwhile, foreign ownership affects the value of the company.

It is hoped that further researchers can add insight and can be used as a reference, as well as a comparison material for further researchers and further researchers can add a period of years or change the research sector. For investors, if the company is managed well by management, the profits obtained will also be high and can provide positive results for investors and pay more attention to and choose companies with smaller debt values. For the company, it is hoped that it can be taken into consideration by the company to improve the management of the company and reduce the value of debt to the company for prudence in preparing the company's financial statements.

Keywords: *Corporate Value, Foreign Ownership, Leverage, Political Cost, Profitability.*