

ABSTRACT

This study aims to determine and analyze the reciprocal relationship between profitability and capital structure and their impact on firm value (Study on SOEs in the Construction Sector 2016-2020).

This research is a quantitative research using 40 financial statement data and data analysis techniques used are Granger Causality Test, t Test and Determination Test.

Research results show is Profitability has a significant effect on the capital structure of BUMN Construction Sector Tbk in 2016-2020, Capital structure has a significant effect on profitability in BUMN Construction Sector Tbk in 2016-2020, Profitability has a significant effect on company value in BUMN Construction Sector Tbk in 2016 -2020, the capital structure has a significant effect on the value of the company in the State-Owned Enterprises of the Construction Sector Tbk in 2016-2020.

Keywords: Profitability, Capital Structure, Firm Value