

ABSTRACT

One of the main pupose of the company is to maximize its wealth to prosper shareholders by increasing the firm value. Firm value is the price that will be purchased by investors if the company sells share ownership, the firm value is related to the price of the shares. High-value firm value shows the success of a company in managing and maximizing its resources for the purpose of prospering shareholders.

This research aims to determine the effect of asset growth (AG), leverage (DAR), and institutional ownership (IO) on the firm value (price book value) of energy companies listed on the Indonesia Stock Exchange in 2017–2021. The method used in this study is a quantitative method with a secondary source originating from the company's financial reports and annual reports sourced from the official website of the Indonesia Stock Exchange and the company's official website.

The population in this study is made up of energy companies listed on the Indonesia Stock Exchange in 2017–2021. This study uses purposive sampling as a sampling technique, so there are 18 companies with a 5-year research period, so there are 90 samples. Panel data regression analysis was used in this study as a data analysis method using Eviews 12 software.

This research shows that asset growth, leverage, and institutional ownership affect firm value simultaneously. Partially, asset growth, and institutional ownership have a significant positive effect on firm value. While partially, leverage have a significant positive effect on firm value.

The results of this research are expected to provide insight for companies to have a low leverage ratio because companies with low leverage ratio will have high firm value.

Keywords: Asset Growth, Firm Value, Institutional Ownership, Leverage.