

ABSTRACT

Investors need company information to predict maximum profits. This information is used to assess the company's profitability and avoid future loss risks. The company's value reflects opportunities and expectations regarding the company's future capabilities. Therefore, companies need to enhance their corporate value to attract investors. However, this study found that the average stock prices of the LQ45 stock index experienced fluctuations, partly due to a decrease in the average growth rate. The objective of this research is to determine whether sales growth, dividend policy, company size, and investment opportunity set influence the company's value through capital structure in the LQ45 stock index from 2017 to 2021.

The independent variables in this study are sales growth, dividend policy, company size, and investment opportunity set. The dependent variable is the company's value, while the intervening variable is the capital structure. This research aims to investigate the impact of sales growth, dividend policy, company size, and investment opportunity set on the company's value through capital structure in the LQ45 stock index from 2017 to 2021.

The sample in this research was selected using purposive sampling technique, where a total of 28 samples were obtained through observations over a period of 5 years. The total observations reached 140 data points from companies listed in the LQ45 stock index during the period of 2017-2021. In contrast to previous studies, the analysis in this research employs descriptive statistical methods, panel data regression analysis, and sobel test.

The results indicate that only company size significantly influences capital structure. Company size, investment opportunity set, and capital structure significantly positively affect the company's value. Sales growth and dividend policy have no impact on the company's value. The Sobel test results show that capital structure acts as an intervening variable only between company size and the company's value.

This research has limitations in delving into optimal capital structure, considering the research object is the LQ45 stock index covering diverse industries. Optimal capital structure can vary between industries; hence, this study may not provide in-depth insights into each specific industry.

Keywords: *Firm Value, Sales Growth, Dividend Policy, Firm Size, Investment Opportunity Set, Capital Structure*