

ABSTRACT

Firm value is a condition of a company's achievement as a form of external party perception of the company after going through several years of process including since the company was founded, and reflects the success of the company's management. The purpose of this study is to determine the effect of profitability, leverage, and sales growth variables on company value in pharmaceutical sub-sector companies listed on the IDX in 2019-2023.

The method in this study uses a quantitative method with secondary data processed using E-views 12 software to test the hypothesis in the study. The sampling technique used is purposive sampling and samples that meet the criteria are 8 pharmaceutical sub-sector companies in 2019-2023. The analysis in this study uses descriptive statistical analysis and panel data regression.

The test results obtained that simultaneously profitability, leverage, and sales growth affect the firm value in the pharmaceutical subsector in 2019-2023. Partially, significance has a positive effect on the firm value in the pharmaceutical subsector in 2019-2023. Leverage has no effect on the firm value in the pharmaceutical subsector in 2019-2023. Sales Growth has a positive effect on the firm value in the pharmaceutical subsector in 2019-2023.

It is recommended that pharmaceutical sector companies increase profitability and sales growth if they want to increase firm value and for investors to pay attention to these factors if they want to invest in pharmaceutical companies. It is recommended for further researchers to add independent variables, research years and use different objects.

Keywords: firm value, leverage, profitability, sales growth