

ABSTRACT

Firm value reflects a company's achievement and represents investors' perceptions of its success and performance, as reflected in the stock price. The higher the stock price, the higher the firm value. This study aims to examine the effect of dividend policy, investment decisions, Leverage, and profitability on firm value in companies listed in the LQ45 Index on the Indonesia Stock Exchange during the 2019-2023 period.

This research employs a quantitative method using secondary data analyzed with E-Views 12 software for hypothesis testing. The sampling technique used is purposive sampling, resulting in a sample of 14 companies with 70 observations. The analysis methods applied are descriptive statistical analysis and panel data regression.

The results indicate that, simultaneously, dividend policy, investment decisions, Leverage, and profitability have a significant effect on firm value. Partially, investment decisions, leverage, and profitability have a positive and significant effect on firm value. Meanwhile, dividend policy does not have a significant effect on firm value in LQ45 companies during the 2019-2023 period.

Based on these findings, LQ45 companies are advised to prioritize investment decisions, optimize leverage management, and improve profitability to enhance firm value. On the other hand, dividend policy requires a well-planned strategy to maintain investor confidence. Future research is expected to broaden the scope by incorporating additional variables, extending the observation period, and considering different research objects.

Keywords: *firm value, dividend policy, investment decision, Leverage, profitability.*