ABSTRACT

The infrastructure sector plays a vital role in supporting national economic development, but it faces significant challenges related to funding sustainability and financial stability amid macroeconomic fluctuations. Companies in this sector require high investor confidence, which is reflected in the company's value as an indicator of management's success in increasing shareholder welfare. The company's value, measured by the Price Earning Ratio (PER), has shown a fluctuating downward trend from 2019 to 2023, indicating performance pressures due to macroeconomic uncertainties such as inflation, exchange rates, interest rates, and GDP growth. This situation has been worsened by liquidity issues in the infrastructure sector, affecting companies' ability to meet short-term obligations.

This study aims to analyze the influence of macroeconomic factors on firm value, with firm performance serving as a mediating variable, in infrastructure sector companies listed on the Indonesia Stock Exchange during the 2019–2023 period.

*The sampling technique employed is Purposive Sampling, a type of non-*probabilitas *sampling, based on specific criteria for sample selection. Data were analyzed using classical assumption tests and multiple linear regression, as well as mediation regression. The classical assumption tests include normality, multicollinearity, heteroscedasticity, and autocorrelation tests to ensure the validity of the regression model used. Descriptive analysis was applied to understand the characteristics of the research variables, while verification analysis was used to test the proposed hypotheses.*

The results show that inflation, interest rates, and GDP significantly affect the Current Ratio, while exchange rates do not. Inflation, exchange rates, and interest rates significantly influence firm value (PER), whereas GDP does not. The Sobel test reveals that the Current Ratio significantly mediates the relationship between inflation and firm value but does not mediate the relationships involving exchange rates, interest rates, and GDP. This study recommends better liquidity management and macroeconomic risk mitigation strategies.

This study contributes to the development of literature on the influence of macroeconomic factors on firm value in the infrastructure sector by emphasizing the role of liquidity management (Current Ratio) as a mediating variable. The findings assist management and investors in making more precise strategic and investment decisions while opening opportunities for further research to deepen the understanding of the relationship between macroeconomics and firm value. Future researchers are encouraged to explore other mediating variables and different industry sectors.

Keywords: Current Ratio, Inflation, Exchange Rate, Price Earning Ratio, Interest Rate