

ABSTRACT

Company value is a condition of a particular company that has been achieved by the company as an illustration of public trust in the company after going through a process of activities for several years, that is, since the company was founded until now. Increasing the value of the company is an achievement in accordance with the wishes of its owner because with the increase in the value of the company, the welfare of the owners also increases.

This study aims to determine how the influence of financial performance which is proxied by ROA and DER on the value of the company proxied by Tobin's Q in the construction and building sub sector listed on the Indonesia Stock Exchange for the 2014-2018 period.

The sampling technique used was purposive sampling, and nine companies were selected as coal mining samples with a five-year research period to obtain 45 sample units. The analytical method used in this study is panel data regression analysis using Eviews software version 10.

Based on the results of the study variable return on asset and debt to equity ratio simultaneously affect the value of the company. Partially, the variable return on asset affects the value of the company, while the variable debt to equity does not affect the value of the Company Based on these results, companies and investors need to pay attention to the composition of financial performance so that investors can minimize the risk that will be borne if they invest their capital.

Keywords : Return On Asset, Debt to Equity Ratio, Company's Value