

ABSTRACT

The value of the company can be used as a measure of the company's success in operating prospects in the future so that investors can prosper. High company value will attract investors to invest in the company.

The purpose of this study is to examine the value of companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange in 2017-2019. Another objective is to conduct research on the effect of profitability ratios, liquidity ratios, and leverage ratios on firm value.

The population in this study are basic and chemical industrial sector companies listed on the Indonesia Stock Exchange in 2017-2019. The sampling technique used in this research is purposive sampling. Based on purposive sampling obtained 42 companies. The data analysis method in this study is panel data regression analysis using Eviews 11 software.

The results of this study indicate that the profitability ratios, liquidity ratios, and leverage ratios have a simultaneous effect on firm value. The profitability variable partially has a significant positive effect on firm value. Meanwhile, liquidity and leverage partially have no significant effect on firm value.

Based on the research results obtained, basic and chemical industrial sector companies have the ability to use their assets so as to make a large net profit. The higher the profitability, the better the value of the company so that investors can prosper.

Keywords: Profitability, Liquidity, Leverage, Firm Value