

ABSTRACT

Company value is the company's performance as reflected by the stock price formed by the demand and supply of the capital market, which reflects the public's assessment of the company's performance. The increase in the value of the company will be followed by an increase in share prices, which will reflect the prosperity of shareholders. One of the goals of the company is to increase its value, which is reflected in the stock price. If the value of the company is high, it can attract the attention of investors so that shareholders will invest in the company.

The purpose of this study was to determine the effect of profitability and capital structure on firm value in the corporate health sub-sector for the period 2016–2020. The independent variables in this study were profitability and capital structure. While the dependent variable in this study is firm value.

The method in this study uses quantitative data. The technique used was purposive sampling and obtained a sample of nine companies over a period of five years, so that the sample obtained was 45 samples of observational data. The analytical method used is panel data regression.

The results of this study show that the profitability and capital structure variables simultaneously influence the firm value of the healthcare sub-sector companies listed on the Indonesia Stock Exchange for the period 2016-2020. Partially, profitability and capital structure have a significant positive effect on firm value in healthcare sub-sector companies listed on the Indonesian Stock Exchange for the period 2016-2020.

The results of the research are expected to be used as material for consideration by parties who want to raise funds in trading, service, and investment companies in the health sub-sector listed on the Indonesia Stock Exchange. In making investment decisions, investors should choose companies that have a high return on assets, because then they can increase the company's profit as well as possible. For companies, it is advisable to pay attention to aspects that affect company profitability. Companies that still have a low average profitability value should make efforts to increase it by increasing the capital structure, because these variables are able to increase the value of the company.

Keywords: *Corporate Value, Corporate Value, Profitability*