

ABSTRACT

The value of the company is seen from the stock price which is a picture of the company's performance which will reflect the response of investors. The higher the value of the company, the more investors will respond positively. Variables that are thought to influence firm value in this study are firm growth, free cash flow, and investment opportunity set.

This study aims to determine the effect of company growth, free cash flow, and investment opportunity set on firm value in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in 2016-2020.

The population in this study are manufacturing companies in the consumer goods industry sector which are listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The technique used in this research is purposive sampling. Based on purposive sampling obtained 31 samples of companies. The data analysis method in this study is panel data regression using the software eviews 12.

Based on the results of descriptive statistics show that the variable data of firm value (PBV), firm growth (Growth), and free cash flow (FCF) have an average value (mean) smaller than the standard deviation which indicates that the data varies or is not grouped. Meanwhile, the investment opportunity set (MVBVA) variable has an average value (mean) greater than the standard deviation which indicates that the variable does not vary or is grouped.

The results of the panel data regression show that the company's growth (Growth), free cash flow (FCF), and investment opportunity set (MVBVA) have a simultaneous effect on firm value. Company growth variable and investment opportunity set partially have a significant effect on firm value. While the free cash flow variable has no significant effect on the value of the company in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) in 2016-2020.

Keywords: company growth, firm value, free cash flow, investment opportunity set.