

ABSTRACT

The high value of a firm influence investor confidence. The firm's value reflects investors' perceptions of the company, indicating the prosperity and well-being gained by shareholders through the firm's stock value.

This study aims to determine the impact of institutional ownership, profitability, and capital structure on the firm's value in food and beverage sector companies listed on the Indonesia Stock Exchange from 2018 to 2022. The firm's value in this study is measured using the Tobin's Q ratio. Institutional ownership is measured by KI, profitability is measured using the Return on Asset (ROA) ratio, and capital structure is measured using the Debt to Equity Ratio (DER).

The population in this study consists of food and beverage sector companies listed on the Indonesia Stock Exchange (BEI) from 2018 to 2022. The method used in this study is quantitative. The sampling technique used is purposive sampling, resulting in 14 companies with a total of 70 observations. The data analysis technique used is panel regression, processed using Eviews 12 software.

The results show that, simultaneously, institutional ownership, profitability, and capital structure have an impact on the firm's value. The partial test shows that profitability has a significant impact on the firm's value, while institutional ownership and capital structure do not have an impact on the firm's value.

Based on the research findings, companies are recommended to focus on increasing profitability and to use these findings as a reference in considering and making decisions related to factors influencing the firm's value. Additionally, these findings can provide information for investors in making investment decisions.

Keywords: institutional ownership, firm value, profitability, capital structure