

THE EFFECT OF PROFITABILITY, FREE CASH FLOW, AND INVESTMENT OPPORTUNITY SET ON COMPANY VALUE

(Survey of Pharmaceutical Sub-Sector Companies Listed on the Indonesia Stock Exchange for the 2018 - 2023 Period)

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ABSTRACT

The purpose of this study was to determine: 1) To determine the development of Profitability, Free Cash Flow, Investment Opportunity Set and Company Value in Pharmaceutical Sub-Sector companies listed on the IDX for the 2018-2023 period. 2) To determine and analyze the effect of Profitability, Free Cash Flow, and Investment Opportunity Set partially and simultaneously on Company Value in Pharmaceutical Sub-Sector companies listed on the IDX for the 2018-2023 period. Sampling in this study used purposive sampling method and resulted in 8 companies being sampled. The data analysis technique uses panel data regression analysis using evIEWS 12 software. The results showed: 1) Profitability, Free Cash Flow, Investment Opportunity Set and Company Value experience fluctuations that varied every year. 2) Profitability, Free Cash Flow, and Investment Opportunity Set simultaneously have a positive and significant effect. 3) Profitability and Investment Opportunity Set partially have a positive and significant effect on Company Value. 3) Free Cash Flow partially has positive insignificant effect on Company Value.

Keywords: *Profitability, Free Cash Flow, Investment Opportunity Set and Company Value*

PENGARUH PROFITABILITAS, *FREE CASH FLOW* DAN *INVESTMENT OPPORTUNITY SET* TERHADAP NILAI PERUSAHAAN

**(Survei pada Perusahaan Sub Sektor Farmasi yang Terdaftar di Bursa Efek
Indonesia Periode 2018 - 2023)**

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ABSTRAK

Tujuan penelitian ini mengetahui: 1) Untuk mengetahui perkembangan Profitabilitas, *Free Cash Flow*, *Investment Opportunity Set* dan Nilai Perusahaan pada perusahaan Sub Sektor Farmasi yang Terdaftar di BEI periode 2018-2023. 2) Untuk mengetahui dan menganalisis pengaruh Profitabilitas, *Free Cash Flow*, dan *Investment Opportunity Set* secara parsial dan simultan terhadap Nilai Perusahaan pada perusahaan Sub Sektor Farmasi yang Terdaftar di BEI periode 2018-2023. Pengambilan sampel pada penelitian ini menggunakan metode *Purposive sampling* dan menghasilkan 8 perusahaan yang menjadi sampel. Teknik analisis data menggunakan analisis regresi data panel dengan menggunakan *software eviws* 12. Hasil penelitian menunjukan: 1) Profitabilitas, *Free Cash Flow*, *Investment Opportunity Set* dan Nilai Perusahaan mengalami fluktuasi yang bervariasi setiap tahunnya. 2) pengaruh Profitabilitas, *Free Cash Flow*, dan *Investment Opportunity Set* secara simultan berpengaruh terhadap Nilai Perusahaan. 3) Profitabilitas dan *Investment Opportunity Set* secara parsial berpengaruh Positif dan signifikan terhadap Nilai Perusahaan. 3) *Free Cash Flow* secara parsial berpengaruh positif tidak signifikan terhadap Nilai Perusahaan.

Kata Kunci: Profitabilitas, *Free Cash Flow*, *Investment Opportunity Set* dan Nilai Perusahaan.