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ANALYSIS OF FACTORS INFLUENCING THE VALUE OF PROPERTY AND REAL ESTATE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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ABSTRACT

This study aims to determine the effect of capital structure, liquidity, and firm size on firm value with profitability as the intervening variable. The research sample was determined using a purposive sampling method of 57 company financial statements, and the data was processed using SmartPLS software. The results of this study shows that all independent variables have an effect on the dependent variable and the intervening variable is able to mediate the effect of the independent variables on the dependent variable.

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1. INTRODUCTION

The development of the property and real estate industry in Indonesia is considered quite significant. The Indonesia Stock Exchange, (2023), shows that currently there are 61 property and real estate issuers listed on the capital market. But based on that number, only 19 turned a profit. However, if you look deeper, of the 19 issuers, on average, their share prices will continue to fluctuate from 2019 to 2021. This is of course a concern for management and investors, because stock prices are representative of the value of the company itself (Brigham & Houston , 2011)

Table 1. Average share price of 19 property and real estate companies 2019-2021

Year	Stock Price	
	Rp	%
2019	1.693	-
2020	2.386	40,9
2021	2.235	-6,32

Source: Indonesia Stock Exchange, (2021)

Firm value can be said to be a reflection of the price that investors are able to pay for a company. This is because the company's value represents the views of investors on the level of success of a company in managing its resources. The high value of the company will usually reflect the level of profit earned by the company to ensure its long term survival (Astuti et al., 2023). Therefore, it is important for management to be able to maintain optimal company value.

Table 2. Average net income, debt, and assets, 19 property and real estate companies 2019-2021

Year	Profit		Debt		Asset	
	Rp	%	Rp	%	Rp	%
2019	734.512	-	5.138.217	-	12.083.081	-
2020	388.494	-47,1	5.749.460	0,11	12.722.658	5,29
2021	480.172	23,5	5.843.476	1,63	13.276.348	4,35

Source: Indonesia Stock Exchange, (2021)

Brigham & Houston, (2011), explains that there are several factors that affect firm value, namely dividend policy, company growth, profitability, capital structure, company size, and liquidity. High liquidity shows the strength of the company in terms of meeting current debts from current assets owned by the company so that it will increase investor confidence in the company. The better the investor's trust in the company, the better the value of the company in the eyes of outsiders. In addition, the results of previous research conducted by Uttari & Yadnya, (2018), found that liquidity has a positive and significant effect on company value. Meanwhile, different findings were obtained by Saputri & Giovanni, (2021), that liquidity has a negative and significant effect on company value.

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Beside liquidity, capital structure also plays an important role in shaping company value. Capital structure is a comparison of foreign capital or debt with own capital. The capital structure is the company's funding sourced from internal and external companies that are used to finance the company's operational activities. The capital structure is proxied by the Debt to Equity Ratio (DER), because this ratio can see company funding (Dewi & Astika, 2019). Regarding capital structure, companies need to pay attention to risk and return . The increasing use of debt in the company's capital structure, the risk and expected return will also increase. Therefore, increasing the company's capital structure will have an impact on increasing company value (Mahanani & Kartika, 2022). Based on Table 2, it is known that the total debt of 19 property and real estate issuers continues to increase by 0.11% in 2020 and 1.63% in 2021. This should be of concern because an increase in debt means that the cost of capital issued will also more increasing. In addition, based on empirical results, it was found in research by Uttari & Yadnya, (2018), that capital structure has a negative and significant effect on firm value. Whereas in research conducted by Meivinia (2018), conflicting results were found, namely capital structure had a positive but not significant effect on company value.

Firm size is another factor that influences firm value. Dewi & Ekadjaja, (2020), explain that for investors, companies with large sizes certainly have good performance. Therefore, it is important for the company to always maintain its size growth. Based on Table 2, it is known that the assets of 19 property and real estate issuers from 2019 to 2021 are always growing. However, this asset growth was also accompanied by debt growth and decreased profits, which meant that the financial performance of all these issuers was not optimal. Meanwhile, based on empirical results, it was found that research by Novari & Lestari, (2016), showed that company size had a positive and significant effect on firm value. However, different research results are shown by Indriyani, (2017), namely company size has a negative and significant effect on company value.

Table 3. Research Gap

Capital Structure → value of the company	Lulu Meivinia (2018)	Ayu & Putu (2018)
Likuidity → value of the company	Ayu & Putu (2018)	Fajriwati (2020)
Firm size → value of the company	Novari & Lestari (2016)	Indriyani (2017)

Based on the research gap in table 3, profitability is then included as an intervening variable. The higher the profitability obtained by the company in the current year, the higher the share price will be, so that the value of the company will also increase. Research by Dewi & Ekadjaja, (2020), & Dewantari et al., (2019), found that profitability has a significant role in shaping company value. Furthermore, research by Puspita & Hartono, (2018), shows that liquidity has a positive and significant influence on company profitability. Research by Sudaryo & Pratiwi, (2016), shows that liquidity and capital structure have a positive and significant role on profitability. Next research from Wage et al., (2022), shows that liquidity and company size have a positive and significant influence on profitability. All of this empirical then becomes the basis for making profitability as an intervening variable in this study.

Hipothesys

H1: Capital structure has a positive and significant effect on firm value Property & real estate issuers listed on the IDX

H2: Liquidity has a positive and significant effect on firm value, at Property & real estate issuers listed on the IDX

H3: Firm size has a positive and significant effect on firm value on property & real estate issuers listed on the IDX

H4: Capital structure has a positive and significant effect on profitability in Property & real estate issuers listed on the IDX

H5: Liquidity has a positive and significant effect on firm value Property & real estate issuers listed on the IDX

H6: Firm size has a positive and significant effect on firm value on property & real estate issuers listed on the IDX

H7: Profitability has a positive and significant effect on firm value, at Property & real estate issuers listed on the IDX

H8: Capital structure has a positive and significant influence on firm value, mediated by the profitability of property & real estate issuers listed on the IDX
H9: Liquidity has a positive and significant effect on firm value, with mediated by the profitability of property & real estate issuers listed on the IDX
H10: Company size has a positive and significant influence on firm value, mediated by the profitability of property & real estate issuers listed on the IDX

2. METHOD

The method used in this research is quantitative. This research was conducted on property and real estate companies listed on the Indonesia Stock Exchange, with research data collection from February 2022 to June 2023. The research population was all property and real estate companies listed on the Indonesia Stock Exchange from 2019 to 2021 The sample for this study was taken using a purposive sampling method and 19 property and real estate companies met the criteria for determining the sample. The criteria used are issuers that generate profits, but are unable to maintain consistent growth. Data analysis techniques in this study were descriptive statistical analysis and inferential statistical analysis which in this study used the Partial Least Square method (PLS) and processed using the SmartPLS3.0 program. This method is used to examine the relationship between variables in a model, both between indicators and constructs, as well as relationships between constructs. There are multiple sections in the test with the PLS method, namely the measurement model (Outer Model), and the structural model (Inner Model). For measurement models, the most important measures are joint reliability or internal consistency, convergent validity, and determinant validity. For the structural model, the important measures are the path coefficient, its significance level, and the value of the explained variance R2.

3. RESULT AND DISCUSION

Descriptive Analysis

Table 4. Descriptive Analysis Results

Variable	Indicator	Max	Min	Mean	Industry Standard
Capital structure	DER	3,688	0,007	0,714	90%
	LDAR	0,432	0,000	0,157	50%
Likuidity	CR	84,526	0,936	6,567	200%
	QR	59,192	-2,152	3,839	150%
Firm Size	Ln Total Asset	31,750	26,589	29,352	-
	Ln Total Sales	29,906	23,039	26,940	-
Profitability	ROA	0,200	0,000	0,0417	5,98%
	ROE	0,244	0,000	0,061	8,32%
Value of the company	PBV	27,360	0,061	2,063	100%

Source: SmartPLS 4.0, (2023)

Based on Table 3, it can be seen that the average Debt to Total Equity Ratio is 0.714, which means that every Rp. 1 equity owned by the company is used to finance Rp. 0.714 company liabilities. Industry standard Debt to Total Equity Ratio according to Kasmir, (2008) is 90%. The average Debt to Total Equity Ratio value is 0.714 or 71.4% indicating that the average property and real estate company in this study has a total debt that is smaller than the company's equity so that the financial condition of the property and real estate company is said to be good because the capital owned by the company can be used to pay debts. The average Long term Debt to Total Assets Ratio is 0.157, which means that every Rp. 1 asset owned by the company is used to finance Rp. 0.157 company's long-term debt. The average value of the Long-term Debt to Total Assets Ratio is 0.157 or 15.7% indicating that the average property and real estate company in this study has a total long-term debt that is lower than the company's total assets. The financial condition of property and real estate companies is said to be good because the assets owned by the company can guarantee the company's long-term debt.

The average value of the Current Ratio is 6.567 which means that every Rp. 1 current liabilities of the company can be financed by Rp. 6,567 current assets owned by the company. The average Current Ratio is 6.567 or 656.7% or 6.5 times, indicating that the average property and real estate company has total current assets higher than total current liabilities. The financial condition of property and real estate companies is said to be good because it is greater than the industry standard Current Ratio , which is 200% or 2 times. The company's financial condition is said to be good according to company managers and even creditors because the company is considered capable of paying its current debts with its current assets. However, a Current Ratio that is too high indicates that the company's financial condition is not good according to shareholders because the company's managers are considered incapable of utilizing the company's current assets. Quick Ratio average value is 3.839 which means that every Rp. 1 the company's current liabilities are guaranteed by Rp.3,839 current assets other than inventories owned by the company. The average value of the Quick Ratio is 3.839 or 383.9% or 3.8 times indicating that the average property and real estate company has total current assets greater than total current liabilities. Property and real company financial condition estate is said to be good because the average Quick Ratio is greater than the industry standard, which is 150% or 1.5 times.

The average value of Ln total assets is 29.352. The average value of Ln total sales is 26,940 There are no clear standards for classifying companies as small, medium, or large. However, it can be said that in general the size of property and real estate companies listed on the Indonesia Stock Exchange is relatively diverse, because the total assets and total annual sales of each company vary. The average value of Return On Assets is 0.0417 which means that every Rp. 1 company asset can generate Rp. 0.0417 profit for the company. The average value of Return On Assets 0.041 or 4.1% indicates that the average property and real estate company has total assets that are greater than the net profit earned by the company. The company's financial condition is said to be not good because the average Return On Assets is smaller than the industry standard Return On Assets according to Lukviarman, (2006) namely 5.98%. The average Return On Equity is 0.061 which means that every Rp. 1 equity owned by the company can generate Rp. 0.061 profit for the company. The average Return On Equity value is 0.061 or 6.1% indicating that the average property and real estate company has a total equity greater than the net profit earned by the company. The company's financial condition is said to be not good because the company's average Return On Equity is smaller than the industry standard Return On Equity according to Lukviarman, (2006), which is 8.32%.

The average value of Price to Book Value is 2.063 which indicates that every 1 rupiah the book value is valued by the market as much as 2 times the share price. The average value of Price to Book Value is 2.063 which indicates that the average property and real estate company has an overvalued stock price because the stock price is greater than the book value.

Inferential Analysis (Partial Least Square Method)

Measurement Model (Outer Model)

Convergent Validity

Table 5. Convergent validity test result

Variable	Indicator	Outer Loading	Result
Capital structure	DER	0,957	Valid
	LDAR	0,905	Valid
Likuidity	CR	0,998	Valid
	QR	0,999	Valid
Firm Size	Ln Total Asset	0,974	Valid
	Ln Total Sales	0,929	Valid
Profitability	ROA	0,992	Valid
	ROE	0,991	Valid
Value of the company	PBV	1,000	Valid

Source: SmartPLS 4.0, (2023)

Based on Table 5, it can be seen that the Outer Loading value of each indicator is said valid as a measure of latent variables because the value is greater than 0.70.

Discriminant Validity

Table 6 Discriminant validity test result

Variable	AVE	Result
Capital structure	0,932	Valid
Likuidity	0,999	Valid
Firm size	0,952	Valid

Profitability	0,991	Valid
Value of the company	1,000	Valid

Source: SmartPLS 4.0, (2023)

Based on Table 6, it can be seen that the AVE root value of each latent variable is greater from the correlation between constructs so that it is said that the construct has good discriminant validity.

Composite Reliability & Cronbach's Alpha

Table 7. Composite Reliability & Cronbach's Alpha

Variable	Composite reliability	Cronbach's alpha	Result
Capital structure	0,929	0,853	Reliable
Likuidity	0,999	0,997	Reliable
Firm size	0,950	0,902	Reliable
Profitability	0,991	0,983	Reliable
Value of the company	1,000	1,000	Reliable

Source: SmartPLS 4.0, (2023)

Based on Table 7, it can be seen that each variable has a good reliability value because the composite reliability and cronbach's alpha values are each above 0.7 which means indicating that each construct is highly correlated.

Structural Model (Inner Model)

R Square

Table 8. R Square

Variabel	R Square	R Square Adjusted
Profitability (Z)	0,398	0,364
Firm size (Y)	0,585	0,553

Source: SmartPLS 4.0, (2023)

Based on Table 8, we can see the R Square value of each dependent variable (Y) and the mediating variable (Z). The R Square value of the firm value variable is 0.585. This shows that the variable firm value can be explained by independent variables (capital structure, liquidity, and company size) and mediating variables (Profitability) of 58.5% while the remaining 41.5% is explained by other variables not included in the this research model. The R Square value of the Profitability variable is 0.398. This shows that the profitability variable can be explained by independent variables (capital structure, liquidity, and company size) of 39.8% while the remaining 60.2% is explained by other variables not included in this research model.

Path Diagram

To find out and understand the effect of capital structure, liquidity, and company size with profitability as a mediating variable on firm value, a PLS path diagram is used. The PLS path diagram is constructed based on the outer and inner models. The following is a picture of the PLS path diagram

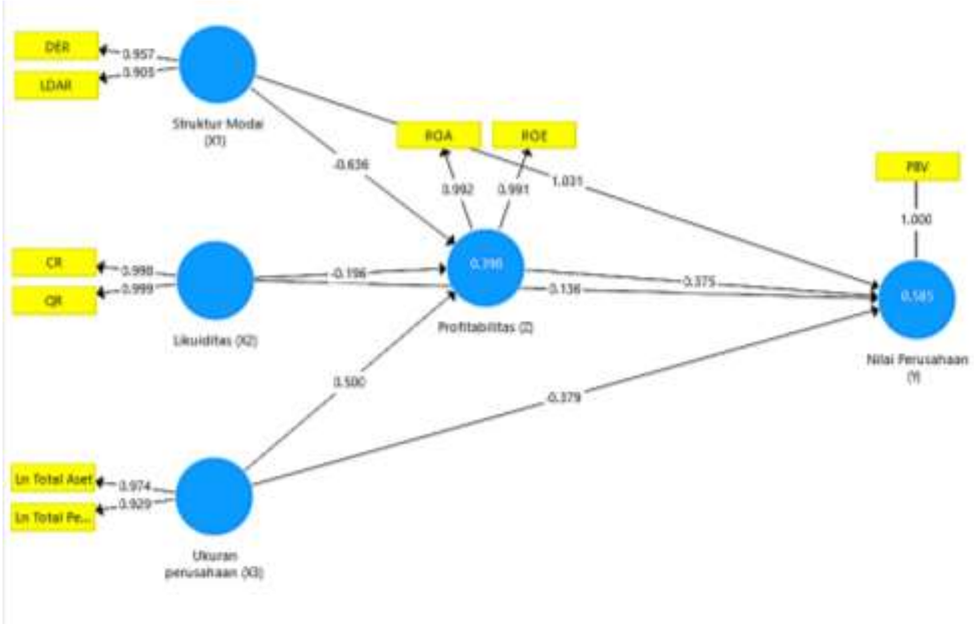

Figure 1. Path Coefficient

Based on Figure 1, it can be seen that the path coefficient value of each exogenous variable to the endogenous variable. The path coefficient value of variable X1 (capital structure) to variable Y (firm value) is 1.031, which means that capital structure has a positive effect of 1.031 or 103.1% on firm value. The path coefficient value of variable X2 (Liquidity) to variable Y (company value) is 0.136, which means that liquidity has a positive effect of 0.136 or 13.6% on firm value. The path coefficient of variable X3 (company size) to variable Y (company value) is -0.379, which means that company size has a negative effect of 0.379 or 37.9% on firm value.

The path coefficient of variable X1 (capital structure) to variable Z (Profitability) is -0.636, which means that capital structure has a negative effect of 0.636 or 63.6% on Profitability. The path coefficient value of variable X2 (Liquidity) to variable Z (Profitability) is -0.196, which means that liquidity has a negative effect of 0.196 or 19.6% on Profitability. The coefficient value of the path variable X3 (company size) to variable Z (Profitability) is 0.500, which means that company size has a positive effect of 0.500 or 50% on profitability. The path coefficient of the Z variable (Profitability) to the Y variable (Company value) is 0.375, which means that profitability has a positive effect of 0.375 or 37.5% on firm value

Hipothesys Test Result

Table 9. Hipothesys results (*Direct & Indirect Effects*)

	Original Sample	T Statistic	P Values	Result
Capital structure → Value of the company (Y)	1,031	3,387	0,001	H1 Accepted
Likuiditas→ Value of the company (Y)	0,136	1,808	0,071	H 2 Denied
Firm size → Value of the company (Y)	-0,379	2,046	0,041	H3 Denied
Capital structure → Profitability (Z)	-0,636	8,812	0,000	H4 Accepted
Likuiditas→ Profitability (Z)	-0,196	3,084	0,002	H5 Denied
Firm size → Profitability(Z)	0,500	4,330	0,000	H6 Accepted
Profitability (Z) → Value of the company (Z)	0,375	3,305	0,001	H7 Accepted
Capital structure →Profitability (Z) → Value of the company (Y)	-0,239	2,661	0,008	H8 Accepted
Likuidity→Profitability (Z) → Value of the company (Y)	-0,073	2,137	0,033	H9 Accepted
Firm size →Profitability (Z) → Value of the company (Y)	0,188	2,301	0,022	H10 Accepted

Source: SmartPLS 4.0, (2023)

Effect of Capital Structure on Firm Value

The first hypothesis assumes that capital structure has a significant positive effect on firm value. This hypothesis is accepted because it is in accordance with the test results where the value of the capital structure path coefficient on firm value is 1.031, which means that the direction of the relationship between the two variables is positive and significant because the t-statistic value is 3.387 > 1.96 and the p-value is 0.001 <0.05. This means that the higher the use of debt by the company, the company's stock price will also increase. In the Trade Off theory, an increase in the amount of debt can lead to an increase in company profits received by investors. For example, a company increases debt to expand its business. The expansion of the business aims to increase the amount of profit earned by the company. The amount of profit that increases will increase the company's stock price. In accordance with the signal theory, this can increase the value of the company because investors see a good signal to make an investment. In accordance with the trade off theory, if the benefits of increasing the amount of debt are greater than the sacrifices incurred by the company, then the use of debt can increase the value of the company.

The Effect of Liquidity on Firm Value

The second hypothesis assumes that liquidity has a significant positive effect on firm value. This hypothesis was rejected because it did not match the test results where the coefficient value of the liquidity path to firm value was 0.136 which means that the direction of the relationship between the two variables is positive but cannot be said to be significant because the t-statistic value is 1.808 < 1.96 and the p-value is 0.071 > 0 ,05. This means that the more current assets increase, the more the company's stock price increases. Liquidity can have a positive effect on firm value but at a low level of significance because if the level of liquidity is too high, the company is considered less productive in optimizing assets. smoothly owned. This can be seen from the high average level of liquidity of property and real estate companies in this study, which means that the average property and real estate company has a greater amount of current assets than current liabilities. This condition gives a bad signal to investors because they think that company managers do not optimize their current assets to generate profits. This can cause investors not to be interested in investing capital so that the stock price will decrease. The results of this study are supported by the results of research conducted by Manurung, (2016), which shows that liquidity has no significant effect on firm value because a high level of liquidity indicates idle company funds and gives a bad signal to investors so that company value decreases.

Effect of Firm Size on Firm Value

The third hypothesis assumes that firm size has a significant positive effect on firm value. This hypothesis is rejected because it is not in accordance with the test results where the path coefficient value of company size to firm value is -0.379 which means the direction of the relationship between the two variables is negative and has a significant effect because the tstatistic value is 2.046 > 1.96 and the p-value is 0.041 <0 ,05. This shows that the larger the size of the company, the lower the value of the company. Firm size can have a negative effect on firm value because investors assume that companies with large assets will tend to apply retained earnings rather than distributing dividends to shareholders. This condition gives a bad signal to investors because the rate of return expected by investors is retained for the company's operating capital so that investors are less interested in investing in the company which results in a decline in share prices. The results of this study are supported by the results of research conducted by Ramdhonah, (2019), which shows company size has a negative effect on firm value because a large number of company assets has debt as a source of capital and applies retained earnings for the company's operational needs.

Effect of Capital Structure on Profitability

The fourth hypothesis assumes that capital structure has a significant negative effect on firm value. This hypothesis is accepted because it is in accordance with the test results where the path coefficient value of the capital structure to firm value is -0.636 which means the direction of the relationship between the two variables is negative and significant because the t-statistic value is 8.812 > 1.96 and the p-value is 0.000 <0. 05. This means that the higher the debt, the lower the net profit earned. Companies that make debt as a source of capital will provide a high risk because the company has an obligation to pay expenses, namely interest. High interest expenses will reduce the company's net profit. The decreased net profit due to paying the interest expense makes the company's profitability decrease. The results of this study are supported by the results of research by Indomo, (2019), which shows capital structure has a negative and significant effect on profitability due to higher debt ratios the higher the burden that must be borne by the company and reduce the amount of net profit earned by the company.

Effect of Liquidity on Profitability

The fifth hypothesis assumes that liquidity has a significant positive effect on profitability. This hypothesis is rejected because it is not in accordance with the test results where the coefficient of the liquidity path to profitability is -0.196 which means that the direction of the relationship between the two variables is negative and significant because the t-statistic value is 3.084 > 1.96 and the p-value is 0.002 <0.05 . Companies that have a high level of liquidity indicate that the company has sufficient excess current assets to meet operational costs without having to borrow funds from foreign parties. This excess of internal funds will reduce the company's ability to earn profits because it feels that it has been able to finance its operations with the assets it owns. The results of this study are supported by the results of research conducted by Indomo, (2019), which shows that liquidity has a negative effect on profitability because high liquidity indicates idle cash and this does not provide benefits for the company.

Effect of Company Size on Profitability

The sixth hypothesis assumes that firm size has a significant positive effect on profitability. This hypothesis is accepted because it is in accordance with the test results where the path coefficient value of company size to profitability is 0.500 which means the direction of the relationship between the two variables is positive and significant because the t-statistic value is 4.333 > 1.96 and the p-value is 0.000 <0.05. Large companies are considered to have good performance stability so they are believed to be able to obtain higher profits because large companies have greater resources than smaller companies. According to Ramdhonah, (2019), companies with large amounts of assets have easy access to obtaining funding from foreign parties. This means that companies can easily obtain loans and means that companies have an obligation to repay debts which then decreases the amount of net profit earned by the company.

Effect of Profitability on Firm Value

The seventh hypothesis assumes that profitability has a significant positive effect on firm value. This hypothesis is accepted because it is in accordance with the test results where the path coefficient value of profitability to firm value is 0.375 which means the direction of the relationship between the two variables is positive and significant because the t-statistic value is 3.305 > 1.96 and the p-value is 0.001 <0.05. This means that the higher the net profit earned by the company, the higher the company's stock price. Good profitability gives a positive signal to investors to invest in the company because investors see the company is able to earn profits and are interested in investing in the company so that causing the company's stock price to increase. The results of this study are supported by the results of research by Rubiyani & Yuniati, (2016), which shows profitability has a positive and significant effect on firm value because high profitability reflects the company's ability to earn profits for shareholders so that the company's stock price increases.

Profitability mediates the effect of Capital Structure on Firm Value

The eighth hypothesis assumes that profitability is significantly able to mediate the effect of capital structure on firm value. This hypothesis is accepted because it is in accordance with the test results where the t-statistic value is 2.661 > 1.96 and the p value is 0.008 <0.05. Mark the path coefficient of capital structure to firm value when mediated by profitability is 0.239. This shows that capital structure has a negative effect on firm value when it is mediated by profitability. The role of profitability as a mediating variable is Partial Mediation, because the capital structure variable (X1) directly or indirectly has a significant effect on the firm value variable (Y). Conditions like this can occur when a company increases the amount of debt, but the benefits obtained are not greater than the costs that must be incurred by the company. Based on the initial research, it was found that the average total debt of property and real estate companies in this study has increased from 2019 to 2021, while the company's net profit has decreased from 2019 to 2021. When in debt, the company has an obligation to repay it and the company's net profit decreases because it has to pay interest on debt. When the company's profitability decreases, investors are less interested in investing in the company which results in a decrease in stock prices company.

Profitability mediates the influence of Liquidity on Firm Value

The ninth hypothesis assumes that profitability is significantly able to mediate the effect of liquidity on firm value. This hypothesis is accepted because it is in accordance with the test results where the t-statistic value is 2.137 > 1.96 and the p value is 0.033 <0.05. The coefficient value of the liquidity path to firm value when mediated by profitability is -0.073. This means that liquidity has a negative effect on firm value when it is mediated by profitability. The role of profitability as a mediating variable is Full Mediation, because the variable Liquidity (X2) does not directly have a significant effect on firm value (Y), but indirectly has a significant effect on firm value (Y) when mediated by profitability. Companies that have a high level of liquidity indicate that the company has a larger amount of current assets than the amount of current liabilities. According to Fahmi, (2012), for company managers, this is good because the company is able to pay current debts using current assets owned by the company. However, this condition is not good for shareholders because it means that company managers do not optimize their current assets to generate profits. This makes investors do not want to invest so that the company's stock price decreases.

Profitability mediates the effect of Firm Size on Firm Value

The tenth hypothesis assumes that profitability is significantly able to mediate the effect of firm size on firm value. This hypothesis is accepted because it is in accordance with the test results where the t-statistic value is 2.301 > 1.96 and the p value is 0.022 <0.05. The path coefficient value of firm size on firm value when mediated by profitability is 0.188, which means that firm size has a positive effect on firm value when mediated by profitability. The role of profitability as a mediating variable is Partial Mediation, because the variable firm size (X3) directly or indirectly has a significant effect on the firm value variable (Y). According to Ramdhonah, (2019), large companies are considered to have stable performance so they are believed to be able to obtain higher profits because large companies have greater resources than smaller companies. When the company's profitability is high, investors will see good prospects and are interested in investing in the company so that the company's stock price increases.

4. CONCLUSIONS

The conclusions that can be drawn from this study are that the capital structure and liquidity are said to be good because they meet the respective industry standards, the company sizes vary, the profitability is said to be bad because they do not meet industry standards, and the company value is said to be high because the company's stock price is highly valued. Capital structure has a significant positive effect on firm value and a significant negative effect on profitability. Liquidity has no significant positive effect on firm value and a significant negative effect on profitability. Firm size has a significant negative effect on firm value and a significant positive effect on profitability Profitability has a significant positive effect on firm value and is able to mediate the effect of capital structure, liquidity, and firm size on firm value respectively. Advice that can be given to companies is to be careful in using foreign capital, utilize the inventory they have, seek to increase sales, and increase profitability. While the advice that can be given to further researchers is to add technical factors that affect firm value and add indicators for each research variable.

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