**ABSTRACT**

Teresia Agnes / 23150155/2019 / Analysis of the Effect of Profitability, Capital Structure, and Dividend Policy on Firm Values ​​in LQ 45 Companies from 2015 to 2017 Period / Advisor: Martha Ayerza Esra, S.E., M.M.

The aim of the company is to maximize company value or wealth for shareholders.  Maximizing the value of a company is important for the company, because the higher the value of a company, the better and more feasible for investors to invest.  Changes in the variables of profitability, capital structure, and dividend policies have been shown to influence company value.  Therefore the company must be careful in making policy decisions considering that every financial decision can affect the value of the company and have an impact on achieving the objectives of the company.

 The underlying theory of the formation of this research is signaling theory, bird in the hand theory, and the theory of the firm.  Signaling theory explains how information reported impacts society.  Bird in the hand theory explains the impact of dividend distribution in a company.  Theory of the firm explains the characteristics of the company in an effort to maximize profits.

 This research was conducted on companies contained in the LQ 45 Index listed on the Indonesia Stock Exchange in the period 2015 - 2017. Using a purposive sampling method obtained a sample of 24 companies with the help of SPSS 22 program. Data collection was carried out by observation method through annual financial reports  which is accessed through the official website of the Indonesia Stock Exchange (IDX).  The data analysis technique used is multiple linear regression.  The results of this study indicate that the regression model used has met the classical assumption test.

 The results of the tests conducted indicate that data can be backed up.  The test results are normally distributed and pass the classical assumption test (Normality, Multicolonity, Heteroscedasticity, and Autocorrelation).  The significance value of profitability is 0,000.  Capital structure has a significance value of 0,005 and dividend policy has a significance value of 0,020.

 The results of the study show that (1) Profitability has an effect on Company Values, (2) Capital Structure has an effect on Company Values, and (3) Dividend Policies have an effect on Company Values.

*Keywords: Profitability, Capital Structure, Dividend Policy, Company Value*