

## The Impact of Profitability and Capital Structure on Firm Value in Indonesia Listed Companies on Stock Exchange Indonesia

D R Nawawi<sup>1</sup> and D Rahadian<sup>2</sup>

<sup>1,2</sup>Telkom University, Indonesia

<sup>1</sup>da.rohdi.na@gmail.com

**Abstract.** This research aims to establish the relationship between profitability and capital structure on firm value in 30 Indonesian Companies on the Indonesia Stock Exchange in Miscellaneous Industry over period of five-years (2012-2016). The analysis is based on regression data panel. The profitability indicator refer to return on asset and return on equity. The capital structure indicators refer to debt on equity, debt on asset, and long-term debt. Data sources are form Indonesian Stock Exchange and company annual reports. Results show that profitability has positive significant effect in firm value. Capital structure does not have effect to firm value. Profitability and capital structure have significant effect to firm value.