

## ABSTRACT

TELKOM's strategic plan, known as 5BM, recognizes the company's significant assets but adds that it has not resulted in huge earnings. To address this, TELKOM, as a large telecommunication firm in Indonesia, developed this plan to increase its business value. This study aims to contribute to this goal by conducting research focused on examining the company's financial structure and evaluating the effects of financial structure, taking into account macroeconomic factors such as interest rates, to increase its overall worth. The study takes a quantitative approach, analyzing TELKOM's financial data from 2014 to 2024 and considering variables such as business size, liquidity ratio, leverage ratio, investment opportunity, efficiency level, profitability, and interest rates.

Using multiple linear regression, this study looked at how TELKOM's financial structure and interest rate affected the company's valuation and profitability between 2014 and 2024. Equations I and II will be used to separate the dependent variables under examination into two categories: firm value and profitability. The study's findings clarify that, while the leverage ratio has a negative impact on firm value, there are some factors that affect positively significant firm value, namely liquidity, investment opportunity, efficiency level, and profitability. Although interest rates and firm size both increase firm value, their effects are not statistically significant. Regarding equation II, the profitability is positively impacted by the leverage ratio and liquidity, and negatively impacted by firm size, investment opportunity, and interest rates. Profitability is positively impacted by efficiency level, however this effect is not substantial.

These findings highlight the significance of TELKOM's financial structure in increasing its market worth.

**Keywords :** firm size, leverage, liquidity, investment opportunity, efficiency, interest rate, firm value, profitability