ABSTRACT

Company value is a reflection of the performance demonstrated by the company. The higher the company value, the better the performance perceived. Company value also indicates how investors perceive the company's future prospects. Among the various sectors listed on the Indonesia Stock Exchange (IDX), the pharmaceutical sector stands out as one of the most important and strategic, especially amid the growing demand for quality healthcare services and pharmaceutical products.

This study aims to examine the simultaneous and partial effects of dividend policy, financial performance, and institutional ownership on firm value in pharmaceutical sector companies listed on the Indonesia Stock Exchange during the 2017–2023 period.

The research uses a quantitative method, with samples selected through purposive sampling, resulting in 7 companies over a 7-year period, yielding a total of 49 research samples. The analysis techniques used include descriptive statistical analysis and panel data regression analysis with the help of Eviews 12 software.

The findings show that dividend policy, financial performance, and institutional ownership simultaneously influence firm value. Partially, dividend policy and institutional ownership have no significant effect on firm value, while financial performance has a significant effect on firm value.

Based on the results, future researchers are advised to increase the number of samples or extend the research period so that the results may align more closely with the proposed hypotheses. For companies, if they aim to improve their firm value, they should consider other variables beyond those studied. For investors, when assessing firm value, financial performance should be a key consideration.

Keywords : Dividend Policy, Financial Performance, Institusional Ownership, Firm Value