

ABSTRACT

This study aims to empirically examine the influence exerted by Gross Domestic Product growth, inflation, and interest rates on firm value (proxied by PBV), both directly and indirectly through financial performance (proxied by ROA) as an intervening variable.

This study uses the panel data regression method and path analysis in testing the direct and indirect effects between the independent variables on the dependent variable. The statistical test tool used is Eviews 12. The population of this research is food and beverage companies listed on the Indonesia Stock Exchange in the period 2017-2022. The research sample was determined using purposive sampling method with the results there were 40 companies that fulfilled the criteria.

The results of this study indicate that inflation has a direct effect on firm value negatively. While GDP growth and interest rate (BI-rate) have no significant effect directly on firm value. Financial performance proxied by ROA as an intervening variable has a positive effect on firm value. Inflation has a positive effect on financial performance (ROA) and interest rates have a negative effect on financial performance (ROA). However, GDP growth has no effect on ROA. ROA can mediate the effect of inflation and interest rate (BI-rate) on firm value, but is unable to mediate the effect of GDP growth on firm value.

Keywords: Gross Domestic Product growth, inflation, interest rates, financial performance, firm value.

