PENGARUH PROFITABILITAS DAN PERTUMBUHAN PERUSAHAAN TERHADAP NILAI PERUSAHAAN PADA PERUSAHAAN JASA KONSTRUKSI DAN BANGUNAN DI BURSA EFEK INDONESIA

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ABSTRACT

This study aims to determine the effect of profitability and company growth on the value of the company in construction and building companies listed on the Indonesia Stock Exchange. The population in this study were construction and building companies during the period 2015 - 2019. The sampling technique used purposive sampling. The number of samples in this study were 40 samples. The analysis technique used is panel data regression analysis which was tested using SPSS 21 software. The results of this study indicate that partially the Profitability variable has a positive and significant effect on The value of the company from the results of the t test 2,378> t table 2.026 and the Company Growth variable has a positive and significant effect on the The value of the company of the t test results of 2.242> t table 2.026. Simultaneously, the Profitability and Company Growth variables have a significant effect on The value of the company from the test results of F count 2.849> F table 3.23.

Keyword : Profitability, Company Growth, The value of the company.

CHAPTER I

INTRODUCTION

1.1. Background of Study

Basically, the establishment of a company has a clear purpose. Based on the financial management perspective, the main objectives of the company in running its operations can be divided into two, namely short-term goals and long-term goals. The company's short-term goal is to maximize profits, while the long-term goal is to maximize shareholder wealth. Maximizing shareholder prosperity can be seen through the rate of return on investment made. Each form of company has the same ultimate goal, namely profit in order to maintain continuity of the company in the future. The company's goals will be achieved by careful and accurate management and efficiently carrying out their respective functions (Harjito and Martono, 2012: 2).

Maximizing shareholder prosperity can be achieved by optimizing the value of the company. Company value is a condition that has been achieved by the company which describes the investor's view of the management's performance in managing the company through a series of processes from the company's establishment to the present day. In the market, the higher the share price of the company in the capital market, the higher the wealth of the owner of the company which is reflected and the higher the value of the company. A high company value indicates that the company's performance is in good condition, so it can convince investors of good company prospects in the future (Ayu, 2017).

Kasmir (2012:117) shows that company value can be measured by price-to-book value (PBV). PBV is an evaluation ratio that measures the company's ability to create a business market value that is higher than the investment cost by comparing the market value

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of the stock to the book value. Well-managed companies generally have a PBV ratio above one. This means that the company's stock price is greater than the company's book value.

Before an investor decides to invest his funds in the capital market (by buying securities traded on an exchange), the most important activity is necessary to conduct a careful assessment of the issuer. He must be sure that the information he receives is a correct information. The trading system on the exchange is reliable and no other party can misuse the information in the transaction. Without the belief, investors will not want to buy the securities that the company offers (or trades on the exchange). Indicators of investor confidence in the capital market and its financial instruments are reflected in public funds in the capital market (Pinuji, 2009).

The first ratio that affects company value is profitability. Profitability is the ability of a company to generate profits within a certain period of time. It is also the company's ability to generate profits based on sales, total assets and own capital. Profitability is very important to maintain the survival of the company in the long term because profitability describes whether a business entity has good prospects in the future (Dewi and Wrajaya (2013: 360).

The next factor that affects the value of the company is the company's growth. Growth is the position of a company in the overall economic system or in the same industrial economic system. Growth is stated as growth in total assets, where total assets in the past will represent future profitability and future growth (Taswan, 2003).

Property, real estate is one of sectors for human life. In performing their daily activities, humans cannot be separated from this sector, for instance the office or factory where we work, shopping centers until we buy daily necessities, hospitals where we seek treatment, schools or universities where we study, as well as property. Other real estate is always related to daily human activities, and most importantly after the house or where we live.

Based on the data that the author obtained from the Indonesia Stock Exchange (IDX), there were 19 companies listed at the end of 2019, it is known that there were 8 companies that met the criteria to be sampled, namely: PT. Adhi Karya (Persero) Tbk (ADHI), PT. Pembangunan Perumahan (Persero) Tbk (PTPP), PT. Wijaya Karya (Persero) Tbk (WIKA), PT. Surya Semesta Internusa Tbk (SSIA), PT. Total Bangun Persada Tbk (TOTL), PT. Nusa Raya Cipta Tbk (NRCA), PT. Nusa Konstruksi Enjiniring Tbk (DGIK), PT. Indonesia Pondasi Raya Tbk (IDPR).

In a previous study entitled "The Effect of Profitability, Leverage and Dividend Policy on Company Value Property, Real Estate and Building Construction Company Values. by Putu D.M.Y and Nyoman A (2019)" concluded that profitability and leverage had a significant positive effect on the value of the company, while dividend policy had an insignificant negative effect.

From the description above, researcher is interested in examining two variables that can affect company value in construction and building companies in Indonesia. Therefore, the author formulates it in the form of research titled **"The Effect of Profitability and Company Growth on The Value of The Company in Construction Service and Building Companies on the Indonesia Stock Exchange (IDX)".**

1.2. Formulation of Study

Based on the background described above, the formulation of the problem in this study are as follow:

1. Did profitability affect the value of the company in construction service and building companies on the Indonesia Stock Exchange (IDX)?

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2. Did the company growth affect the value of the company in construction service and building companies on the Indonesia Stock Exchange (IDX)?
3. Did profitability and company growth affect on the value of the company in construction service and building companies on the Indonesia Stock Exchange (IDX)?

1.3. The Objectives of the Study

This study aims to find out and test empirically things as follows:

1. To find out the effect of the profitability of the company value in construction service and building companies on the Indonesia Stock Exchange (IDX).
2. To find out the effect of the company growth on company value in construction service and building companies on the Indonesia Stock Exchange (IDX).
3. To find out the effect of the profitability and growth of company value in construction service and building companies on the Indonesia Stock Exchange (IDX).

1.4. The Significance of the Study

This research is expected to provide benefits for various parties, namely:

1. **For the author**: it is expected to broaden valuable insights and knowledge in writing this study, especially regarding the effect of profitability and company growth on company value.
2. **For companies**, it is expected to increase consideration about the profitability and growth of the company.
3. **For other parties**: this study is expected will give constribution for further research, especially research on profitability, company growth, and company value.

CHAPTER II

THEORETICAL FRAMEWORK

2.1. The Value of The Company

2.1.1. Definition of Company Value

Company value is a kind of market value, because if the stock price of the company value increases, the company's market value can provide the greatest prosperity for shareholders. The higher the share price, the higher the prosperity of the shareholders (Hermuningsih, 2011).

Company value is the price that investors are willing to pay to own a company that issues public shares. The value of the company is reflected in the bargaining power of its shares, if it is estimated that the company is a company with good future prospects, the value of its shares will be higher, and vice versa (Sutrisno, 2012: 196).

2.1.2. The Concept of Company Value

According to Christiawan and Tariga (2007), there are five value concepts that reveal the value of a company, including:

1. Nominal Value

The nominal value is the value that is officially stipulated in the company's articles of association, the value that is clearly listed in the company's balance sheet, and the value that must also be clearly stated in the collective share certificate.

2. Market Value

The market value, also known as the exchange rate, is the price generated during the bargaining process in the stock market. This value can only be determined when the company's shares are sold on the stock market.

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3. Intrinsic Value

Intrinsic value is the most abstract concept, because it refers to an estimate of the true value of a company. The value of a company in the concept of intrinsic value is not only the price of a set of assets, but also the value of the company as a business entity that is able to generate profits in the future.

4. Book Value

Book value is the value of the company which is calculated based on accounting concepts. It is simply calculated by dividing the difference between total assets and total debt by the number of shares outstanding.

5. Liquidation Value

Liquidation value is the sale value of all company assets after deducting all obligations that must be met. The liquidation value can be calculated in the same way as calculating the book value, namely based on the performance balance prepared by the company at the time of liquidation.

2.1.3. The Indicator of Company Value

Company value can be measured using stock prices using a ratio called the 'valuation ratio'. The valuation ratio is a ratio that is side by side with the assessment of the performance of the company's shares traded on the go public capital market (Sudana 2011:23).

The valuation ratio provides information on how much people value the company, so that people are interested in buying shares at a higher price than the book value. According to Weston and Copelan (2008:244) the measurement of company value consists of:

Price to book value (PBV) is a ratio that shows whether the price of a traded share is overvalued (above) or undervalued (below) the book value of the share (Fakhruddin and Hadianto, 2001).

The formula used to measure PBV is as follows:

$$\boxed{= \frac{h}{h}}$$

2.2. Profitability

2.2.1. Definition of Profitability

Profitability ratio is a ratio to measure the company's ability in gaining profit. The ratio can also measure the effectiveness of the company's management. Profitability can be used by comparing various components in financial statements, especially income statements. Measurements can be made for several operating periods. The goal is to master the development of the company within a certain period of time, either the decrease or the increase as well as find the cause of the company (Kasmir, 2012).

Profitability is the company's ability to generate profits. Investors invest shares in companies to get returns consisting of yields and capital gains. The higher the ability to generate profits, the greater the return expected by investors so as to make the value of the company better (Saidi, 2004).

2.2.2. The Objectives of Profitability

According to Kasmir (2012) the objectives of profitability are:

1. To measure or calculate company profits in a certain period;
2. To assess the company's profit position from the previous year to the current year;
3. To assess profit development over time;
4. To assess the amount of net income after tax with own capital;

5. To measure the productivity of all company funds used both loan capital and own capital.

2.2.3. The Indicator of Profitability

ROE (Return on Equity) is a ratio that describes the percentage of net income when measured from owner's capital. From a shareholder perspective, this ratio is a measure of profitability and is the most common tool used by investors when making decisions. According to Brigham and Houston (2006:116), shareholders invest to get a return on their money, and this ratio describes how well they have done from an accounting point of view.

According to Lukman Syamsuddin (2009:65), Kasmir (2014:204), Gitman (2008:69), and Brigham and Houston (2006:109), ROE can be calculated by the following formula:

$$\boxed{= \frac{Net\ Income}{Equity}}$$

2.3. Company Growth

2.3.1. Definition of Company Growth

Every company tries to get high growth every year because the company growth provides an overview of the company's development that is happening (Fauzi and Suhadak, 2015).

Companies that have faster growth must rely more on external capital (Brigham and Houston, 2011: 189).

The growth rate of a company will reveal the extent to which the company uses debt as a source of financing. In relation to leverage, companies with high growth rates should use equity as a source of financing to avoid agency costs between shareholders and company management. Conversely, companies with low growth rates should use debt as a

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source of financing because the use of debt will require the company to pay interest regularly.

The faster the company growth, the greater the need of funds for expansion. The greater the interest in future financing, the greater the company's desire to retain profits. Therefore, growing companies should not distribute profits as dividends but should use them for expansion. This growth capacity can be measured by the amount of research and development costs. The greater the R&D cost, the greater the opportunity for the company to grow (Sartono 2001:248).

2.3.2. Factors Affecting Company Growth

According to (Dani Gustian 2017), there are several factors that affect the company growth, namely:

1. External Growth: in general, if the external growth conditions are positive, it will advance the company's opportunities to develop over time.
2. Internal Growth: internal growth is related to company productivity. In general, the higher the productivity of the company, the growth of the company is also expected to increase from time to time.
3. Growth due to the influence of local business conditions and situations. If the infrastructure and business climate support the business, the company growth will look good from time to time.

2.3.3. The Indicator of Company Growth

Asset growth describes the growth of assets where assets are capital used in the company's operational assets. Managers in corporate businesses tend to invest in after-tax earnings and expect better overall company growth (Charitou and Vafeas, 1998). According to the residual dividend theory, the company will only pay dividends if there are no profitable investment opportunities, so it can be concluded that there is a negative correlation between growth and dividend payments. Mathematically, asset growth can be formulated as follows:

$$\mathbf{h = Total\ Asset}\ t - \mathbf{Total\ Asset}\ t_1$$

2.4. Previous Research

There are several studies related to this research. These studies include:

Researchers	Research Title	Research Results
Ayu Sri Mahatma Dewy, Ary Wijaya (2013)	The Effect of Capital Structure, Profitability, and Company Size on The Value of The Company	• Capital structure has a negative and significant effect on company value. • Profitability has a positive and significant effect on company value. • The size of the company has no effect on the value of the company.
Fauziah Marwah Noor (2015	The Effect of Profitability and Company Size on The Value of The Company (case study on food and beverage companies listed on the Indonesia Stock Exchange	• Profitability has a positive effect on company value. • The size of the company has positive effect on the value of

	(IDX) for the period 2010-2014.	the company.
Isabella Permata Dhani, A.A Gde Satia Utama (2017)	The Effect of Growth Company, Capital Structure and Profitability on The Value of The Company	• Growth company has positive effect but not significant on the value of the company • Capital structure has negative effect but not significant on the value of the company • Profitability has a positive and significant effect on company value. • Profitability has a positive and significant effect on company value.
Ni Made Suastini, Ida Bagus Anom Purbawangsa, Henny Rahyuda (2016)	The Effect of Managerial Ownership and Company Growth on Company Value in Manufacture Company in IDX	• Managerial ownership has negatif and significant effect on the value of the company • Company growth has positive and

		significant effect on the value of the company • Capital structure has positive effect but not significant on the value of the company • Capital structure is not able to moderate the effect of company growth on the value of the company.

2.5. Conceptual Framework

Based on the theoretical basis and several previous studies, this study examines the effect of profitability and company growth on company value. This variable uses the dependent variable and the independent variable. The dependent variable used is company value, and the independent variable is profitability and company growth. The relationship between these variables will be stated in the following framework:

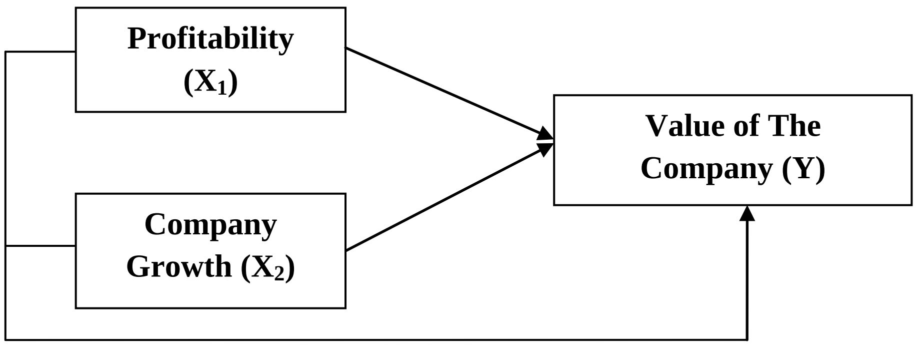

Figure 2.1. Conceptual Framework

2.6. Hypothesis

Based on the formulation of the problem and conceptual framework above, the hypotheses in this study are:

H0: Profitability has a positive and significant effect on the value of the company

H1: Company growth has a positive and significant effect on the value of the company.

H2: Profitability and Company Growth is positive and significant on the Value of the company.

CHAPTER III

METHOD OF RESEARCH

3.1. Types, Location and Time of Research

3.1.1. Types of Research

The type of research used in this research is casual associative research. Associative is research that intends to determine the effect or relationship between two or more variables. Through this research, it will be possible to form a theory that can explain, predict and control a phenomenon, which is carried out on data collected after the occurrence of an event (Sugiyono, 3003:11).

3.1.2. Research Location

The data and information needed in this study were obtained by accessing financial statement data and company stock prices from the Indonesia Stock Exchange (IDX) and from the official website of the research object *http://www.idx.co.id/id-id/beranda/ listed company/financialandannual reports.aspx.*

3.1.3. Research Time

This research was conducted in October 2019 until July 2020. The details of these research activities can be seen in Table 3.1 below:

Tabel 3.1

Research Schedule

Activities	2019		2020								2021
	Oct	Dec	Mar	Apr	May	Jul	Aug	Sep	Nov	Dec	Jan
Thesis Title Submission											

Making Proposal	■	■									
Proposal Guidance			■	■	■						
Proposal Seminar					■	■					
Collecting Data						■					
Data Analysis							■	■			
Thesis Guidance								■	■		
Seminar Result										■	
Thesis Defense											■

3.2. Population and Sample

3.2.1. Population

According to Sugiyono (2012:80), population is a generalization area consisted of objects which defined by researchers to make conclusions. In this study, the population is construction and building companies listed on the Indonesia Stock Exchange (IDX) in the 2015-2019 period. There were 19 companies listed as of the end of 2019.

3.2.2. Research Sample

Sugiyono (2012:81) stated that a sample is part of the number and characteristics possessed by the population. The sampling method used is ‘purposive sampling technique’.

The sample used in this study is the annual data on Profitability, Company Growth and Company Value at Construction Service and Building companies listed on the Indonesia Stock Exchange (IDX) during 2015-2019.

3.3. The Definition of Variables Operational

The definition of operational according to Sugiyono (2009: 60) is what is meant by a variable is everything in any form determined by the researcher to be studied so that information is obtained and conclusions are drawn.

Table 3.2

Definition of Variables Operational

Variable	Variable Definition	Indicator	Scale
Company Value (Y)	**Dependent Variable** Company value is the price that investors are willing to pay if a company is to be sold.	$= \frac{h}{h}$	Ratio
Profitability (X_1)	**Independent Variable** Profitability is a ratio to assess the company's skills in gaining profit	$= \frac{Net\ Income}{Equity}$	
Company Growth	**Independent Variable**	$h = \frac{Total\ Asset\ t - \text{Total Asset } t1}{\text{Total Asset } t1}$	Ratio

(X_2)	Growth is the extent to which the company subordinates itself to the overall economic system or the economic system in the same way		

3.4. Type and Source of Data

3.4.1. Types of Data

The type of data used in this research is quantitative data. According to Sugiyono (2012) Quantitative Data is data in the form of numbers, or quantitative data that is scored (scoring). So quantitative data is data that has a tendency to be analyzed by means or statistical methods. The data can be in the form of numbers or scores and it is usually obtained using a data collection tool whose answers are in the form of a range of scores or weighted questions. In this study, the data obtained are annual financial report data.

3.4.2. Data Sources

The data used in this study is secondary data based on time series and cross section data, which is data from several units of observation at one point in time, namely the published annual financial reports. Secondary data is a source of research data obtained by researchers indirectly by researchers through a liaison (processed and recorded by other parties). Secondary data is usually in the form of evidence, historical records or reports that have been arranged in published archives (documentary data) (Sugiyono, 2010). The data for this study were obtained directly from the official website of the Indonesia Stock Exchange, namely the annual financial reports of construction and building companies.

3.5.Data Collection Techniques

The data collection method used by researcher in this study is documentation and combining various data through books, journals, and data from the internet. Researcher obtained annual financial reports published on each of the company's websites.

3.6. Data Analysis Techniques

3.6.1. Classical Assumption Test

According to Ghozali (2011: 105) the purpose of testing the classical assumption is to ensure that the regression equation obtained has accuracy in estimation, is unbiased and consistent.

3.6.1.1. Normality Test

The normality test has the benefit of knowing whether the residuals are normally distributed or not. In carrying out the normality test the results can be seen from the histogram graph, P-P Plot curve, and Kolmogorov-Smirnov table.

1. Histogram Graph

In the histogram graph, if the data is seen to be spread around the diagonal line, it can be stated that the data is normally distributed. In the P-P Plot curve, if there are dots that spread along the way of the diagonal line, it can be stated that the data is normally distributed.

2. Kolmogorov - Smirnov Table

In the Kolmogorov-Smirnov table, if the significance value is greater than 0.05, it can be said that the data is normally distributed.

3.6.1.2. Multicollinearity Test

Multicollinearity test serves to understand the presence or absence of a high relationship between independent variables. If there is a high correlation between the independent variables, the relationship between the independent variables and the dependent variable will be disturbed. The test carried out to understand the presence or absence of multicollinearity disorders is to look at the Tolerance and Variance Inflation Factor (VIF) values.

1. Tolerance Value

If the tolerance value is less than 0.10, it can be concluded that multicollinearity occurs, on the other hand if the tolerance value is more than 0.10 then there is no multicollinearity indication.

2. Variance Inflation Factor (VIF)

If the VIF value is less than 10 then there is no multicollinearity. On the other hand, if the VIF value is greater than 10, it can be concluded that multicollinearity indications occur.

3.6.1.3. Autocorrelation Test

Autocorrelation is seeing whether there is a correlation or relationship between members of a series of controls arranged in a time series. In performing the autocorrelation test, it can be done using the Durbin-Watson test and the Runs Test.

1. Durbin-Watson Test

The result of the autocorrelation test is a summary model table by looking at the Durbin-Watson value, which then in making the decision must be compared by looking at the Durbin-Watson table, with the following conditions:

- If dU < DW < 4 - dU, then there is no autocorrelation.
- If DW < dL, then there is an autocorrelation.
- If 4 - dU < DW < 4 - dL, it cannot be concluded whether there is autocorrelation or not.

2. ‘Runs Test’ Test

The result of the autocorrelation test is the Runs Test table by looking at the Asymp value. Sig. (2-tailed). If the Asymp value. Sig. (2-tailed) is greater than 0.05, it can be concluded that there is no autocorrelation indication.

3.6.1.4. Heteroscedasticity Test

Heteroscedasticity test was carried out to understand whether the data had heteroscedasticity indications or not. To understand the presence or absence of heteroscedasticity indications, it can be done using a scatter plot test, by plotting the ZPRED value (prediction value) with SRESID (residual value). The output of a good scatter plot test is the existence of dots that spread and widen, so it can be concluded that the data does not have indications of heteroscedasticity.

In order to ensure whether the data has indications of heteroscedasticity or not, then the Gledjser test can be carried out. The output of the gledjser test is a table of coefficients, by looking at the significant results. If the significance value is greater than 0.05, it can be stated that the data does not have heteroscedasticity indications. On the other hand, if the significance value is less than 0.05, the data has heteroscedasticity indications.

3.6.2. Multiple Linear Regression Analysis

Multiple linear regression analysis according to Ety Rochaety, Ratih Tresnati, H.Abdul Madjid Latief (2009:142) aims to calculate the effect of two or more independent variables on one dependent variable and predict the dependent variable using two or more independent variables. The regression equation used is as follows:

$$\boxed{Y = a + b_1X_1 + b_2X_2 + e}$$

In Which:

a = Constant

b = Regression Coefficient

Y = Company Value

X_1= Profitability

X_2= Company Growth

e = Other factors that determine the diversity of Y other than X which in the study were not identified so that they are referred to as residues (residuals)

3.6.3. Hypothesis Test

To test the hypothesis, there are several tests that must be done, namely the *t* test, *F* test, and the Coefficient of Determination Test (R^2).

3.6.3.1. *T* Test (Partial)

The *t*-test is used to understand whether each independent variable has an influence or not on the dependent variable. With a significance level of 5%, in this case there are two references that can be used as a basis for decision making, first by looking at the significance value (Sig), and secondly comparing the t-$_{count}$ value with the t-$_{table}$.

a. Based on significant value (Sig)

1. If the Sig value < 0.05, then there is an effect of the independent variable (X) on the dependent variable (Y) or the hypothesis is accepted.
2. If the Sig value > 0.05 then there is no effect of the independent variable (X) on the dependent variable (Y) or the hypothesis is rejected.

b. Based on the consideration of the value of t_{count} with t_{table}

1. If the value of $t_{count} > t_{table}$ or $-t_{count} < -t_{table}$, then there is an effect of the independent variable (X) on the dependent variable (Y) or the hypothesis is accepted.
2. If the value of $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$, then there is no effect of the independent variable (X) on the dependent variable (Y) or the hypothesis is rejected.

3.6.3.2. F Test (Simultaneous)

The F test was conducted to understand whether all the independent variables included had an effect on the dependent variable together.

a. If the value of $F_{count} > F_{table}$ or $-F_{count} < -F_{table}$ and sig value < 0.05 then the independent variables together have an effect on the dependent variable.

b. If the value of $F_{count} < F_{table}$ or $-F_{count} > -F_{table}$ and sig value > 0.05 then together the independent variables have no effect on the dependent variable.

3.6.3.3. Coefficient of Determination Test (R^2)

The coefficient of determination is to find out how big the contribution of the influence given by the independent variables simultaneously to the dependent variable. The output of the coefficient of determination is a summary model table by looking at the R Square value. If the value of R Square is close to one, the greater the influence of all independent variables on the value of the dependent variable.

CHAPTER V

CONCLUSION AND SUGGESTION

5.1. Conclusion

This study examines the effect of profitability and company growth on the value of the company. Based on the Normality Test, Multicollinearity Test, Autocorrelation Test, and Heteroscedasticity Test, there were no variables that deviated from the classical assumptions. This shows that the available data has met the requirements to use the multiple linear regression equation model with the SPSS program. In this study, the author try to examine whether profitability and company growth have an effect on company value in construction and building companies on the Indonesia Stock Exchange (IDX) in 2015-2019.

Based on the regression analysis test that has been carried out on the variables that affect company value in construction and building companies on the Indonesia Stock Exchange (IDX), it can be concluded:

1. Profitability has a positive and significant effect on firm value in construction and building companies on the Indonesia Stock Exchange (IDX) for the 2015-2019 period. This means that the greater the ROE, the better the company's performance.
2. The growth of the company has a positive and significant effect on the value of the company in construction and building companies on the Indonesia Stock Exchange (IDX) for the 2015-2019 period. This means that the greater the assets, the greater the operational results that will be generated.
3. Simultaneously, profitability and company growth have an effect on company value in construction and building companies on the Indonesia Stock Exchange (IDX) for the 2015-2019 period. This means that the increasing sales and company growth of a company, the company value obtained by the company will increase.

5.2.Suggestion

Based on the results of research and discussions that have been carried out, the suggestions that can be conveyed are as follows:

1. For the company

It is expected that companies that have gone public can improve financial performance which will increase the value of the company, because the value of the company which is the value of the company's shares affects the public's view of companies listed on the IDX so that they can be an attraction for investors who will invest.

2. For Investor

Before investing or investing in companies that have gone public, potential investors need to pay more attention to the value of the company by looking at the level of financial performance in a certain period, so that potential investors can determine their investment strategy.

3. For further researchers

This research can be used as a reference or guideline for those who want to examine the effect of profitability and company growth on firm value. Profitability and company growth have an influence contribution of 72.7% to the value of the company in construction and building companies on the Indonesia Stock Exchange (IDX), it can be seen that there is a 27.3% influence from other factors on company value which is not disclosed in this study. The further researchers can examine other factors that affect company value.