

ABSTRACT

The Effect of Free Cash Flow, Company Growth and Commodity Price on Firm Value (Empirical Study of Coal Mining Companies Listed on the Indonesia Stock Exchange in 2019-2023)

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This research aims to analyze the effect of free cash flow, company growth and commodity price on firm value in coal mining companies listed on the Indonesia Stock Exchange during the 2019-2023 periode. The research background is driven by significant global price fluctuation, particularly due to the Russia-Ukraine geopolitical conflict in 2022, as well as inconsistent findings from prior studies regarding the relationship between these variable and firm value. The researc method employs a quantitative approach using secondary data from company annual report and the Ministry of Energy and Mineral Resource (ESDM) of Indonesia. Samples were selected via purposive sampling, covering 27 coal mining companies with total of 135 observations. Data analysis were conducted using multiple linear regression with Eviews 13 software. The result indicate that free cash flow and company growth significantly affect firm value, whereas commodity price do not. Collectively, free cash flow, company growth and commodity price simultaneously influence firm value. The F-statistic and coefficient of determination confirm the strength of the relationship between the independent variables and the dependent variable in this research. This research is expected to contribute to academia, companies, investor and policymakers in understanding the factors that affecting firm value, especially in the coal mining sector. The findings are also anticipated to serve as a basis for investment decision-making and policy formulation in the investment and coal mining industries.

Keywords: Free cash flow, Company growth, Commodity price, Firm value