

# THE EFFECT OF COMPANY GROWTH, PROFITABILITY, AND CAPITAL STRUCTURE ON COMPANY VALUE: A CASE STUDY IN THE LARGEST INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) INDUSTRY IN ASIA PACIFIC IN THE PERIOD OF 2014-2023

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## Abstract

**Background** - The telecommunication sector plays a crucial role in global communication and economic growth. However, the COVID-19 pandemic created economic disruptions, impacting firm valuation and growth dynamics within this sector.

**Purpose** - This study analyzes the impact of company growth, profitability, and capital structure on firm value, focusing on the top ten telecommunications companies in Asia-Pacific during 2014–2023.

**methodology** - Using quantitative methods, company growth, profitability, and capital structure are measured using earnings growth, Net Profit Margin (NPM), and Debt to Asset Ratio (DAR). The analysis uses panel data regression on the financial statements of selected companies.

**Findings** - The study found that firm growth, profitability, and capital structure significantly influence firm value, with notable disparities across ICT companies. SoftBank and KDDI exhibit overvaluation trends due to high Tobin's Q ratios, while firms like Bharti Airtel face challenges in profitability.

**Originality** - This study contributes to the literature by providing a comprehensive analysis of firm growth, profitability, and capital structure's impact on firm value, specifically within the rapidly evolving ICT sector in Asia-Pacific. It highlights the unique market dynamics post-COVID-19 and underscores the critical role of profitability and optimal debt management in enhancing firm valuation.

Keywords: Company Value, Company Growth, Profitability, Capital Structure, ICT, Asia-Pacific

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