

ABSTRACT

This study aims to analyze the effect of capital structure on firm value with firm growth as a moderating variable in the energy sector listed on the Indonesia Stock Exchange for the 2019–2023 period. Capital structure is measured using the Debt to Equity Ratio (DER), firm value is measured by the Price to Book Value (PBV), and firm growth is proxied by Total Asset Growth (TAG). This research employs a quantitative method using panel data regression and threshold regression to examine differences in effect across varying DER levels. The results show that capital structure has a significant simultaneous effect on firm value, contributing 55.7% to the variation in PBV. However, the moderating role of firm growth is relatively weak and tends to diminish the positive influence of DER on firm value, especially at medium and high leverage levels. This suggests that unstable or low-quality growth does not effectively enhance market perception of debt usage as a financing strategy. These findings highlight the importance of managing an optimal capital structure and ensuring high-quality, sustainable growth to support firm value creation. The study also reinforces the relevance of the Signaling Theory and Trade-Off Theory in explaining the dynamic relationship between capital structure, growth, and firm value.

Keywords: *Capital Structure, Firm Value, Firm Growth, Indonesia Stock Exchange (IDX).*