

ABSTRACT

Maximum profit is the goal of every company. To measure the company's success in achieving these goals, company needs a benchmark called the company's financial performance. The company's financial performance is a company reference that is able to describe the level of achievement of the company's goals. The high financial performance indicates that the company utilizes its assets efficiently so that it can generate maximum profits.

This study aims to analyze financial performance in the aspect of profitability using Return on Assets (ROA) and examine the factors that influence it, including intellectual capital performance measured using the EVAIC Plus method and investment opportunity set which is measured using investment-based combined proxy on manufacturing companies registered on the Indonesia Stock Exchange for the 2014-2018 period. Intellectual capital performance can measure the level of efficiency of a company in managing its intellectual capital. Investment opportunity sets that are measured using a combination of investment proxies can be used to analyze the company's growth potential in the future.

Based on purposive sampling method, the total research sample is 75 research data consisting of 15 companies with a research period of 5 years, namely 2014-2018. The analytical method used in this research is descriptive statistical analysis, classic assumption test and multiple linear regression analysis using SPSS 25 software.

The results showed that: (1) Intellectual Capital Performance and Investment Opportunity Set simultaneously affect Financial Performance. (2) Partially, Intellectual Capital Performance and Investment Opportunity Set influence on Financial Performance.

Based on research results, companies are advised to be able to maximize intellectual capital performance and investment opportunity sets in order to improve the company's financial performance because the higher the value of intellectual capital performance and investment opportunity set, the higher the company's financial performance..

Keywords: *financial performance, intellectual capital performance, investment opportunity set*