

## **ABSTRACT**

*Business competition between companies is very tight in the current era of globalization. Companies are required to be able to maximize company value in order to be able to compete with other companies. Capital structure is an important thing that needs to be done by companies to be able to choose the source of funds used to carry out the company's operational activities and make the company have a good performance. In applying the capital structure, every company requires consideration of several variables that affect the capital structure.*

*This study aims to determine how the influence of the variables of profitability, liquidity, asset structure, company size and sales growth on the capital structure. The population of this research is the coal mining sub-sector companies listed on the Indonesia Stock Exchange for the period 2010-2019. The purposive sampling method was used in determining the sample of this study, and obtained 140 samples consisting of 14 companies with a study period of 10 years. Data analysis used in this study is panel data regression analysis and hypothesis testing used, among others, the coefficient of determination test, simultaneous hypothesis testing and partial hypothesis testing.*

*The results of this study reveal that the variables of profitability, liquidity, asset structure, company size and sales growth have a significant effect on capital structure. Profitability variables have a significant negative effect on capital structure, while the variables of asset structure and firm size have a significant positive effect on capital structure, and the variables of liquidity and sales growth have no effect on capital structure.*

*Based on the research results, investors are advised to invest in companies that have large sizes, large asset structures and pay more attention to companies that have low profitability in order to obtain optimal capital structures and generate maximum profits. Companies are advised to increase profitability if they want to reduce the proportion of capital structure, improve asset structure and increase company size if they want to attract investors to invest in the company.*

**Keywords :** *Capital Structure, Profitability, Liquidity, Asset Structure, Company Size and Sales Growth.*