ABSTRACT

Profitability is one of the indicators of a company's financial performance analysis, where by proxy by return on assets (ROA) it can reveal the effectiveness of financial performance generated from the company's profit. The higher the ROA value generated by the company, the more stable the company's asset management is considered.

This study aims to analyze the effect of environmental performance, intellectual capital, and institutional ownership on the profitability of companies in the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

This study uses a case study method to explore the phenomenon being studied, data collection techniques include observation and analysis of secondary data used in this study, namely financial reports, annual reports, and company PROPER results. The research data were analyzed using descriptive statistical analysis and panel data regression using Microsoft excel and EViews 12 software. The population used in this study was the basic materials sector listed on the IDZ for the 2019-2023 period, with only 23 companies meeting the criteria as research samples.

The results of this study indicate that environmental performance, intellectual capital, and institutional ownership simultaneously affect the profitability of the company. Partially, intellectual capital has a positive effect on company profitability, while environmental performance and institutional ownership have no effect on company profitability.

The results of this study are expected to be a reference for further researchers and can be used as a consideration for investors to invest better, and can improve company performance in terms of profitability by considering intellectual capital for companies in the basic materials sector for the development of innovation and market diversification to be more stable and increase profitability now and in the future.

Keyword*: Environmental Performance, Institutional Ownership, Intellectual Capital, Profitability*