

## **ABSTRACT**

*The company carries out activities to achieve profits. To achieve profits, companies need funds to finance their business activities. Companies must look for sources of funds in large quantities so that they can be used to finance business activities related to the capital structure. Every company has criteria in determining how much use of funds comes from internal or external.*

*This study aims to determine the effect of sales growth (SG), firm size (SIZE), profitability (ROA) and non-debt tax shield (NDTS) on capital structure (DER) in consumer goods companies listed on the Indonesia Stock Exchange in 2014-2017. The data used in this study was obtained from financial report data. The financial report is taken from the official website of the Indonesia Stock Exchange.*

*The population in this study are consumer goods companies listed on the Indonesia Stock Exchange in 2014-2017. The sampling technique used is purposive sampling and obtained 34 firms with a research period of 4 years, thus obtaining 136 sample data. The method of data analysis in this study is panel data regression analysis using software eviews 10.*

*The results showed that simultaneous sales growth (SG), firm size (SIZE), profitability (ROA) and non-debt tax shield (NDTS) had a significant effect on capital structure (DER). While partially sales growth (SG) has a significantly influence the positive direction of capital structure. Firm size (SIZE) does not have a significant effect on the negative direction of capital structure. Profitability (ROA) does not have a significant effect on the negative direction of capital structure. Non-debt tax shield (NDTS) does not have a significant effect on the positive direction of capital structure.*

*Based on the results of this study, if a consumer goods company experiences an increase in sales, the company needs to pay attention to the DER level so as not to exceed the safe limit of 0.5. So that the company remains good in the eyes of investors so that the company's funding sources continue to run well to finance the company's operations.*

***Keywords: Sales Growth, Firm Size, Profitability, Non-Debt Tax Shield, Capital Structure***