ABSTRACT

Profitability is the ability of management to generate profits or profits. Profit includes gross profit, operating profit, and net profit. Profit is often one of the measures of company performance. If the company has high profits then the company's performance is good and vice versa. The performance of a company is not only an indicator of a company's ability to fulfill its obligations to funders, but is also an element of company value creation that shows the company's prospects in the future.

The independent variables in this study are capital structure, environmental costs, and liquidity. While the dependent variable in this study is profitability. The purpose of this study was to determine the effect of capital structure, environmental costs, and liquidity on the level of company profitability as measured by Return on Assets (ROA) in oil and gas sub-sector mining companies for the 2016-2020 period.

This study used purposive sampling technique and obtained a sample of 7 companies with a study period of five years, so the number of samples obtained was 35 samples. The analytical method used is panel data regression.

The results of this study indicate that the variables of capital structure, environmental costs, and liquidity simultaneously have an effect on profitability. Partially, capital structure and liquidity have a significant positive effect on profitability. Meanwhile, liquidity has no effect on profitability.

The results of the research are expected to be used as consideration by parties who want to invest funds in oil and gas sub-sector mining companies listed on the Indonesia Stock Exchange.

It is suggested that this research can increase knowledge and references for further researchers by adding other variables to determine the variables that affect the company's profitability and changing the object of research so that more and more research results vary.

Keywords: *Capital Structure, Environmental Costs, Liquidity, and Profitability*