

ABSTRACT

The property & real estate sector is one of the sectors that has an influence on the development of Indonesia's economy. Companies need to pay attention to profitability in previous years, because it's important to understand the company's performance in coming years. Two main components in the existence of increase or decrease in the profitability of the company are financial leverage and liquidity. Growth of the property & real estate sector company in 2018-2022 experienced instability or there were increases and decreases in that year, so there is an influence in its financial performance.

The aim of the study is to determine the impact of financial leverage and liquidity on profitability in properties & real estate sector companies listed on the Indonesian Stock Exchange in 2018-2022. The study also aims to analyze the development of financial Leverage, liquidity and profitability of properties and real estate industry companies in the 2018-2022 period.

This penalty uses a panel data regression method that utilizes time-series and cross-sectional data. In addition, to test the hypothesis, this study uses test-t and test-f. The data used in this research was obtained from the Indonesian Stock Exchange and the official website of the company that operates in the properties & real estate sector.

The results of the research showed that the development of financial leverage, liquidity and profitability in the properties & real estate sector companies in 2018-2022 did not experience significant increase or decrease. Partial testing in this study showed that financial leverage had a significant negative impact on profitability, while liquidity had a positive significant impact upon profitability.

This research is expected to provide additional insight into profitability, as well as influencing factors and variables in strengthening or weakening the impact. The study also suggests that investors pay more attention to the level of liquidity in companies as liquidity has an influence in determining financial performance in the coming years. Property & real estate companies are advised to pay attention to factors that can affect the profitability of the company.

Keyword: *financial leverage, likuidity, profitability*