

ABSTRACT

Financial performance is a description of the company's financial condition which is analyzed using various financial analysis methods needed to determine the level of company profitability. Profitability serves as a measuring tool for projecting profits and controlling management effectiveness. For companies, profitability is important because the higher the profitability of the company shows that the company has worked well.

This study aims to determine the effect of company size, independent commissioners and capital structure on profitability (Study on Basic Materials Sector Companies Listed on the Indonesia Stock Exchange for the 2019-2023 Period).

The method used in this research is a quantitative method with secondary data obtained from the company's financial statements and annual reports obtained from the Indonesia Stock Exchange website and the company website. The population in this study are basic materials sector companies listed on the Indonesia Stock Exchange in 2019-2023. The sampling technique was purposive sampling and obtained a sample of 70 companies based on the specified criteria, so that the observation data in this study amounted to 350 observations. However, only 312 observation data were used because there were 38 outlier data. The data analysis method in this study is descriptive statistical analysis and panel data regression analysis using Eviews version 12 and Microsoft Excel 2021.

The results of this study indicate that company size, independent commissioners and capital structure simultaneously affect profitability. Partially company size has a positive effect on profitability. Independent commissioners partially have no effect on profitability. Capital structure partially has a negative effect on profitability.

This study contributes to providing insight into the factors that affect profitability, with a focus on basic materials sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. For companies, this research can be used as a reference for raw goods sector companies in making decisions about what factors can increase profitability.

Keywords: Profitability, Company Size, Independent Commissioner and Capital Structure.