

ABSTRACT

Financial performance is a key indicator for evaluating a company's effectiveness in utilizing its resources to achieve profitability and sustainable growth. This study focuses on the effect of managerial ownership, cash holding, and growth opportunity on the financial performance of infrastructure sector companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. Financial performance is measured using Return on Assets (ROA), which reflects a company's efficiency in managing its assets to generate profits.

The purpose of this study is to analyze both the simultaneous and partial influence of the three independent variables on financial performance. These variables were selected based on theoretical and empirical considerations regarding their potential to impact profitability, either through ownership structure, liquidity management, or the company's capacity for expansion.

This research adopts a quantitative approach using panel data regression. The data used are secondary data obtained from the annual financial statements of 20 infrastructure companies, resulting in a total of 100 observations over a five-year period. Data processing was conducted using EViews 12 software, with steps including classical assumption testing, model selection (Chow, Hausman, and LM tests), and hypothesis testing.

The results show that managerial ownership, cash holding, and growth opportunity simultaneously have a significant effect on ROA. Partially, managerial ownership and growth opportunity have a significant positive influence on financial performance, while cash holding does not show a significant effect. This suggests that managerial involvement as shareholders and strong asset growth prospects play a more dominant role in driving profitability than cash reserve policies.

These findings highlight the importance for companies to balance their ownership structure and growth strategies with a focus on asset efficiency. The study also offers insights for investors to consider managerial ownership and growth opportunity indicators when making investment decisions. Furthermore, this research is expected to serve as a reference for future studies in the infrastructure sector and beyond.

Keywords: *Financial Performance, Managerial Ownership, Cash Holding, Growth Opportunity*