

ABSTRACT

Capital is a fundamental element that every company needs to maintain its operations. In the context of the global energy transition, companies in the energy sector face major challenges in managing their capital structure. The transition from fossil fuels to renewable energy requires large investments that affect companies' financing decisions. In Indonesia, the target of achieving 23% renewable energy use by 2025 is at risk of not being met due to insufficient investment, creating challenges in managing the capital structure of energy companies.

This study aims to determine the influence of profitability, company size, asset tangibility, and non-debt tax shield on the capital structure of energy sector companies listed on the Indonesia Stock Exchange from 2019 to 2023, both simultaneously and partially. The research method used is quantitative with panel data regression analysis. The research population consists of energy sector companies listed on the IDX from 2019 to 2023, totaling 29 companies over five periods, yielding 145 data observations. The data were analyzed using descriptive statistical tests, F-tests (simultaneous), and t-tests (partial).

The results indicate that, simultaneously, all independent variables significantly influence capital structure. Partially, profitability does not significantly influence capital structure, while firm size and asset tangibility have a positive significant effect, whereas the non-debt tax shield has a negative significant effect on the capital structure of energy sector companies. This study provides a deeper understanding of the factors influencing capital structure in Indonesia's energy sector, particularly in the context of energy transition.

Keywords: *asset tangibility, capital structure, company size, energy sector, non-debt tax shield, profitability*