

ABSTRACT

THE EFFECT OF PROFITABILITY, SALES GROWTH, LIQUIDITY, FIRM SIZE, AND CORPORATE GOVERNANCE ON CAPITAL STRUCTURE (A Study on Healthcare Service Companies Listed on the Indonesia Stock Exchange)

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This study aims to analyze the effect of profitability, sales growth, liquidity, firm size, and corporate governance on capital structure in healthcare service companies listed on the Indonesia Stock Exchange during the 2021–2024 period. This study was motivated by the increasing financing needs of healthcare service companies, as reflected in the rise of the debt-to-equity ratio during the observation period. The research employed a quantitative approach with a verification method. Secondary data were obtained from annual reports and financial statements of the companies. The sampling technique used was purposive sampling, resulting in 9 companies with a total of 36 observations. Data were analyzed using panel data regression. The results indicate that profitability has no effect on capital structure. Liquidity also has no effect on capital structure. Sales growth has an effect on capital structure, indicating that an increase in sales growth encourages companies to adjust their financing policies. Firm size has no effect on capital structure, suggesting that the size of a company's assets is not a primary factor in determining debt utilization. Meanwhile, corporate governance has an effect on capital structure, indicating that better governance mechanisms can influence corporate financing decisions. Overall, sales growth and corporate governance are important factors in determining the capital structure of healthcare service companies listed on the Indonesia Stock Exchange.

Keyword : *profitability, sales growth, liquidity, firm size, corporate governance, capital structure.*