

## **ABSTRACT**

*Capital structure is a comparison between foreign capital and own capital. Foreign capital is either short-term debt or long-term debt, while own capital is divided into retained earnings and company ownership. This study aims to determine the effect of profitability on the capital structure of retail trade companies listed on the Indonesia Stock Exchange for the 2019-2021 period.*

*The research population includes retail companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The research population data were 31 companies and 24 samples were obtained. Sampling using purposive sampling technique based on predetermined criteria. The data used in this study are secondary data sourced from the official website of the Indonesia Stock Exchange and the official website of the Financial Services Authority.*

*The results of this study indicate (1) Return On Asset has a significant effect on capital structure, (2) Return On Equity has a significant effect on capital structure, (3) Return On Asset and Return On Equity together have a significant effect on capital structure.*

*Keywords: Return On Asset, Return On Equity, and Capital Structure*

## ABSTRAK

Struktur modal merupakan perbandingan antara modal asing dengan modal sendiri. Modal asing adalah hutang jangka pendek ataupun hutang jangka panjang, sementara modal sendiri dibagi menjadi laba ditahan dan kepemilikan perusahaan. Penelitian ini bertujuan untuk mengetahui pengaruh profitabilitas terhadap struktur modal pada perusahaan retail trade yang terdaftar di Bursa Efek Indonesia Periode 2019-2021.

Populasi penelitian meliputi perusahaan retail yang terdaftar di Bursa Efek Indonesia periode 2019-2021. Data populasi penelitian sebanyak 31 perusahaan dan diambil sebanyak 24 sampel. Pengambilan sampel menggunakan teknik *purposive sampling* berdasarkan kriteria yang sudah ditentukan. Data yang digunakan dalam penelitian ini adalah data sekunder yang bersumber dari website resmi Bursa Efek Indonesia serta website resmi Otoritas Jasa Keuangan.

Hasil penelitian ini menunjukkan (1) *Return On Asset* berpengaruh signifikan terhadap struktur modal, (2) *Return On Equity* berpengaruh signifikan terhadap struktur modal, (3) *Return On Asset* dan *Return On Equity* secara bersama berpengaruh signifikan terhadap struktur modal.

Kata kunci: *Return On Asset*, *Return On Equity*, dan Struktur Modal