

Analysis of Capital Structure and CAPEX : It's Effect on ROE of Mining Companies

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ABSTRAK

Sektor pertambangan memiliki berbagai aset untuk mendukung operasional perusahaan dalam rangka memperoleh keuntungan. Hal ini membutuhkan modal yang besar sehingga diperlukan perhitungan yang akurat agar tidak berdampak pada kinerja keuangan. Tujuan dari penelitian ini adalah untuk menguji pengaruh struktur modal dan belanja modal terhadap ROE yang merupakan cerminan dari kinerja keuangan perusahaan. Populasi penelitian ini adalah perusahaan sektor pertambangan yang terdaftar di Bursa Efek Indonesia periode 2017-2021 dengan menganalisis laporan keuangan yang dipublikasikan. Pengambilan sampel menggunakan metode purposive sampling agar diperoleh data yang sesuai dengan kriteria yang diinginkan. Hasil penelitian menunjukkan bahwa secara parsial variabel DER berpengaruh negatif terhadap ROE sedangkan variabel DAR berpengaruh positif terhadap ROE dan variabel CAPEX tidak berpengaruh terhadap ROE. Hasil penelitian secara simultan menunjukkan bahwa DAR, DER dan CAPEX berpengaruh positif terhadap ROE.

Kata Kunci : Struktur modal, CAPEX dan Kinerja keuangan perusahaan

ABSTRACT

The mining sector has assets to support the company's operations in order to make a profit. This requires large capital so that accurate calculations are needed so as not to have an impact on financial performance. The purpose of this study is to examine the effect of capital structure on ROE which is a reflection of the company's financial performance. The research population is mining sector companies listed on the Indonesia Stock Exchange for the 2017-2021 period by analyzing published financial reports. The sample used a purposive sampling method in order to obtain data that matched the desired criteria. The results showed that partially, the DER variable had a negative effect on ROE while the DAR variable had a positive effect on ROE and the CAPEX variable had no effect on ROE. The results of the study simultaneously show that DAR, DER and CAPEX have a positive effect on ROE

Keywords : Capital structure, CAPEX and Company's financial performance

INTRODUCTION

The company's financial performance must be further improved as competition in today's business world continues to grow and become increasingly competitive. All sectors in the business world are no exception to the mining sector which also continues to show open and very fierce competition. Performance in all lines must be continuously improved, especially in the line of financial performance which is an important line in all company activities. In addition, this line of financial performance is needed by parties who have an interest in a company to see the development of the company's operations (Pongrangga, 2015). According to Venro (2015), performance is the achievement of a

goal from a particular job carried out with a predetermined standard size. The financial performance of a company is a measure of the company's profits within a certain time as measured by the level of profit, namely the ratio that measures the company's ability to achieve the expected profit of the company (Damoran, 2002). Where the performance in question is influenced by several factors, one of which is influenced by capital structure and capital expenditure. In financial performance there is a funding problem which is also an important part in a company because it is also related to many parties such as the management itself, shareholders and creditors.

Efforts that can be made by companies to overcome these problems are to seek additional funds, both from within and from outside the company, and these funds must be adjusted to the capital structure that will be adopted when deciding on additional funds. This is a very important decision because the effectiveness of the capital structure will be able to minimize the cost of capital issued by the company. This also applies to the opposite situation, where the cost of capital issued by a company increases due to an ineffective capital structure. The cost of funds issued by the company will definitely affect the company's performance, especially the company's financial performance. In addition, companies should consider making an investment, especially a long-term one. This investment activity is closely related to capital expenditure which will also be connected with profit or profit to be achieved in the future. According to Chen (2006), the wealth of any type of company structure will have an impact on an investment decision like capital expenditure.

This research was conducted on one of the variables using a capital structure in which there are indicators in the form of DAR and DER. The company's policy of using debt to produce maximum performance is one of the reasons the researchers used the DAR and DER indicators in carrying out this research. According to Kasmir (2014), DAR describes the state of the total assets owned by a company financed by debt, while DER describes the company's (own) capital ability to pay its obligations. According to Andrian (2012), the capital structure has a policy that involves several factors including the risk of fixed assets, waste management costs, promotion costs and R&D costs. Another variable in this study is capital expenditure, which is the amount of money spent on long-term capital financing with the results obtained in the next several years (Gitman, 2003). According to Shapiro (2005), there are several types of capital expenditure, namely: 1. Equipment replacement; 2. Expansion to meet the growth of existing products; 3. The expansion generated by the new product; and 4. Projects mandated by law.

Previous studies in this study include: 1. Nugraha's research (2013) where the results of his research show that there is a negative influence between DAR on the company's financial performance and a positive influence between DER on the company's financial performance; 2. Research by Suandini and Leny (2015) with the results of their research that DAR and DER have no effect on the company's financial performance; 3. Research by Cendra (2010) with research showing that there is a positive influence between capital expenditures on the company's

financial performance as measured by ROA; and 4. Marwan's research (2018) where the results of his research show that there is a positive and significant influence between investment on the company's financial performance. In general, the results of previous studies showed different results.

This is the background of this research to deepen the discussion of research regarding the effect of capital structure and capital expenditure on the financial performance of companies with different objects and with the latest financial reporting period. In addition, the company's financial performance variable in this study uses ROE as an indicator so that this is one of the differentiators with other previous studies.

The mining sector was chosen as the object of this research because the mining sector has an important role in the Indonesian economy. According to BPS (2019), the contribution of the mining sector to the national GDP (Gross Domestic Product) reaches 8.15% per year (period 2014-2019), the opportunity for growth of companies engaged in this sector is supported by the abundance of Indonesia's natural potential which is very large. Rich in mineral resources, the capital market as well as the mining sector is one of the mainstays with a significant increase reaching 59.7% per year (2005-2011 period) (Fadhilah, 2012). The theory of capital structure proposed by Modigliani and Miller (1958) states that without taxes and transaction costs, capital structure has no effect on company performance. In addition, Modigliani and Miller (1963) relax one of their assumptions about corporate tax, that if there is a corporate tax, the use of debt will increase the company's performance. Capital structure theory explains that a company must consider the risk factors and benefits that will be obtained by the company when making decisions on the use of capital, because a good company's capital structure is a capital structure that can provide benefits and improvements. The company's performance in the short and long term (Imadudin et al., 2014). According to Lestari (2015), capital structure is the composition of the types of capital received by the company along with the total value in the form of debt and long-term capital. Higher risk tends to lower the stock price, but increases the expected return. Capital structure theory explains the impact of capital structure on firm value. The value of a company can be expected as the investment value as a shareholder and/or as an expectation of the total value of the company (Sugihen, 2003). The capital structure is a permanent burden that reflects the balance between long-term debt and equity. Capital structure is a combination of debt and equity in the long-term financial structure of

the company. The capital structure basically builds a relationship between decisions about the choice of funding sources and investments that the company must make to achieve the company's goal of maximizing shareholder wealth. This is reflected in the value of the company (Binangkit, 2014). The capital structure is one form of financing decisions, the capital structure is the financing structure (Ogolmagai, 2013). The financing structure can be done internally or externally. The financing structure of external companies is debt. Management must be careful in the use of debt. Hermuningsih (2013) found that business owners tend to face more debt if they believe in the future prospects of the company and want to increase their share price. This is done by managers as a more credible signal to potential investors that the company has good prospects.

CAPEX is any form of expenditure designed to add, improve, or improve the quality of assets that provide long-term benefits (Mutiara and Kartawinata, 2015). According to Mispriyanti (2020), capital investment is one of the most important concepts in the financial theory of a company. Some of the most important financial functions of a financial manager are decisions related to financial activities (financial decisions) and decisions regarding the investment of funds received (investment decisions). The use of investment as an investment decision gives a positive signal for the company's future growth, which is well received by investors (Achmad and Amanah, 2014). The form of investment decision in this research is investment in real estate, plant and equipment. According to Elmas (2007), companies need to invest in capital goods to carry out daily investment activities and achieve long-term profits. Investments can be made in the form of tangible assets such as machinery, plant, equipment and other tangible assets. The basic motivation for investing is to trade, expand, and/or renew fixed assets, or to seek possible returns that are not visible in the long term.

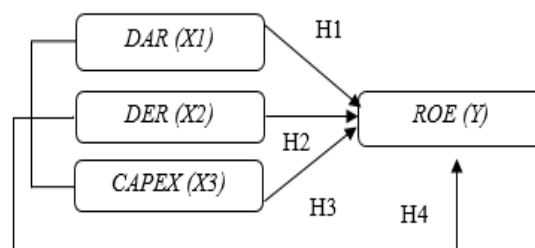
Company performance is one of the main factors that investors need to consider before making investment decisions. Therefore, companies need to strive for continuous performance improvement (Azis and Hartono, 2017). According to Meriewaty and Styani (2005), company performance is a measure of company performance as a result of a complex and difficult management decision-making process, because it involves the effectiveness, efficiency and profitability of the use of capital. from company activities. The company's performance represents the company's financial position and reflects its performance over a certain period of time. According to Fachrudin (2011), company performance shows the

company's ability to generate profits from assets, capital and liabilities. According to Martono (2002), ROE and ROA are the most widely used indicators in assessing the performance of a company. The performance of a company reflects the reputation of the customer for the company, whether it is the reputation of the customer for the entire company or comparison with competitors. Companies with good performance are a sustainable competitive advantage. Competitive advantage is an intangible asset that can provide added value for a company (Binangkit, 2014). There are several factors that can affect the financial performance of a company including GCG, Capital Structure and Leverage (Setianingsih et al., 2014).

A hypothesis is a prediction about a phenomenon where a hypothesis will be accepted if the data collected supports the statement, the hypothesis is accepted (Jogiyanto, 2010). The hypotheses in this study are :

- H1 : There is a simultaneous significant effect between DAR, DER and CAPEX on ROE
- H2 : There is a partially significant effect between DAR, DER and CAPEX on ROE
- H3 : DAR variable has the most dominant effect on ROE

Based on the explanation above, a research model can be drawn as follows :



Picture 1. Framework of thinking

METHODS

This type of research includes quantitative descriptive research. This research was conducted to determine the value of the independent variables, either one or more without making comparisons or connecting one variable to another. According to Sarwono (2012), the population is a unit with the same characteristics that can be extracted to obtain a sample while the sample is the smallest part of a population used in the research object. In accordance with the criteria of this

research, for the 2017-2021 period there are 50 companies in the mining sector listed on the Indonesia Stock Exchange that meet the following requirements, namely 7 companies. The sampling technique in this research is purposive sampling. According to Notoadmodjo (2010), purposive sampling is sampling based on certain known considerations. Sampling in this study was conducted using a purposive sampling method with the following requirements : 1. Companies in the mining sector that continue to be listed on the IDX for the 2017-2021 period; 2. Companies in the mining sector that annually publish 2017-2021 financial reports; 3. Mining companies that experienced consecutive growth during the 2017-2021 period. Mining sector companies that do not have negative values in a row during the 2017-2021 period. The data used in this study are financial report data and published company annual reports. Where the period of financial statements and company annual reports used is 2017 to 2021 in the mining sector which is listed on the Indonesia Stock Exchange. As for the calculations, in this study using the following formula:

According to Kasmir (2014), the formula for DAR and DER is as follows:

$$DAR = \frac{\text{total debt}}{\text{total asset}} \times 100\% \rightarrow(1)$$

$$DER = \frac{\text{total debt}}{\text{total capital}} \times 100\% \rightarrow(2)$$

According to Gordon and Lyengar (1997), the formula for capital expenditure is as follows :

$$CAPEX = \frac{\text{net fixed asset}}{\text{total asset}} \rightarrow(3)$$

According to Hery (2015), the ROE formula is as follows :

$$ROE = \frac{\text{net income}}{\text{total equity}} \times 100\% \rightarrow(4)$$

Methods of data analysis in research include : 1. Classical assumptions, where this test includes: normality test, multicollinearity, heteroscedasticity to autocorrelation test; 2. Hypothesis testing includes: partial test, simultaneous to test the coefficient of determination (R2).

RESULTS AND DISCUSSIONS

Below is the result of the calculation of the capital structure in this study in the form of the ratio of DAR and DER. The results of the calculations are presented in the following table :

Table 1. DAR and DER calculation results

Kode	Rasio	Years				
		2017	2018	2019	2020	2021
ADRO	DAR	14,52%	5,72%	5,47%	5,86%	5,20%
	DER	25,80%	9,85%	9,12%	9,62%	9,42%
DEWA	DAR	0,40%	0,41%	0,43%	0,44%	0,47%
	DER	0,66%	0,69%	0,77%	0,80%	1,10%
PTBA	DAR	45,02%	43,20%	37,24%	32,69%	29,41%
	DER	81,90%	76,04%	59,33%	48,58%	41,66%
INCO	DAR	6,49%	5,93%	5,92%	7,96%	6,14%
	DER	8,10%	7,19%	7,11%	9,31%	7,03%
ANTM	DAR	39,66%	38,60%	40,40%	42,70%	39,95%
	DER	65,73%	62,87%	67,79%	74,52%	66,52%
MEDC	DAR	20,43%	23,92%	25,07%	20,98%	11,75%
	DER	80,08%	96,64%	92,23%	79,44%	52,02%
PTRO	DAR	0,58%	0,57%	0,58%	0,66%	0,61%
	DER	1,39%	1,31%	1,41%	1,91%	1,59%

Source : Data processed

The table above indicates the results of the estimated capital structure consisting of the DER and DAR ratios, where the results for each company analyzed indicate their respective performances. For ADRO companies, from 2017 to 2019 they experienced a decline, but in 2020 they experienced escalation and in 2021 experienced a decline again so that the performance of ADRO companies tended to be good; for DEWA companies, in the last 2 (two) years, namely in 2017-2018, it experienced a decline and for 2019 to 2021 there was an escalation so that the performance of DEWA companies tended to be poor; for PTBA companies, the results obtained from 2017 to 2021 always experience depreciation, which means that their performance is very good; for INCO companies, the performance is the same as for ADRO companies, which tends to be good because the results are the same; for the ANTM company, in the last 2 (two) years from 2017 to 2018 it experienced a decline but in 2019-2020 it got escalation and in 2021 it experienced a decline again so that its performance tends to be bad; MEDC companies in 2017-2018 experienced escalation and from 2019 to 2020 experienced a decline so that their performance tends to be good; for the PTRO company, the performance is the same as the DEWA company, which tends to be bad because the results obtained are the same. Below is the result of the calculation of capital expenditure in this study, the source of which comes from the company's annual report. The results of the calculations are presented in the following table:

Table 2. CAPEX calculation results

Years	ADRO	DEWA	PTBA	INCO
2017	1.298.500.000.000	600.051.213.000	915.202.000.000	1.409.667.500
2018	1.077.840.000.000	544.326.795.738	1.309.917.000.000	817.272.180
2019	3.107.072.000.000	409.355.080.704	1.080.215.000.000	929.747.200
2020	7.166.208.000.000	325.257.999.360	1.639.222.000.000	1.493.475.312
2021	6.748.200.000.000	602.750.190.000	1.633.386.000.000	2.295.864.600

Years	ANTM	MEDC	PTRO
2017	2.029.760.000.000	4.150.752.299.625	541.130.000.000
2018	1.297.170.000.000	4.664.352.600.000	239.549.940.000
2019	1.729.360.000.000	3.602.304.000.000	1.061.967.360.000
2020	2.799.850.000.000	4.748.919.968.352	1.504.903.680.000
2021	1.143.330.000.000	4.314.802.171.200	1.334.736.000.000

Source : Data processed

Based on the results of the CAPEX estimation in the table above, it indicates that each company's performance, for ADRO companies in 2017-2018 experienced a decline, in 2019-2020 it escalated and fell back in 2021 which means that the company's performance for the CAPEX estimation results tends to be good based on average estimate result; for the DEWA company in the year "2017-2020 it experienced a decline and in 2021 it got an escalation which means there was an improvement in performance in 2021; for PTBA companies in 2017-2019 experienced depreciation while for 2020 it escalated and returned to decline in 2021 where its performance was stable; as well as what was experienced by the INCO company, from 2017 to 2019 it experienced a decline and in 2021 it got an

escalation meaning that its performance was stable; for the ANTM company, in 2017-2018 it experienced a decline, while in 2019-2020 it escalated and fell back in 2021 which means that its work tends to be poor based on the average estimated results; for MEDC companies, its performance is volatile because from 2017 to 2021 its performance got a significant escalation and depreciation; and lastly for PTRO companies, 2017-2018 experienced a decline while 2019-2020 experienced an escalation and decreased again in 2021 where the performance was stable. Below is the result of the calculation of return on equity which in this study is a reflection of the company's financial performance. The results of the calculations are presented in the following table :

Table 3. ROE calculation results

Kode	Years				
	2017	2018	2019	2020	2021
ADRO	4,50%	9,00%	13,10%	11,10%	10,90%
DEWA	0,00%	0,00%	0,01%	0,01%	0,02%
PTBA	21,93%	19,01%	32,44%	30,88%	22,02%
INCO	2,75%	0,10%	0,84%	3,21%	2,96%
ANTM	9,49%	0,35%	0,74%	9,19%	1,02%
MEDC	8,36%	21,00%	9,40%	2,05%	1,00%
PTRO	7,44%	4,59%	6,30%	12,12%	14,73%

Source : Data processed

For the ROE estimation results above, it can provide an overview of the performance of each company. For ADRO companies, in 2017-2019 there was an escalation while for 2020-2021 it experienced a decline, which means that its performance was stable; for DEWA companies, in 2017-2021 experienced a significant escalation which means good performance; for PTBA and INCO companies the performance is stable because the results from 2017 to 2021 are volatile; for ANTM companies in 2017-2019 experienced a decline and increased in 2020 and decreased again in 2021 which means that the

performance is stable; for MEDC companies, in 2017-2018 there was an escalation while in 2019 to 2021 it experienced a decline which means poor performance; and for PTRO companies, 2017-2018 experienced a decline while 2019 to 2021 got an escalation which means that their performance is good. Based on the table below, it shows the results of the normality test with a significant value of 0.189 so from this result it can be concluded that the value (Asymp Sig (2 – tailed) 0.189 > 0.05) means that the residual data is normally distributed

Table 4. Normality test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		35
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	7.76428060
Most Extreme Differences	Absolute	.124
	Positive	.124
	Negative	-.087
Test Statistic		.124
Asymp. Sig. (2-tailed)		.189 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Source : processed data

Multicollinearity is a condition of the existence of a linear relationship or correlation between independent variables because it involves more than one independent variable (Winarno, 2011). Based on the table below, the results of the calculation of the tolerance value are obtained where the results show that all the values of the independent variables in this study have a tolerance value of < 0.10 and in the table

below also results in the calculation of the VIF value, where the calculation results of all independent variables in this study are VIF is > 10. From the results of the tolerance and VIF values, it can be concluded that there is no multicollinearity between the independent variables in this regression model so that this study meets the requirements for being free from multicollinearity.

Table 5. Multicollinearity test
Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	DER	.173	5.773
	DAR	.199	5.026
	CAPEX	.695	1.439

a. Dependent Variable: ROE

Heteroscedasticity is used to test whether or not the variance of the residuals of one observation with another observation (Ariefianto, 2012). Based on the results of this study resulted in a significant value of each independent variable in this study. Where for the DER variable the significant value is 0.4 and for the

DER variable the significant value is 0.059 while for the CAPEX variable the significant value is 0.201. From the significant results for all independent variables in this study worth > 0.05, it is certain that the model in this study does not contain heteroscedasticity.

Table 6. Heteroscedasticity test and t test

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	2.937	2.311		1.271	.213
DER	-.084	.099	-.321	-.853	.400
DAR	.378	.193	.689	1.960	.059
CAPEX	1,159E-12	.000	.246	1.306	.201

a. Dependent Variable: ROE

Source : processed data

Autocorrelation aims to determine whether in a regression model there is a correlation between the residuals in period t and the previous period t (Ghozali, 2011). Based on the Durbin-Watson value in the table below which shows a value of 0.723,

which means that it is between the values of -2 to +2 which means that there is no autocorrelation, so that in this study it fulfills the regression equation with the condition that it is free from autocorrelation.

Table 7. Autocorrelation test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.488 ^a	.238	.165	81.312.972	.723

a. Predictors: (Constant), CAPEX, DAR, DER

b. Dependent Variable: ROE

Source : processed data

From the results in the table below, it can be seen that the regression equation in this study is :

$$ROE = 2,937 - 0.084 X_1 + 0.378 X_2 + 1,159E-12 X_3$$

Based on the results of the individual parameter significance test or in other words using the t test, the researcher can explain some of them: For the DER variable has a significance level of 0.4 where this result shows > from 5% and for the t test result it has a value of -0.853 which shows the result < of t arithmetic that is equal to 1.69726 (sig = 5% and df =

30). From these results, it can be concluded that Ha is rejected and Ho is accepted, which means that the DER variable partially does not affect the financial performance of mining companies which in this case is measured using ROE as the dependent variable; The DAR variable has a significance level of 0.059 where this result shows > from 5% and for the t test result it has a value of 1.960 which shows the result > from t arithmetic which is 1.69726 (sig = 5% and df = 30). From these results, it can be concluded that Ha is accepted and Ho is rejected, which means that the

DAR variable partially affects the financial performance of mining companies which in this case is measured using ROE as the dependent variable; and for the CAPEX variable it has a significance level of 0.201 where this result shows > from 5% and for the t test result it has a value of 1.306 which shows < from t arithmetic which is 1.69726 (sig = 5% and df = 30). From these results, it can be concluded that Ha is rejected and Ho is accepted, which means that the CAPEX variable partially has no effect on the financial performance of mining companies which in

this case is measured using ROE as the dependent variable :

Based on the results of table 6 below, it is obtained that the calculated f is 3.231 where this result is > from the f table which is 2.91 with a significance probability value of 0.036 whose value is < 0.05. From these results it can be concluded that Ho is rejected and Ha is accepted, where these results mean that simultaneously or jointly for all independent variables have a significant effect on the company's financial performance as measured by ROE.

Table 8. f test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	640.962	3	213.654	3.231	.036 ^b
	Residual	2.049.658	31	66.118		
	Total	2.690.620	34			

a. Dependent Variable: ROE

b. Predictors: (Constant), CAPEX, DAR, DER

Source : processed data

The table below shows the coefficient of determination (R square) which is 0.238 or 23.8%. This shows that the company's financial performance as measured by ROE is influenced by all independent

variables from DAR, DER and CAPEX which is 23.8% and the remaining 76.2% is influenced by other variables not involved in this study.

Table 9. Test the coefficient of determination

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.488 ^a	.238	.165	81.312.972	

a. Predictors: (Constant), CAPEX, DAR, DER

b. Dependent Variable: ROE

Source : processed data.

According to Tandelilin (2010), there are several factors that affect ROE including: 1. Net profit margin, 2. Total asset turnover, and 3. Debt ratio. Where in this study using the DAR and DER variables which are included in the category of debt ratios and the CAPEX variable is included in the category of costs incurred to acquire assets (total asset turnover). This is also based on several previous studies where there are mixed results regarding the effect of independent variables in research on ROE itself. Therefore, the author can describe a discussion of the results of the research above, including :

First, based on the results of the calculation of the DER ratio contained in table 1 above, it can be seen the performance of all companies in this study. According to Kasmir (2014), the standard for the DER ratio is 90%. Looking at the results of calculations and standards, all companies from 2017 to 2021 performed well, except for MEDC companies where in 2018 and 2019 the results were 96.64% and 92.23%, respectively. This result is certainly an unfavorable result because the capital owned by the company is mostly funded by debt so this will clearly have an impact on the company's performance. Company performance based on standards is certainly different from company performance based on time series analysis where company performance is assessed based on annual results. It is used to assess the company's performance in the current year. The PTBA company is the only company that performs very well because the results from 2017 to 2021 always experience a decline, which means the company has succeeded in improving the company's performance on this DER ratio. Based on the results of the partial test, the independent variable (X1) in this research, namely DER, can be concluded that it has no effect on the dependent variable (Y), namely the company's performance as measured by ROE. The results of the hypothesis identify that if the DER value is low, it means that the company does not take advantage of the use of debt to equity/capital. The lower the DER value means that the company's burden on creditors will decrease, then the company's profits or profits will increase. The results of this study are in line with the results of previous research including research conducted by Suandini (2015) and Supriadi (2010) where this research resulted in research results in the form of the DER variable having no effect on the company's financial performance. This is in contrast to several research results that have been carried out previously including by Kusumajaya (2011), Bukit (2012), Herdiania et al (2013) and Wahdaniaha et al (2013) where the overall research resulted in research results indicating a

positive influence between DER on financial performance company as measured by using ROE

Second, based on the results of the calculation of the DAR ratio contained in table 1 above, it can be seen the performance of all companies in this study. According to Kasmir (2014), the standard for the DAR ratio is 35%. Looking at the results of calculations and standards, all companies from 2017 to 2021 performed well except for PTBA and ANTM companies where for PTBA companies in the first 3 (three) years, namely in 2017 to 2019 the calculation results were always above 35% while for ANTM companies from 2017 to 2021 it was always above 35%, which means that the performance was very poor. This result is certainly an unfavorable result because the assets owned by the company are mostly funded by debt so this will clearly have an impact on the company's performance. It is used to assess the company's performance in the current year. The PTBA company is the only company that performs very well because the results from 2017 to 2021 always experience a decline, which means the company has succeeded in improving the company's performance on this DAR ratio. Based on the results of the partial test, it is known the effect of DAR on ROE. Based on the partial test results, the independent variable (X1) in this research, namely DAR, can be concluded that it has an effect on the dependent variable (Y), namely the company's performance as measured by ROE. The results of the hypothesis identify that if the DAR value is low, it means that the company does not take advantage of the use of debt to increase the company's assets. The lower the DAR value means that the company's risk in paying long-term debt will be reduced so that the company can shift to other things that bring company profits. This result is in line with some research results conducted by Aulia (2013), Ritonga et al (2014) and Kurniawati et al (2015) where the results of previous research indicate a positive influence between DAR and ROE as the company's financial performance. In contrast to research conducted by Nurhasanah (2012) and Jannati et al (2014) where research indicates that there is no effect between DAR and ROE

Third, based on the partial test results, the independent variable (X1) in this research, namely CAPEX, can be concluded that it has no effect on the dependent variable (Y), namely the company's performance as measured by ROE. The results of the hypothesis identify that if the CAPEX value is high, it means that the company does not have to use it to increase the company's assets, but this can be used to improve the company's assets which are expected to

bring profits. The higher the CAPEX value means that the company has more assets to boost the company's performance in generating a profit, but in this study high CAPEX results are used to improve company assets so that this does not have an impact on increasing company performance too significantly especially for profits in the long run. short time. These results are in line with the results of previous research including the research conducted by Sudiyatno and Puspitasari (2010) where the research results found a negative and insignificant effect between capital expenditure on the company's financial performance

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the results of the analysis and discussion above, where a good hypothesis test has been carried out using the partial test (f test), simultaneous test (t) and the coefficient of determination test, the authors can conclude several things, including: First, partially, the independent variable (X1) namely DER in this research has no effect on the dependent variable (Y), namely the company's performance as measured by ROE in mining companies listed on the BEI; Second, partially, the independent variable (X2), namely DAR in this research, has an effect on the dependent variable (Y), namely the company's performance as measured by ROE in mining companies listed on the BEI; Third, partially, the independent variable (X3) namely CAPEX in this research has no effect on the dependent variable (Y), namely the company's performance as measured by ROE in mining companies listed on the BEI; and Fourth, simultaneously, all independent variables consisting of DER, DAR and CAPEX in this research affect the dependent variable (Y), namely company performance as measured by ROE in mining companies listed on the BEI in the 2017-2021 period. In this research, it is influenced by 23.8% while the rest is influenced by other variables outside this research and is included in the weak category.

Suggestions

From the conclusions above, researchers can have the opportunity to develop existing research by using the CAPEX variable to find out whether it has an influence on a company's ROE. Where from the results of the study showed that there was no partial effect but simultaneous effect. Considering to make this research more developed, the researcher suggests using more research objects in quantity and quality in it. This is because the object in this study uses mining companies which when viewed from the total number

of 44 companies, but researchers only use 7 (seven) companies with several considerations, including: 1. Using companies that are in good health (profit) and 2. Already have financial reports according to the research period. Therefore, it is recommended for further researchers to use companies in the sector that are better. In addition, it is expected to add research variables considering the factors that influence ROE are quite broad in scope or vice versa, add more diverse dependent variables to enrich and develop knowledge

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