

ABSTRACT

This study aims to reveal the influence of Financial Leverage on financial profitability in non-financial companies listed on the Indonesia Stock Exchange.

The population of this study is non-financial companies listed on the Indonesia Stock Exchange that have publicly disclosed their financial reports from 2018 to 2023. The data used in this study are sourced from Bloomberg data from the Faculty of Economics and Business, Diponegoro University, Semarang. The sample size is 68 companies based on the purposive sampling method and a sample size of 408. The analysis in this study is multiple linear regression analysis using IBM SPSS 25.

The findings of this study indicate that the Equity Multiplier, Interest Coverage Ratio, and Degree of Financial Leverage have no effect on ROA and ROE. The Fixed Charge Coverage Ratio and Capitalization Ratio have a positive effect on ROA and ROE. Debt to EBITDA has a negative effect on ROA and ROE.

Keywords: *Financial Leverage, Profitability, Indonesia Stock Exchange*

