

ABSTRACT

The purpose of this study is to analyse the influence of intellectual capital (IC) on the company's long-term financial performance. The dependent variable in this study is financial performance which is divided into profitability and corporate return. This study uses secondary data from the annual reports of public sector industrial companies listed at Bloomberg Data Base in 2015-2017 and selected by using purposive sampling method. This study used descriptive statistical analysis and non-parametric tests. The results of this study indicate that IC provides a positive contribution to the company's long-term financial performance. This study also shows that more intangible-intensive companies have financial performance superior both in terms of profitability and corporate return.

Keywords : *Competitiveness, Performance measurement, Accounting and finance, Knowledge management, Intellectual capital, Financial sustainability*