

ABSTRACT

This research was conducted with the aim of exploring the influence of intellectual capital and financial leverage on the financial performance of companies operating in the consumer cyclical sector. The dependent variable in this research is financial performance, while the independent variables are intellectual capital and financial leverage.

In this research, the data used is secondary data obtained from published financial reports of consumer cyclical sector companies listed on the IDX in 2019-2022. The purposive sampling method was used to select 78 companies that met the criteria. The company's intellectual capital in this research was obtained using the Pulic model, financial leverage was calculated using the debt to equity ratio, financial performance was measured through return on assets, and the hypothesis used in this research was the multiple linear regression analysis method. Specifically, SCE and CEE have a positive effect on financial performance, while HCE and financial leverage have a negative effect on financial performance.

The practical implication of this research is that company management operating in the consumer cyclical sector must pay special attention to the management of intellectual capital and the level of financial leverage as an effort to improve the company's financial performance. Future research could involve the use of additional, more comprehensive variables regarding the factors that influence the financial performance of companies in the same sector or in different sectors.

Keyword: intellectual capital, financial leverage, financial performance, consumer cyclicals, purposive sampling.