

ABSTRAK

This study aims to analyze the influence of capital structure and market to book value on the company's financial performance (in manufacturing companies listed on the Indonesia Stock Exchange). Dependent variable in this research is company's financial performance measured by Return on equity (ROE), independent variable in this research is capital structure measured with Debt to Equity Ratio (DER) and Stock Market Price measured by Market to Book Value (MTBV).

The population in this study includes all manufacturing companies listed in Indonesia Stock Exchange period 2014 - 2016. The method used to determine the sample research is purposive sampling method, so that obtained 59 sample companies from 143 companies listed on the Indonesia Stock Exchange. The analytical method used in this research is Best Linear Unbiased Estimation (BLUE).

The results of this study indicate that the capital structure variable (DER) has a negative and significant effect on financial performance (ROE). And the stock market price (MTBV) has a significant positive effect on financial performance (ROE).

Keywords: *Company's financial performance (Return On Equity), Capital Structure (Debt to equity ratio), Market to book value*