

ABSTRACT

During 2013-2017, the mining sector's profitability showed a significant decrease. The most significant decrease was shown on coal's sub-sector. The decrease was determined by both internal and external factors of the company. *Debt to equity ratio (DER)*, the size and the age of the company were the internal factors, whereas inflation and BI's interest rate were the external factors determining the company's profitability

The aim of this research is to contest the effects of inflation, BI's interest rate, DER, the size and the age of the companies toward the company's profitability. The object of the research is the coal company's sub-sector listed in BEI during the research period of 2013-2017, as the sub-sector demonstrates the most significant decrease compared to other sub-sectors.

This research is classified as a causal-descriptive research which uses a quantitative method. The method used to analyze the data is panel regression as well as t-test and F-test to test the hypothesis.

The result of this research shows that inflation, BI's interest rate, DER, the size of the company, and the age of the company simultaneously affect the profitability of the companies significantly. Partially, DER affects negatively and significantly, whereas inflation, BI's interest rate, the size of the company, and the age of the company does not significantly affect the company's profitability.

Key word: Inflation, interest rate, debt to equity ratio, company size, company age and company profitability