

## **THE EFFECT OF CAPITAL STRUCTURE ON STOCK PRICES MEDIATED BY PROFITABILITY**

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**Abstract:** This study aims to determine the effect of profitability and capital structure on stock prices, the effect of profitability on capital structure and the effect of capital structure on stock prices by mediating profitability. The approach in this study is quantitative research using secondary data in the form of financial reports published on the Indonesia Stock Exchange with data analysis techniques using SPSS. The research method used is purposive sampling with a sample of 28 Property & Real Estate Sector Companies Listed on the Indonesia Stock Exchange in 2019-2021. The results of this study indicate that (1) profitability does not affect stock prices, (2) Profitability does not affect capital structure, (3) Capital structure does not affect stock prices, (4) Profitability is unable to mediate the relationship between Capital structure and stock prices.

**Keywords:** Capital Structure; Stock Price; Profitability

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