Determinants Cash Holding; Evidence Mining Companies Listed on Indonesia Stock Exchange During Covid-19

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Abstract
This study aims to determine whether the effect of *Cash flow*, *Net working capital, Dividend payout ratio, Leverage,* and *Growth opportunity* on *Cash holdings* This type of research is quantitative by using secondary data on annual financial statements. This type of research is quantitative by using secondary data on annual financial statements. The population in the study amounted to 47 enterprises. Sampling using purposive sampling technique. Data analysis in this study uses quantitative analysis. The object of this study is a mining company listed on the Indonesia Stock Exchange in 2020 quarter period. Data analysis was carried out by classical assumption testing and hypothesis testing with multiple regression methods using the help of SPSS 25 software. The purpose of conducting this research is based on increasing competition from each company which requires companies to compete in improving achievements in the company. The novelty of this study to analyze cash holding with data during the Covid 19 pandemic in the 2020 quarter period. Where during the pandemic has influence on the Indonesian economic sector. Based on the test results, it can be concluded that Cash Flow variable has a significant positive effect on Cash Holding. The first hypothesis is accepted. Net Working Capital variable has a significant positive effect on Cash Holding. The second hypothesis is accepted. Dividend Payout Ratio has no significant effect on Cash Holding, the third hypothesis is rejected. Leverage has no significant effect on Cash Holding. The fourth hypothesis is rejected. Growth Opportunity has a significant negative effect on Cash Holding, the fifth hypothesis is accepted.There are several limitations experienced by researchers during the research process, namely in the data tabulation process and during the data processing process. Suggestions for similar research are recommended using other independent variables such as Good Corporate Governance and research samples from other company sectors. This is intended to obtain a detailed and comparable picture of cash holding management practices in various sectors of companies listed on the Indonesia Stock Exchange.
Keywords: Cash Holding, Cash Flow, Net Working Capital, Dividend Payout Ratio, Leverage, Growth Opportunity
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1. INTRODUCTION

In the modern era, there are many large companies that are growing rapidly, becoming one of the primary providers of needs for their consumers. The development of a company that is initially small to becoming large and capable of expansion requires a variety of supporting indicators so that the company can grow sustainably and not experience bankruptcy, one of which is the availability of cash (Najema, 2019).

The cash held or available in the company is called the *"cash holding."* According to Gill and Shah (2012), *Cash holding* is cash held by the company in the form of cash on hand or available that can be invested in current assets and be distributed to investors, meaning that cash can be used to support the company's operational activities and be distributed to investors. In addition, *Cash holding* can be used for things that are needed, for example, buying shares if needed, buying tangible assets, can be distributed to shareholders in the form of dividends, and for the company's needs in the future. The financial manager plays an important role in determining the level of *Cash holding* is not too much and not too little. The level of *Cash holding* can affect the company's liquidity. There is a gap from previous research such as:

Based on Suwito and Yanti's research in 2021, shows that liquidity, leverage, and capital expenditure have a significant effect on cash holding, while profitability and firm size have insignificant effect on cash holding during the pandemic Covid-19.

Based on research of Kusuma et. Al (2020) that net working capital, firm size, and board size had an effect on cash holding. While the variables of tax avoidance and leverage have no effect on cash holding during Covid-19

Based on Aldoseri et. Al (2022) confirms that corporate size is significantly negative, leverage is significantly positive, working capital is significantly negative, cash flow is significantly negative, growth opportunities are significantly negative, ownership concentration is significantly positive, dividends is significantly negative on corporate cash holding during Covid-19, this research have 50 samples from corporations listed in the Saudi stock market.

Endri et. Al (2020) prove that debt to assets ratio and net working capital had a positive effect on holding cash, while firm size, growth opportunity and coal price partially insignificant on the level of cash holding. This research was conducted at coal mining companies on the Indonesia Stock Exchange in 2010 - 2019.

As an example of a *Cash holding* that has occurred in Indonesia, one of which is PT. Freeport Indonesia is a mining company whose majority shares are owned by Freeport-MCMoRan Copper & Gold Inc. An American company, PT. Freeport Indonesia is the world's largest gold producer through the Grasberg mine. Freeport Indonesia has conducted exploration in two places in Papua, namely the Erstberg mine (since 1967) and the Grasberg mine (since 1988) in the Tembaga Pura area, Mimika Regency, Papua Province. PT. Freport Indonesia (PTFI), the holding company or mining holding of BUMN, claims that its operational and financial performance is still maintained in a safe position. As the holding company for state-owned mining companies, PT Indonesia Asahan Aluminum (Inalum) ensures that the holding's cash and EBITDA conditions remain strong amidst market pressures and commodity prices as they are now.

Inalum, which is now also known as Indonesian Mining and Industry (MIND ID), also responded to this. The rating that remains at investment grade Baa2 still reflects the high confidence of the rating agency. The *Cash holding* position is still strong with pocketing more than Rp 20 trillion. Meanwhile, EBITDA stands at Rp 10.4 trillion. Not only that, the *holding's* access to banking and bond markets is still positive. This condition is reinforced by the variety of important mining commodities owned by *holding* members. This happened in line with the weakening of commodity prices, and a number of downstream strategic projects that are still ongoing. In 2021, PTFI will start disbursing dividends to MIND ID, which now holds 51.2% of the largest copper company. "Performance will improve in 2021 as PTFI starts paying dividends after their production returns to normal with the completion of the transition from open pit mining to underground mining, that Inalum's liquidity level is weak. Inalum's cash resources are not sufficient to meet the capital expenditure requirements of the entire group. This company also has debt maturities of US$1 billion over the next 12-18 months. (*www.kontan.co.id*).

The reason for choosing mining companies in this study is because mining companies have different industrial characteristics and characteristics from other industries. The mining sector is one of the pillars of a country's economic development, because of its role as a provider of energy resources that are indispensable for the economic growth of a country. The rich potential of natural resources will be able to grow because of the openness of companies to exploit the mining of these resources.

Based on the background described above, the problem in this study are:

1. Does cash flow have a significant effect on cash holding?
2. Does net working capital have a significant effect on cash holding?
3. Does the dividend payout ratio have a significant effect on cash holding?
4. Does leverage have a significant effect on cash holding?
5. Does growth opportunity have a significant effect on cash holding?

2. LITERATURE REVIEW

1. *Agency Theory*

Agency theory (agency theory) was first discovered by Jensen and Meckling (1976), which explains the relationship between managers and company owners. In the company's operations, the owner of the company employs a manager as the executor, and the owner of the company also has the authority to make decisions to the manager or agent. Managers and owners of companies have different interests, causing problems in agency relations because decisions that are not suitable for each party are not reached. Agency theory describes the company as a contractual relationship between the owner of the company (principal) and manager (agent). In this contractual relationship, the owner generally authorizes the manager to run the company in the interests of the owner. Managers are tasked with maximizing the owner's profits and in return will be compensated according to their performance. The company owner (principal) and manager (agent) who prioritize each other's interests to maximize their utility create a conflict of interest between the two.

2. *Trade-off theory*

Trade-Off Theory Capital structure trade-off theory states that managers choose a particular target capital structure based on the trade-off between the benefits and costs of debt. This target capital structure is a capital structure that maximizes firm value. Underlying the trade-off theory is the idea that when a company uses small amounts of debt financing, it receives interest tax shields and perhaps some of the other benefits we've discussed. Because leverage is low and the likelihood that the company will experience financial distress is also low, the cost of debt is small relative to the benefits, and the value of the company increases. However, as more debt is added to the company's capital structure, the cost of debt increases and eventually reaches a point where the cost associated with the next dollar borrowed equals the profit. Beyond this point, the costs of adding debt outweigh the benefits, and the additional debt reduces the value of the firm. The trade-off theory of capital structure says that each manager will increase debt to the point where the costs and benefits of adding a dollar of debt are exactly the same because this is the capital structure that maximizes firm value.

3. *Cash Holding*

Cash is the most liquid asset that functions as a driving force for the routine operations of a company. The existence of cash in a company is very important because without cash, the company's activities cannot run, so the company must maintain the amount of cash to suit its needs. Therefore, the increasing importance of managing the ideal amount of cash for companies has raised attention from various circles, including both executives, analysts, and investors towards cash holding (William and Fauzi, 2013). Cash has a very important meaning in supporting every company activity. Having large amounts of cash can provide various benefits for companies such as profits from trade discounts, maintaining the company's position in the credit rating, and financing unexpected cash needs (Brigham and Houston, 2010:156). Financial managers must strike a balance between holding too much and too little cash. Large cash investments minimize the possibility of the company not being able to meet its obligations on time as they fall due. However, this can also jeopardize the company's profitability. Small cash investments free up excess balances for investments, either in marketable securities or long-lived assets. This increases the profitability of the company and the value of the company's common stock, but increases the likelihood of running out of cash (Keown, Martin, Petty, and Scott, 2000:674).

4. *Cash Flow*

Cash flow or cash flow is the amount of cash that goes out and into the company because of the company's operational activities. The value of an asset (or the company as a whole) is determined by the cash flows it generates. "Net cash flow" reflects the amount of cash generated by the business for shareholders in a given year (Brigham & Houston, 2006: 53). The purpose of the cash flow statement is to provide historical information about changes in cash and cash equivalents of a company in a certain period through the three main activities of a business entity, namely operating, investing, and financing activities.

5. *Net Working Capital*

According to Catur Sasongko, Quratul'ain Mubarakah, Annisa Febriana (2018: 175), Net Working Capital is the difference between current assets and long-term liabilities that can indicate the company's ability to meet its short-term liabilities.

Meanwhile, Lukman Syamsudin (2002:202) defines net working capital as the difference between current assets and current liabilities. As long as current assets exceed current liabilities, it means that the company has a certain net working capital, which is largely determined by the type of business of each company.

6. *Dividend Payout Ratio*

According to Hanafi and Halim (2009: 86) stated that: “Dividend pay out ratio (DPR) is a dividend payout ratio that looks at the share of earnings (income) paid out as dividends to investors. Any other portion that is not shared will be reinvested in the company.”

Dividend Payout ratio (DPR) is a small part of the company's funding decisions. Dividend Payout ratio (DPR) is used in the stock valuation model to estimate dividends paid in the future to shareholders. If the company chooses to distribute profits as dividends, it will reduce retained earnings and further reduce the total sources of internal or internal financial funds. On the other hand, if the company chooses to withhold the profits it earns, then the ability to form internal funds will be even greater. For shareholders or investors, the information contained in the dividend payout ratio (DPR) will be used as consideration in making investment decisions. Whether or not to invest their funds in a company in relation to their hopes of getting investment returns.

7. Leverage

According to Sartono (2010: 120) in Endah Yuni (2020) the Leverage Ratio shows the proportion of using debt to finance investments. The use of debt that is too high to pay off the company will be included in the category of extreme leverage (extreme debt); i.e. the company is trapped in high debt levels and it is difficult to release the debt burden. Therefore, the company should balance how much debt is worth taking and from which sources can be used to repay debt.

8. Growth Opportunity

Growth opportunity is the company's ability to develop in the future by taking advantage of investment opportunities so as to increase the value of the company. According to Sartono (2012:248), the faster the company's growth, the greater the need for funds to finance expansion. The greater the need for future financing, the greater the company's desire to retain profits. So companies that are growing should not distribute profits as dividends but use them more for investment financing.

3. CONCEPTUAL FRAMEWORK

1. *Cash Flow* effect on *Cash Holding*

When operating cash flow is high the company uses it to finance new profitable projects, to pay liabilities, to pay dividends, and the rest to be held as cash. The results of this study are in line with the theory, namely cash flow has a positive effect on cash holding. Because when cash flows come into large companies, the company uses it to pay dividends, hold it as cash, and pay liabilities. Therefore, for large cash inflows depending on the operations of a company. This can be a concern for the company's ability to manage cash flow properly. When the cash inflow is large, the cash flow owned by the company is positive. Positive cash flow causes an increase in the level of cash holding available in the company (Ariana, Hadjaat, & Yudaruddin 2018). If the company has a large amount of cash flow, it tends to hold more cash because the cash will be used as payment for operating costs, investment, and funding. Therefore, the company will hold more cash. On the other hand, if the company's cash flow tends to be low, there will be less cash in the company. This statement is in line with research conducted by Nur Hayati (2020) and Samuel Nduati Kariuki (2015) which states that Cash Flow has a positive effect on Cash Holding. Based on the description above, the first hypothesis in this research is:

H1: Cash Flow berpengaruh positif terhadap Cash Holding

2. ***Net Working Capital* Effect On *Cash Holding***

According to William & Syarief (2013) Net Working Capital is able to act as a substitute for the company's Cash Holding. This is because of the ese of converting it into cash when the company needs it. Because cash is part of the net working capital, so if the cash increases the net working capital will also increase. Net working capital is obtained by dividing current assets minus current liabilities by total assets. Cash is part of current assets and total assets, which is also used in calculating the level of cash holding, so that if the net working capital increases, the cash holding will also increase. This argument has been proven by previous research by Endah Ayu Wulandari & Mia Angelina Setiawan (2019) and Elisabeth Sudarmi & Triasesiarta Nur (2018) which stated that Net Working Capital had a significant positive effect on Cash Holding. Based on the description above, the second hypothesis in this research is:

H2: Net Working Capital has a positive effect on Cash Holding.

3. **Pengaruh *Dividend Payout Ratio* Terhadap *Cash Holding***

Based on the trade-off theory, there is a negative relationship between dividend payments and cash holding, because companies that provide dividends can exchange the marginal cost of cash holding by reducing dividend payments (Al-Najjari dani Belghitari 2011). According to Ferreira and Vilela (2004), companies that pay dividends tend to save less money. To survive, companies that do not pay dividends will have more cash. Ozkan and Ozkan (2004) state that companies that currently pay dividends will hold a low amount of cash because companies that distribute dividends obtain funds when needed by reducing dividends as cash substitutes. There is another argument that paying cash dividends has a negative effect on the company's cash holdings because paying dividends can increase the available funds because they do not pay dividends (Ferreira and Vilela, 2004). Based on the description above, the third hypothesis is as follows.

H3: Dividend Payout Ratio has a negative effect on Cash Holding.

4. **Pengaruh *Leverage* Terhadap *Cash Holding***

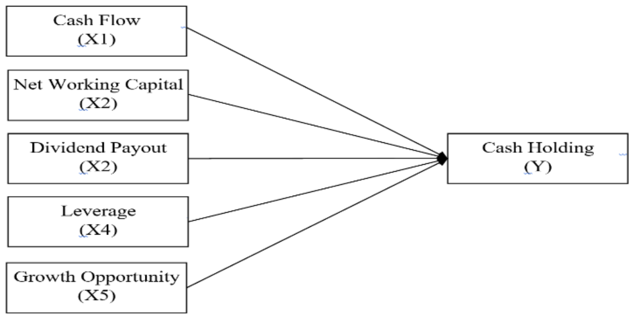
According to Teruel et al. (2009), the relationship between leverage and cash holding is negative. This is because if the company has good access to the bond market, it can use debt as a substitute for the company's current assets, even though the company actually prefers to have high cash and low debt. Companies with high debt will use the debt to invest so that the amount of cash held is small. Gill & Shah (2012) found that companies with a higher level of leverage indicate that they have the ability to obtain external funding more easily and cheaply, thus enabling the company to reduce the amount of cash held. Temuan penelitian The findings of Almagribi et.Al (2023) confirm the findings of Bagh et al. (2021), which states that companies with high leverage incur large expenses if they require external funded cash.Cash holding is inversely proportional to leverage, so the relationship between these variables is negative because if internal funds are not sufficient, the company will use its liquid reserves, namely cash holding before issuing debt. This statement is in line with research conducted by Erdian Saputri & Anon Kuswardono (2019), Mendy Angelia (2020) and Muhammad Farhan Basheer (2014) which stated that Leverage had a negative effect on Cash Holding. Based on the description above, the fourth hypothesis in this research is:

H4: Leverage has a negative effect on Cash Holding

5. **Growth Opportunity Effect On Cash Holding**

According to William and Fauzi (2013), growth opportunity is a combination of possible future investment opportunities with real assets owned by a company. Meanwhile, according to Burhanuddin and Yusuf (2019), growth opportunity is how big the company is able to place itself in the overall economic system or the economic system for the same industry. Almagribi et.Al (2023) confirm that growth has a positive and statistically significant effect on holding cash on hand.Generally a company wants the availability of cash to meet the need for profitable investment projects in the future. For this reason, it can be said that having assets in liquid form will be more profitable for companies that have investment opportunities due to the financial problems they face (Bigeli and Vidal, 2012: 28). More details about the relationship between growth opportunities and cash holdings can be demonstrated through research conducted by Opler et.al. (1999) which shows that companies with a large level of growth opportunities hold large amounts of cash. This statement is in line with research conducted by Gill and Charul Shah (2012) and Rebecca (2013) which states that Growth Opportunity has a positive effect on Cash Holding. Based on the description above, the fifth hypothesis in this research is:

H5: Growth Opportunity has a positive effect on Cash Holding



Hypothesis

A hypothesis is a testable statement about a potential relationship between two or more variables. McGuigan (Sevilla, 1993). Based on the theoretical framework above, the following hypotheses can be formulated:

1. H1 = Cash Flow has a positive effect on Cash Holding
2. H2 = Net Working Capital has a positive effect on Cash Holding
3. H3 = Dividend Payout Ratio has a negative effect on Cash Holding
4. H4 = Leverage has a negative effect on Cash Holding
5. H5 = Growth Opportunity has a positive effect on Cash Holding

4. RESEARCH METHODS

1. This research was carried out in 2020, namely by taking financial statement data from mining companies listed on the Indonesia Stock Exchange (IDX). The company's financial report data used is the quarterly period of 2020. By taking secondary data obtained through the official website of the Indonesia Stock Exchange, namely www.idx.co.id.
2. The research design used in this study is causal. Causal research method is research that tests the hypothesis about the effect of one or several variables (Independent Variables) on other variables (dependent variables) by testing hypotheses on related variables. This research requires statistical hypothesis testing. This method is used to determine whether there is an influence between *Cash Flow, Net Working Capital, Dividend Payout Ratio, Leverage, and Growth Opportunity* on Cash Holding. In mining companies listed on the Indonesia Stock Exchange.
3. **Variable Operational Table and Variable Measurement Method**

Research Variable	Indicator	Scale
Cash Flow (X1)	$\text{CF} = \frac{\text{Laba setelah pajak + depresiasi}}{Total\ asset - Kas\ dan\ Setara\ Kas}$ (Brigham & Houston, 2006:53)	Ratio
Net Working Capital (X2)	$\text{NWC} = \frac{\text{Aktiva Lancar} - \text{Utang Lancar}}{\text{Total Aset}}$ (Lukman Syamsudin, 2002:202)	Ratio
Dividend Payout Ratio (X3)	$\text{DPR} = \frac{\text{Dividen per Lembar}}{\text{Earning per Lembar}}$ (Murhadi (2015:65)	Ratio
Leverage (X4)	$\text{Leverage} = \frac{\text{Total utang}}{\text{Total Aktiva}}$ (Kasmir, 2019:153)	Ratio
Growth Opportunity (X5)	$Growth = \frac{Total\ Aset\ Tahun^{\ t} - Total\ Aset\ Tahun^{\ t-1}}{Total\ Aset\ Tahun^{\ t-1}}$ (Kasmir, 2019:153)	Ratio
Cash Holding (Y)	$\text{CHD} = \frac{\text{Kas dan Setara Kas}}{Total\ asset - Kas\ dan\ Setara\ Kas}$ (Ogundipeet al., 2012).	Ratio

4. In this study, the population is Mining Sector Companies listed on the Indonesia Stock Exchange (IDX) in the quarterly period of 2020. Sampling in this study was using *Purposive Sampling* technique. *Purposive Sampling* technique is a Sampling technique with certain considerations or criteria. Researcher use mining sector companies sample data in the quarterly period of 2020 that have been listed on the Indonesia Stock Exchange. Total sample have been used 120 samples.

5. RESULTS AND DISCUSSION
A. RESULTS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.045	.024		1.855	.067
	CF	.536	.096	.492	5.604	.000
	NWC	.161	.043	.333	3.762	.000
	DPR	.043	.053	.066	.814	.418
	LEV	.006	.037	.015	.167	.868
	GROWTH	-.076	.035	-.168	-2.171	.033

a. Dependent Variable: CHD

Source: SPSS 25 year 2021 data processing

Based on the test results, it can be seen between each independent variable on the dependent variable which can be explained as follows:

1. The test results for the *Cash Flow* variable have a regression coefficient value of 0.536 (positive) and a significance value of 0.000, which is smaller than the probability value of 0.050 (0.000 < 0.050). So it can be concluded that the *Cash Flow* variable partially has a significant positive effect on *Cash Holding*. This shows that the First Hypothesis (H1) is accepted.
2. The results of testing the *Net Working Capital* variable have a regression coefficient value of 0.161 (positive) and a significance value of 0.000, which is smaller than the probability value of 0.050 (0.000 < 0.050). So it can be concluded that the *Net Working Capital* variable partially has a significant positive effect on Cash Hold*ing*. This shows that the Second Hypothesis (H2) is accepted.
3. The test results for the *Dividend Payout Ratio* variable have a regression coefficient value of 0.043 (positive) and a significance value of 0.418, which is greater than the probability value of 0.050 (0.441 > 0.050). So it can be concluded that the *Dividend Payout Ratio* variable partially has no significant effect on Cash Holding. This shows that the Third Hypothesis (H3) is rejected.
4. The results of the *Leverage* variable test have a regression coefficient value of 0.006 (positive) and a significance value of 0.868, which is greater than the probability value of 0.050 (0.845 > 0.050). So it can be concluded that the *Leverage* variable partially has no effect on *Cash Holding*. This shows that the fourth hypothesis (H4) is rejected.The test results for the *Growth Opportunity* variable have a regression coefficient of -0.076 (negative) and a significance value of 0.033, which is smaller than the probability value of 0.050 (0.033 < 0.050). So it can be concluded that the *Growth Opportunity variable* partially has a significant negative effect on *Cash Holding*. This means that the fifth hypothesis (H5) is accepted.

DISCUSSION

The first hypothesis (H1) in this study is to test whether the Cash Flow variable has a significant positive effect on Cash Holding. Based on the results for this hypothesis, reflected in the results of the t-statistical test in table 4.12, the results show that the Cash Flow variable has a regression coefficient value of 0.536, which has a positive direction and a significance value of 0.000, which is smaller than 0.050 (0.000 < 0.050). Based on the test results, it can be concluded that the Cash Flow variable has a significant positive effect on Cash Holding. The first hypothesis is accepted. This result means that Cash flow has an influence on Cash Holding. Shows that the operational activities of a company, require cash flow so as to reduce the need to hold cash. Based on the trade-off theory, a small amount of cash is held, because cash is used for the company's operational activities.The results of this study are in line with research conducted by (Nur Hayati, 2020) which states that the Cash Flow variable has a significant positive effect on Cash Holding. When cash flow is positive, the company is also getting bigger to hold more cash. This is due to the large amount of cash holding which will later be used to finance the company's operations.

The second hypothesis (H2) in this study is to test whether the Net Working Capital variable has a significant positive effect on Cash Holding. Based on the results for this hypothesis, which is reflected in the results of the t-statistical test in table 4.12, the results show that the Net Working Capital variable has a regression coefficient value of 0.161, which has a positive direction and a significance value of 0.000, which is smaller than 0.050 (0.000 < 0.050).

Based on the test results, it can be concluded that the Net Working Capital variable has a significant positive effect on Cash Holding. The second hypothesis is accepted. The result indicate that the higher the net working capital, the higher the level of cash holding it has. This is because net working capital acts as a good cash substitute, so if the company needs cash at any time for the smooth running of the company's activities, net working capital can be used as cash quickly.This research is in line with research conducted by Endah Ayu Wulandari & Mia Angelina Setiawan (2019) which states that the Net Working Capital variable has a significant positive effect on Cash Holding. These results indicate that the higher the net working capital, the higher the determination of the level of cash holding held so that these results are not in accordance with the trade off theory which states that there is a negative relationship between net working capital and cash holding.

The third hypothesis (H3) in this study is to test whether the Dividend Payout Ratio variable has a significant negative effect on Cash Holding. Based on the results for this hypothesis, which is reflected in the results of the t statistical test in table 4.12, the results show that the Dividend Payout Ratio variable has a regression coefficient value of 0.043, which has a positive direction and a significance value of 0.418, which is greater than 0.050 (0.418 > 0.050).

Based on the test results, it can be concluded that the Dividend Payout Ratio has no significant effect on Cash Holding, the third hypothesis is rejected. This result is not in line with the trade-off theory which states that there is a negative relationship between dividend payments and cash holding, because companies that provide dividends can exchange the marginal cost of cash holding by reducing the dividend payments (Al-Najjari dani Belghitar, 2011). This result means that companies in dividend payments that lack funds can produce low cost liquid funds by reducing dividend payments (Hapsari, 2015). So the results of this study are in line with the research of Endah Ayu Wulandari & Mia Angelina Setiawan (2019).

The fourth hypothesis (H4) in this study is to test whether the Leverage variable has a significant negative effect on Cash Holding. Based on the results for this hypothesis, reflected in the results of the t statistical test in table 4.12, the results show that the Leverage variable has a regression coefficient value of 0.006, which has a positive direction and a significance value of 0.868, which is greater than 0.050 (0.868 > 0.050). Based on the test results, it can be concluded that Leverage has no significant effect on Cash Holding. The fourth hypothesis is rejected. This is caused by differences in the level of leverage of the sample companies, some mining companies that have high leverage there are 45 of the 94 (47.87%) samples used have leverage above the average leverage of the sample companies (0.543956). These results are not in line with the results of previous studies by Erdian Saputri & Anon Kuswardono (2019) and Mendy Angelia (2020) which stated that Leverage had a negative and significant effect on Cash Holding. This means that Leverage reflects the ease with which a company can obtain external funds. This causes companies with high leverage tend to hold cash in amounts that are not too high because they are considered to provide low returns compared to investing. So the results of this study are in line with the research of Rahmat Setiawan & Adyanto Budi Rachmansyah (2017).

The fifth hypothesis (H5) in this study is to test whether the Gowth Opportunity variable has a positive effect on Cash Holding. Based on the results for this hypothesis as reflected in the results of the t-statistical test in table 4.12, the results show that the Leverage variable has a regression coefficient value of -0.076 which has a negative direction and a significance value of 0.033 which is smaller than 0.050 (0.033 < 0.050). Based on the test results, it can be concluded that Growth Opportunity has a significant negative effect on Cash Holding, the fifth hypothesis is accepted. This is in accordance with the proposed hypothesis but towards the negative side, which means that the company's low growth rate will affect the poor level of Cash Holding because the company will use existing cash sources to fund Growth Opportunity. This research is in line with previous research conducted by Elisabeth Sudarmi & Triasesiarta Nur (2018) and is supported by the Trade-off Theory which states that companies with high growth rates will hold large amounts of cash to finance their growth, because the benefits obtained by the company are higher. greater than the cost of holding cash. However, the results of this study differ in the direction of its influence with the research of Marfuah and Zulhimi (2014) which states that Growth Opportunity has a positive effect on Cash Holding.

CONCLUSIONS AND SUGGESTIONS

Based on the results of research on *Cash Flow, Net Working Capital, Dividend Payout Ratio, Leverage* and *Growth Opportunity on Cash Holding*, it can be concluded that not all of the independent variables studied have an effect on Cash Holding. The results that can be concluded from this study are as follows:

1. *Cash Flow* has a significant positive effect on *Cash Holding* in mining companies listed on the Indonesia Stock Exchange (IDX) in the 2020 quarter period.
2. *Net Working Capital* has a significant positive effect on *Cash Holding* in mining companies listed on the Indonesia Stock Exchange (IDX) in the 2020 quarter period.
3. *The Dividend Payout Ratio* has no significant effect on *Cash Holding* in mining companies listed on the Indonesia Stock Exchange (IDX) in the 2020 quarter period.
4. *Leverage* has no significant effect on *Cash Holding* in mining companies listed on the Indonesia Stock Exchange (IDX) in the 2020 quarter period.
5. *Growth Opportunity* has a significant negative effect on *Cash Holding* in mining companies listed on the

Indonesia Stock Exchange (IDX) in the 2020 quarter period.

A. **Suggestion**

Based on the conclusions above, suggestions that can be given regarding this research in the future are expected to be able to present higher quality research results, with some input on several things including:

1. Suggestion for Companies

This research is expected for investors and potential investors who want to invest and have a preference for a return in the form of dividends, it is advisable to consider more about the company's financial level information and analyze the state of the company's Cash Holding which can be taken into consideration for investment decisions.

2. Suggestion for Investor

Penelitian ini diharapkan bagi investor dan calon investor yang hendak melakukan investasi dan memiliki preferensi untuk mendapatkan return berupa dividen, disarankan untuk lebih mempertimbangkan mengenai informasi tingkat keuangan perusahaan serta menganalisis keadaan Cash Holding perusahaan yang dapat dijadikan bahan pertimbangan untuk keputusan investasi.

3. Suggestions for Researchers

It is hoped that further research will be carried out using other independent variables such as Good Corporate Governance and research samples from other company sectors. This is intended to obtain a detailed and comparable picture of cash holding management practices in various sectors of companies listed on the Indonesia Stock Exchange.

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