Comparative Analysis of the Influence of Financial Performance on the Capital Structure of Food and Beverage and Transportation Services Companies Listed on the IDX

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ABSTRACT

This study examines the factors that affect the capital structure of food and beverage sub-sector companies and transportation services sub-sectors listed on the Indonesia Stock Exchange (IDX) during the 2020-2022 period. The study also examines the comparison of the capital structure of food and beverage companies with transportation services during the 2020-2022 period. Sample determination technique using the purposive sampling method, the selection of samples from 25 companies in the food and beverage sub-sector resulted in 15 companies being accepted. Then from 36 companies in the Transportation Services sub-sector, 15 companies were accepted. Data analysis was carried out using Microsoft excel, Hypothesis testing using multiple linear regression analysis and differential test using Indpendent sample t-test with SPSS 23 program with a significance level of 5%. The test results were obtained that the profitability variable had a negative effect on the capital structure of the food and beverage company and transportation services. Next, the sales growth variable has no effect on the capital structure of food and beverage companies and transportation services. For food and beverage companies, the size of the company has no influence on the capital structure. However, unlike transportation service companies, the company size variable has a positive influence on the capital structure. The results of the study also show that there is a significant difference in capital structure between food and beverage companies and transportation services.

Keywords: Profitability, sales growth, company size, capital structure, and independent sample t-test.

ABSTRAK

Penelitian ini mengkaji faktor-faktor yang mempengaruhi struktur modal pada perusahaan subsektor makanan dan minuman serta subsektor jasa transportasi yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2020-2022. Penelitian ini juga mengkaji perbandingan struktur modal perusahaan makanan dan minuman dengan jasa

transportasi selama periode 2020-2022. Teknik penentuan sampel menggunakan metode purposive sampling, pemilihan sampel dari 25 perusahaan subsektor makanan dan minuman menghasilkan 15 perusahaan diterima. Kemudian dari 36 perusahaan subsektor Jasa Transportasi, diperoleh 15 perusahaan diterima. Analisis data dilakukan dengan menggunakan Microsoft excel, Pengujian hipotesis menggunakan analisis regresi linier berganda dan uji beda menggunakan Independent sample t-test dengan program SPSS 23 dengan taraf signifikansi 5%. Hasil pengujian diperoleh variabel profitabilitas berpengaruh negatif terhadap struktur modal perusahaan makanan dan minuman serta jasa transportasi. Berikutnya variabel pertumbuhan penjualan tidak berpengaruh terhadap struktur modal perusahaan makanan dan minuman serta jasa transportasi. Bagi perusahaan makanan dan minuman, ukuran perusahaan tidak berpengaruh terhadap struktur modal. Namun, tidak seperti perusahaan jasa transportasi, variabel ukuran perusahaan berpengaruh positif terhadap struktur modal. Hasil penelitian juga menunjukkan adanya perbedaan yang signifikan dalam struktur modal antara perusahaan makanan dan minuman dan perusahaan jasa transportasi.

Kata Kunci: Profitabilitas, pertumbuhan penjualan, ukuran perusahaan, struktur modal, dan uji-t sampel independen.

INTRODUCTION

The *Food and Beverage industry* and the transportation services industry show different characteristics in carrying out their operations and business activities. The *Food and Beverage industry* usually focuses on the production of physical goods, while the service industry prioritizes the provision of services. These differences include factors such as cost, business risk, sales cycle, and performance measurement methods. Therefore, decisions made regarding the company's funding structure in these two sectors may be different and have different impacts on the company's performance. When it comes to knowing a company's capital structure, the funding decision-making process is very important. Choosing the right capital design is the main key in improving business performance.

According to Fahmi (2014, p. 175), he explains in his work that the capital structure describes the way a company divides its funding sources between *long-term liabilities* and *shareholders equity*. Decision-making regarding direct funding structures has an impact on the level of risk that shareholders must bear as well as the expected rate of return. Not only does it affect profitability, but it also affects the financial risks faced by the company. These financial risks include the potential for the company to have difficulty paying financial obligations and the possibility of non-achievement of the company's profit targets. Therefore, decisions about the funding structure are very crucial to maintain the operational continuity of a company (Nguyen, 2018).

There are a variety of unique factors of the company that have an impact on decisions regarding funding structures. These factors are always an important basis in determining how a company will finance its activities. According to Irma et al. (2021, p. 73), there are factors that can affect the capital structure, namely, asset structure, *growth opportunities*, company size, business risk and profitability.

According to Hidayat (2019), profitability refers to the ability of a business entity to earn profits from its operational activities. If the company records a high level of profit, they are more inclined to tap into internal sources of funding. Conversely, when companies experience smaller profits, their tendency is to rely on higher debt ratios.
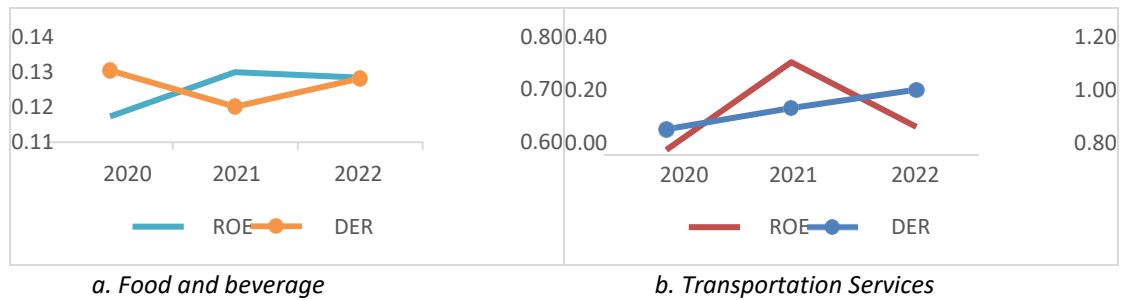
a. Food and beverage   b. Transportation Services

Figure 1. Profitability conditions for capital structure

Figure 1 on the left illustrates the conditions that occur in *Food and Beverage* companies that are in line or ideal with existing theories. However, this condition is inversely proportional to the condition experienced by companies engaged in ransportation services. As can be seen in the image above on the side, in 2021 transportation service companies are experiencing an increase in profitability, but their capital structure is also improving.
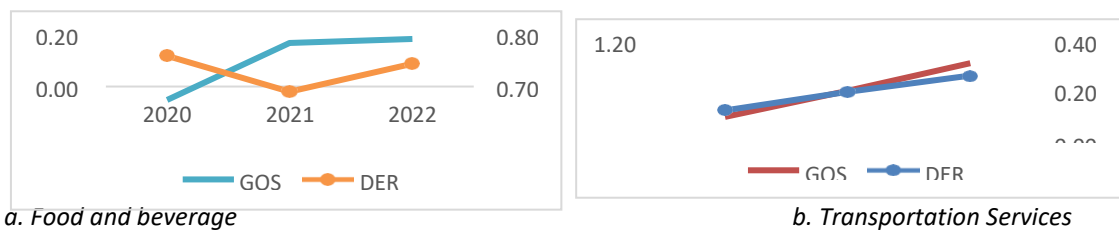

a. Food and beverage   b. Transportation Services

Figure 2. Sales growth conditions against capital structure

According to Najmudin (2011), companies that experience fixed transactions can obtain liabilities safely and become a better fixed cost solution than companies that do not have transaction transmission. In Figure 2 on the left, in 2021, the sales growth (GOS) of *food and beverage* companies is increasing, but their company's capital structure is declining. This is contrary to the previous theory. Surprisingly, the situation that occurs in *food and beverage companies is* inversely proportional to the situation experienced by companies working in the transportation service sector. According to the existing theory, the condition of the company in Figure 2 on the right represents ideal conditions.

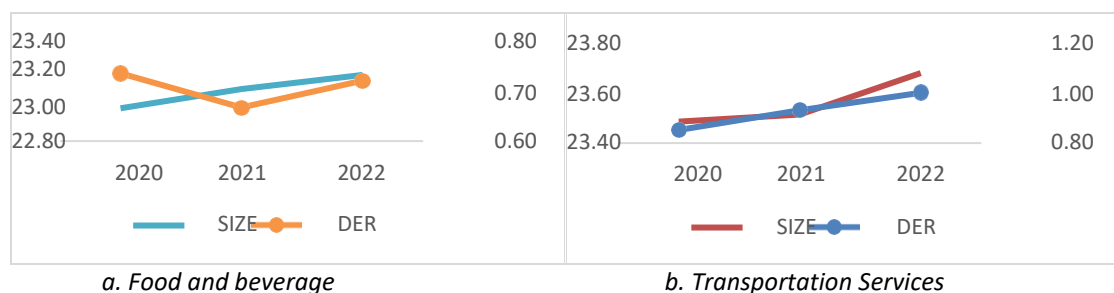a. Food and beverage   b. Transportation Services

Figure 3. Condition of the company's size to the capital structure

According to Khairusy et al. (2022), a company's tendency to have a higher level of debt can be determined by its size or wealth, which can be used as an indicator. This reflects that larger business actors have a better ability to make profits. In Figure 3 on the left, in 2021 the size of *food and beverage* companies is increasing, but the level of *the food and beverage capital structure* is actually decreasing. It can be seen in figure 3 on the right that year after year the size of transportation service companies continues to increase and is followed by an increase in capital structure. This reflects the previous theory.

By analysing the comparison of two different sectors, the relevant parties can identify differences in debt dependence, i.e. assess the extent to which companies in the *Food and Beverage* industry and the transportation services industry rely on debt funding to support their operations. Does one industry have a sequential level of liability compared to another? In addition, by conducting similar studies in both areas, relevant parties can also see whether financial implementation, such as productivity, transaction progress, or organizational size, impacts capital design in both projects. Do these factors influence funding policy in different ways between these two sectors. Therefore, choices with respect to capital design are essential for financial well-being and increasing the company's reward (Purba *et al.*, 2020). This research needs to be conducted to understand how profitability, sales growth and company size affect capital structure. The author will focus on research on food *and beverage* sub-sector companies and transportation services listed on the IDX during 2020-2022,

LITERATURE REVIEW

In 1958, Modigliani and Miller introduced a logical hypothesis regarding the construction of corporate capital, which relied on several fundamental suspicions. First, this hypothesis assumes that an organization's business risk can be estimated using EBIT (Standard Deviation Earning Before Tax). Second, financial backers are considered to have uniform assumptions regarding the organization's EBIT in the future. Third, this hypothesis assumes that stocks and securities are traded in a perfect capital market. Lastly, all cash flows are considered perpetuity, which means the company's growth is considered zero or EBIT always remains stable. With these assumptions in mind, Modigliani and Miller devised a theoretical framework for understanding the construction of corporate capital. In 1963, Modigliani and Mill operators (MM) provided an article that was a continuation of the MM hypothesis in 1958. In the article, MM changed his assumption by presenting the company's personal expenses. Using this tax, MM concluded that the use of debt can increase the value of a company because the interest portfolio associated with using debt can facilitate tax payments (Sudana, 2011, p. 148).

In the perspective of Myers (1984), pecking order theory explains that organizations with a high level of benefits actually have a low level of liability. This is due to the accessibility of financial support resources that exceed normal levels for high-productivity companies. Husnan and Pudjiastuti (2015) explain how pecking orders provide examples of reasons why businesses often choose internal funding over external funding. Companies use internal funding, such as retained earnings, first, then take into account new debt and equity disclosures, according to this theory, as their most prioritized source of funding.

Suripto (2015) argues that: "The trade-off theory is the hypothesis in which an organization decides the choice to involve a liability or value as a trade-off between the

cost of securing the premium (benefit of the liability) and the cost of the organization's bankruptcy." In line with Brigham (2016, p. 486) who states that the theory of trade off is: "the theory of business capital structure replaces the tax benefits of debt with the problems caused by the potential for bankruptcy."

Signaling Theory was first introduced by Spence (1978) through a seminar paper that provided a hypothetical example of the impact of signals on employment decisions in the market. Spence (1978) states that basically, Signaling Theory is closely related to overcoming the information imbalance between two parties.

Akerlof (1970) introduced the theory of asymmetric information in his famous paper "The Market for Lemons" as presented by Bunting in his journal in 2014. Bunting (2014) notes that in economics, economists often make unrealistic assumptions when they confidently construct an orderly picture of the real world. Asymmetric Information, as described by Brigham & Houston (2011, p. 185), reflects a condition in which managers have superior access to information than investors. This imbalanced data arises due to the fact that the government has more information than financial backers.

According to the theory pecking order, companies with high profits have a large enough internal source of funds, so they don't need to get funding from external sources to support their investments. In short, the greater the profit the company earns, the lower the ratio of its capital structure. This opinion is strengthened by the results of research conducted by previous researchers, namely Hidayat (2019), Sinthayani et al. (2015), and Ratri & Christianti (2017) which stated that profitability has a negative impact on capital structure. Therefore, based on previous theories and research, hypotheses can be determined:

H1: Profitability affects the capital structure of food and beverage companies.
H4: Profitability affects the capital structure of transportation service companies.

Trade off theory encourages the substance of the business to take advantage of obligations to obtain high profits. Sudana (2011, p. 162) shows that businesses with high transaction growth are more likely to acquire higher levels of liabilities than businesses with lower transaction growth. This opinion is reinforced by the results of research conducted by previous researchers, namely Paramitha and Putra (2020), Khairusy et al., (2022), and Umdiana & Claudia (2020). Therefore, based on previous theories and research, hypotheses can be determined:

H2: Sales growth affects the capital structure of food and beverage companies.

H5: Sales growth affects the capital structure of transportation service companies.

Companies with high wealth generally use debt as a source of financing to manage their assets. This is supported by Husnan & Pudjiastuti (2015, p. 289) in their work who asserts that companies that have a large asset scale have a high debt ratio. The higher the size of the company, the higher the potential for the company to obtain funding. This is in line with previous research conducted by Purba et al. (2020), Johan & Septariani (2021), and Wulandari & Artini (2019). In this study, the size of the company is calculated by Size (total assets). Therefore, based on previous theories and research, hypotheses can be determined:

H3: The size of the company affects the capital structure of the food and beverage company. H6: The size of the company affects the capital structure of the transportation service company.

Hassan, H (2014) through the title "Determinants Capital Structure: A Comparative Study in Malaysia and Indonesia." Using the object of research, namely Malaysian and Indonesian state manufacturing companies that become. Using the Ordinary least square, chow test and fixed effect model. Finding a result of differences in elements that affect the capital structure of Malaysia and Indonesia. The research conducted by Perwitasari, (2011) and Sinthayani, et al (2015) is in line with the research conducted by Hassan, H (2014). Therefore, based on theory and research.

Previously, it was possible to establish hypotheses:

H7: The value of the capital structure coefficient between the food and beverage sector and transportation services is different

HASIL DAN PEMBAHASAN RESEARCH METHODOLOGY

Each variable to be investigated is defined in this section. Capital structure (Y) are the dependent variables to be used, and the three independent variables to be used are profitability, sales growth, and company size. In the context of this study, the population refers to business entities in the Food and Beverage sub-sector and transportation sub-sector service companies listed on the Indonesia Stock Exchange (IDX) during the observation period from 2020 to 2022. The sampling method used *purposive sampling,* obtained from 15 out of 25 *food and beverage* companies and 15 out of 36 transportation service companies. The observation period is 3 years so that each sample in each sub-sector totals 45 observations.

The variable capital structure (Y) is represented using the Debt-to-Wealth Ratio (DER), which is a comparison of total debt to company capital in decimal units.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Own Capital}}$$

The profitability factor is proxied by the *Return to Equity Ratio* (ROE), which is the result of profit sharing after interest and taxes divided by the total equity in decimal units.

$$\text{ROE} = \frac{\text{Earning After Interest and Tax}}{\text{Total Equity}}$$

Growth of Sales (GOS) is a parameter that reflects sales growth approximately. GOS is calculated by subtracting the value of sales in the current period from sales in the previous year's period, then the result is divided by the sales in the previous year's period in decimal form.

$$\text{Growth of Sales} = \frac{\text{Sales t} - \text{Sales (t}-1)}{\text{Sales (t}-1)}$$

In the company size variable, the size variable is proxied with *size. Size* is the result of the natural logarithm of the Company's total assets in decimal units.

Size = Ln (Total Asset)

In this study, the data analysis method applied is a quantitative approach with regression analysis. All data collected will be processed through the process of analysis

and hypothesis testing. Analysis and testing of this hypothesis will be carried out using Microsoft Excel 2016 and SPSS. The purpose of this process is to find out whether the capital structure (DER), sales growth (GROWTH), and company size (SIZE) affect each other. However, *the independent sample t-test* is used to test for coefficient similarity between the two sectors.
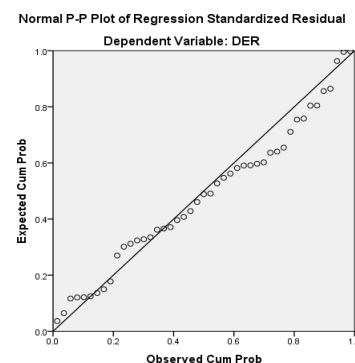
RESULTS AND DISCUSSION

Classic Assumption Test

a. Normality Test

Normality tests are used to determine whether irritant factors or residual factors have a typical spread in the recurrence model. The factual test is invalid if the presumption is not fulfilled (Usmadi, 2020).
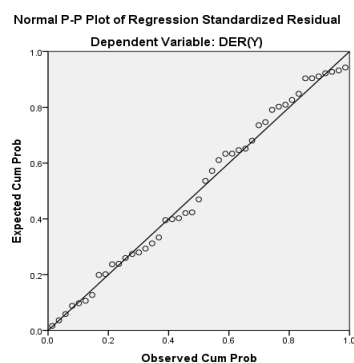
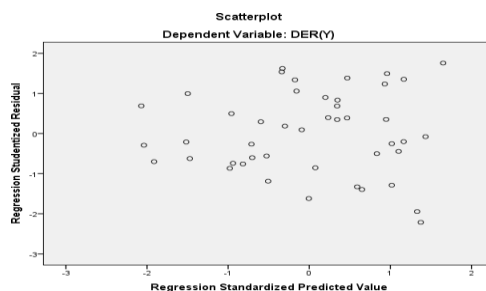a. Food and beverage sector sector

b. transportation services

Figure 4. Normal Plot Test

Source: Personal data (2023)

In figures 4a and 4b of the normal probability plot graph, the dots are scattered tightly along the diagonal line, indicating that the residual distribution is normal across the two sectors.

b. Heteroscedasticity Test

To find out whether the regression model experiences non-uniform residue variation between observations, a heteroscedasticity test was used. The regression model is said to be good if it is homoskedastic, there is no heteroscedasticity (Uthami, et al, 2013).

a. Food and beverage sector sector
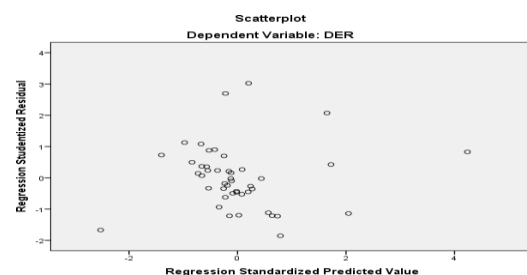
b. transportation services

Figure 5. Company Scatterplot

In figures 5a and 5b some of the dots are randomly scattered around the number 0 on the Y axis, both above and below it, as shown by the scatterplot chart visualization. In summary, regression models are considered appropriate for use because they do not show heteroscedasticity.

    c.   Multicollinearity Test

Multicollinearity occurs when several independent variables in a regression model have a strong or nearly linear relationship. A significant linear relationship between all or some independent variables in a regression model is known as multicollinearity. To identify signs of multicollinearity, the value of the inflation variation factor (VIF) and the tolerance value must be considered (Mardiatmoko, 2020). The regression equation of the food and beverage sector can be obtained from table 5.

DER = 0.998 – 1.886 Return On Equity – 0.21 Growth Of Sales – 0.002 Size

Based on table 25, it can be seen the influence of each independent variable, namely Return on Equity (X1), Growth of Sales (X2), and Size (X3) on the bound variable, namely the Capital Structure partially, namely:

1) Return on Equity (X1) has a coefficient of -1.886 and -tcal < - ttable which is -2.743 < -2.020 and a significance of 0.002 < 0.05. This condition shows that the return on equity is significantly negative on the food and beverage capital structure.

2) Growth of Sales (X2) has a coefficient of -0.21 and -tcal > - ttable which is -0.148 > -2.020 and a significance of 0.883 > 0.05. This condition shows that the growth of sales is not significant in the food and beverage capital structure.

3) Size (X3) has a coefficient of -0.02 and a calculation of < ttable which is -0.213 < -2.020 and significance 0.832 > 0.05. This condition shows that the size is not significant in the food and beverage capital structure.

DER = 1.358 -1.286 Return on Equity + 0.035 Growth of Sales – 0.86 Size

Based on table 27, it can be seen the influence of each independent variable, namely Return on Equity (X1), Growth of Sales (X2), and Size (X3) on the bound variable, namely the Capital Structure partially, namely:

1). Return on Equity (X1) has a coefficient of -1.286 and -tcal < - ttable which is -6.315 < -2.020 and a significance of 0.000 < 0.05. This condition illustrates a significant negative return on equity in the capital structure of transportation companies.

2). Growth of Sales (X2) has a coefficient of 0.035 and a calculation of < table of 0.727 < 2.020 and a significance of 0.471 > 0.05. This condition illustrates that the growth of sales is not significant in the capital structure of transportation companies.

3). Size (X3) has a coefficient of -0.86 and -ttable < -ttable of -4.020 < -2.020 and a significance of 0.000 < 0.05. This condition illustrates a significant negative size in the capital structure of transportation companies.

Table 1. Coefficient of Determination of the Food and Beverage Sector

Model Summary^b

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.412a	.170	.109	.34002

a. Predictors: (Constant), SIZE(X3), GOS(X2), ROE(X1)

b. Dependent Variable: DER(Y)

Source : Personal Data (2023)

The value of R is 0.412, which indicates a strong relationship between free variables and bound variables. The adjusted R-square value of 0.109 shows that the variation to the three independent variables (return on equity, sales growth, and size) accounts for 10.9 percent of the variation in the capital structure of food and beverage.

Table 2. Coefficient of Determination of the transportation services sector

Model Summary^b

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.737a	.544	.510	.44064	1.683

a. Predictors: (Constant), SIZE, ROE, GOS
Dependent Variable: DER

Source : Personal Data (2023)

From table 5, the value of R is 0.737, which shows a strong relationship between free variables and bound variables. The adjusted R-box value of 0.544 shows that the variation in food and beverage capital structure of 51% is due to variations in three independent variables: return on equity, sales growth, and size. Additional variables not included in the model accounted for 49% of the variation.

Discussion

The Effect of Profitability on the Capital Structure of Food and Beverage

The first hypothesis proposed was accepted and the findings of this study support the pecking order theory. The study found that food and beverage businesses reduced their reliance on liabilities as their profits increased. Based on Pecking order theory, companies that benefit significantly have large internal funding, thereby reducing their need to seeking subsidies from outside for his business. This tendency arises given the fact that companies will generally focus on using the profits they have in shaping their capital construction rather than relying on the bonds acquired.

High profitability is one of the factors that affect the capital structure of food and beverage companies moving in a negative direction. This condition has the basic foundation of truth that the higher the return on value (productivity), the more able management will be able to supervise functional sources of money, which in turn will expand the company's capacity to create net profits. Not all net profits will be reported to investors; Thinking critically, most of it will be utilized for the development and advancement of the organization.

The findings of this research are in line with the results of exploration conducted by Eviani (2015), Kartikayanti & Ardini (2021), and Denziana & Yunggo, (2018). However, this research is not in line with the research explored by Hidayat (2019) and Ashry & Fitra (2019) which explains that when a company has high profitability, what managers do is take external funding. This is because the Company considers that with these conditions they will benefit more by using debt as their capital structure policy.

The Effect of Sales Growth on the Capital Structure of Food and Beverage

The second hypothesis is unacceptable. From the results of this research, it can be concluded that sales growth (Growth of Sales) does not have substantial significance on the capital structure. Simply put, changes in sales growth do not have a great influence on changes in capital structure. Whether Sales Growth fluctuates, whether it increases or decreases, it does not affect the degree or nature of the Capital Structure. It can be concluded that when sales growth increases, companies tend to use larger debt. However, in reality, increased sales growth cannot directly improve its capital structure. Because, when the company seeks to increase sales, the need for additional capital will arise. However, as the company's sales grow, the company can reduce costs by minimizing the use of capital from its long-term debt.

The results of this research are in line with the research conducted by Hidayat (2019), Ashry & Fitra (2019) and Kaliman, R., & Wibowo, S. (2017) which stated that the capital structure is not affected by sales growth, but the findings of this study are not in line with the research (2014), Eviani (2015) and Ratri, A. M., & Christianti, A. (2017) which states that companies with a certain level of growth tend to utilize internal funds to support their operational activities. Sales growth will increase if the demand for the asset is high, which then causes the company to require additional costs.

The Effect of Company Size on the Capital Structure of Food and Beverage

The results of this study emphasize that there is no strong enough significance regarding the company's capital structure in the food and beverage sector. Therefore, the findings of this study deviate from the third hypothesis. It can be ascertained that the size of a company, both large and small, does not affect the capital structure policy of companies engaged in the food and beverage sector. Due to the large number of metrics used as a measure of a company's funding, the size of the company does not have a significant influence on the capital structure.

This finding is in line with the research carried out by Nugroho (2014), which shows that the funding of a company is not affected by its size. This condition will be contrary to the exploration directed by Wulandari & Artini, 2019) and Khairusy et al. (2022) who stated that there is a significant relationship between sales growth and the company's capital structure. Companies that experience rapid asset growth often rely on capital from outside sources. Businesses that have a lot of assets tend to use larger debt primarily through bond issuance, compared to slower-growing companies.

The Effect of Profitability on the Capital Structure of Transportation Services

The results of the study illustrate that when the profitability of transportation companies increases, the debt level of transportation service companies decreases. This shows the preference of companies in the transportation sector to take advantage of retained earnings rather than choosing debt. The results of the research are in line with the hypotheses and theories proposed at the beginning. This observation is consistent with pecking order theory, where companies generally prioritize safe financial sources, such

as retained earnings, before considering external funding options such as debt or equity issuance. So that the fourth hypothesis is accepted.

The results of this study are in line with the findings conducted by Eviani (2015) and Maryanti, et al (2023) The examination shows that companies that show high profitability often have income, which serves as a source of internal assets. In general, as a company's profits increase, its reliance on external funding as a liability in its capital design decreases. However, the findings of this research are contradicted by the findings of Palupi & Efendi (2022), Sagala et al. (2022) and Purba et al., (2020) They mention that profitability has a positive but not significant impact. This shows that a company's capital structure tends to increase as its profitability increases. The reason behind this phenomenon may be due to favorable financial conditions, so the company needs less borrowed capital.

The Effect of Sales Growth on Transportation Services

The fifth hypothesis is rejected because the results of the study show that there is no significant value to the capital structure. In other words, a change in sales growth will have no impact on a change in its Capital Structure. Whether sales growth increases or decreases, it will not affect the level or type of Capital Structure. It can be concluded that when sales growth increases, companies tend to use larger debt. However, in reality, increased sales growth cannot directly improve its capital structure. Because, when the company seeks to increase sales, the need for additional capital will arise. However, as the company's sales grow, the company can reduce costs by minimizing the use of capital from its long-term debt.

The research from this study is in line with the results of research conducted by Hidayat (2019), Ashry and Fitra (2019) and Kaliman, R., & Wibowo, S. (2017) which stated that sales growth is not significant to the capital structure. However, contrary to the research explored by Paramitha & Putra (2020) and Khairusy et al. (2022), it was stated in the study that there is a significant correlation between sales growth and capital structure. The increase in transactions has a significant impact on capital development because it encourages executives to take or add obligation. This increase in liability can be considered as an indication of the increasing confidence of the public, especially financial supporters, in the company.

The Influence of Company Size on the Capital Structure of Transportation Services

The sixth hypothesis is rejected, it tends to be concluded that the results of this examination contradict the hypotheses and speculations put forward, so the 6th hypothesis is rejected. The continued impact of this test only helps the pecking order theory which shows that the higher the size of the company, the lower the level of DER or the company's liabilities. In this way, it can be said that organizations working in the transportation sector generally prefer to take advantage of retained profits rather than using a trade off strategy. This shows that transportation companies have a very large company size. They have financial advantages that can be used as a source of reserves or profits saved to help future businesses. These assets also have the ability to be a capital depository which is the main supporter of the company's capital development.

The findings of this study are in line with research conducted by Arif & Mai (2020) This implies that the larger the size of a company, the lower the debt ratio index it has. In other words, the size of the company is a determining factor for the company to reduce the proportion of its debt. However, the research from this study is contrary to the research carried out by Wulandari & Artini (2021) and Khairusy et al. (2022) showing

that there is a significant relationship between the increase in the company's sales and its capital structure. Companies that grow their assets quickly tend to rely on external sources of capital. As a result, they use debt more often, primarily through bond issuance, compared to companies that develop their assets slowly.

Differences in capital structure of food and beverage companies and transportation services

The results of the study show a significance value of less than 0.05 that transportation companies and food and beverage companies have significant differences in capital structure. This significant difference is because these two sub-sectors are engaged in different fields but are the sub-sectors that are most needed by the community. Not only that, based on the results of the research above, it illustrates that the elements that become the company's funding policy are also different. So that the seventh hypothesis is accepted, that there is a significant difference between companies engaged in the food and beverage sector and transportation services.

As much as 26.71 percent of the food and beverage Company's operational activities are financed by internal funds. This shows that they have enough cash or capital to use as their capital structure policy. This considerable cash was obtained through profits generated by the Company. Referring to the Pecking order theory, companies that benefit greatly have a considerable source of domestic financial support and consequently have a lower need to obtain assets from external sources to help their businesses.

In terms of asset management, food and beverage companies have very high fixed assets. In this condition, food and beverage companies have high confidence in the projects they are working on. They are confident that this project they produce will increase their sales growth. Therefore, to support their production increase, they need large assets, for example machine. The cost for these assets is of course food and beverage companies are more likely to use debt than internal funds. However, for short-term debt and operational activities that can be financed by cash, they tend to use retained earnings rather than using external funds.

However, unlike the transportation service company, 66.63% of the Company's operational activities are financed with internal funding. Transportation companies tend to adhere to pecking order theory, the reason why transportation companies tend to prefer internal funding over external funding is because they frame a series of sources of subsidies that are generally the focus of the organization, starting with the use of internal financing first, such as retained income, then continuing with consideration of the issuance of new bonds and shares. Not only that, they believe that high-profit organizations have abundant resources.

Just like food and beverage companies, when transportation service companies have high profitability, they use their internal funds to finance their operations. Based on the table above, the transportation service company currently does not have the confidence to use large debt, this is because the Company's managers are confident that compared to issuing new shares, the value of their shares will decrease.

CONCLUSION

From the results of the analysis and discussion that has been described, the conclusion obtained is that the profitability variable has a negative effect on the capital structure of the food and beverage sector and transportation services. Sales growth variables have no effect on the capital structure of the food and beverage sector and transportation services. The company size variable does not affect the capital structure of

the food and beverage sector but has a negative effect on the capital structure of the transportation services sector. The results of the study also show that there is a difference in the capital structure of the food and beverage sector and the transportation service sector.

This study has several limitations, including the use of secondary data which results in limited information related to profitability, sales growth, company size, and capital structure sought by the researcher. In addition, companies operating in the food and beverage and transportation services subsectors are relatively small, and the number of samples in this study is limited due to the large amount of data that does not meet the research criteria. In addition, the number of variables included in this study is limited, and there are many other factors that can be the object of research related to the influence on capital structure, such as inflation rates, government regulations, interest rates, economic crises, and other fundamental variables.

From the limitations and conclusions that have been described, the author provides suggestions that can be applied by several parties. For the next researcher, it can add other variables and research years so that the research can be better and more accurate. For companies, it is hoped that the condition of financial performance can be a consideration factor in determining the capital structure. Companies with high levels of profitability should optimize the use of external funds to enable the development of a company that can compete effectively with its competitors. Then companies that have a large company size should take advantage of the convenience and trust of external lenders, with a large company size, of course this is something that needs to be considered wisely. For Companies that experience High sales growth should streamline operational expenses in order to increase the company's profitability which can be used for company development. For investors, it is better to understand information related to profitability before investing in companies engaged in the food and beverage sector and transportation services. For investors in seeing the high level of the Company's size, it is better to respond wisely whether the increase in wealth is due to the Company's internal or external factors, this helps investors make investment decisions. Then, for investors, it's important to evaluate sales growth by paying attention to whether the increase can be in line with the impact of emerging costs

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