Determinants of Capital Structure with Firm Size as Moderator

Anggita Devy Permatasari[1], Agung Prajanto[2*], Enny Susilowati Mardjono[3*], Dian Festiana Hadi Saputro[4]

[1-4]Universitas Dian Nuswantoro, Indonesia
* 212202204719@mhs.dinus.ac.id

Abstract

This research examines the impact of profitability, asset structure, and liquidity on capital structure, as well as the moderating role of firm size. This study employs a causal quantitative approach using secondary data obtained from annual financial reports of food and beverage companies listed on the Indonesia Stock Exchange in 2021–2025. The sample consists of 62 companies, generating a total of 310 panel data observations. Multiple linear regression was used to test the hypotheses, while Moderated Regression Analysis (MRA) was used to examine the moderating effect. The results show that simultaneously, profitability, asset structure, and liquidity significantly impact capital structure. Partially, profitability and liquidity have a negative and significant effect on capital structure, while asset structure has a positive and significant effect. Furthermore, no moderating role of company size was found in the relationship between profitability and asset structure on capital structure, but significantly moderates the effect of liquidity on capital structure. These findings imply that firms need to optimize the use of internal funds by increasing profitability, managing asset structure effectively to support access to external financing, and maintaining liquidity levels in determining a sound capital structure. Furthermore, firm size needs consideration developing funding strategies because it strengthens the influence of liquidity on capital structure. This study contributes to the development of capital structure literature by shedding light on the moderating role of firm size in the association between liquidity and capital structure.

Keywords: Profitability, Asset Structure, Liquidity, Capital Structure, Firm Size.

Introduction

Companies rely on a particular combination of borrowed funds and ownership capital, known as capital structure, to finance their day-to-day operations. Conversely, an inappropriate financing mix can increase a firms financing burden (Handayani et al., 2024). Ramos et al. (2025) confirm if capital structure plays a strategic role, particularly in developing countries, because it reflects how companies balance internal and external founds maintain operational activities. Failure to achieve an optimal capital structure can expose companies to higher agency costs, transaction costs, and financial difficulties, including the risk of bankruptcy (Al-jabri, 2025). Therefore, companies are expected to determine the optimal financing mix that supports long-term sustainability while strengthening their competitive position.

Within the food and beverage subsector, an increase in sales revenue does not automatically translate into stronger profitability. This condition was reflected in financial position of PT Mayora Indah Tbk in 2024. Although company recorded a 14.57% increase in net sales, rising from IDR 31.49 trillion to IDR 36.07 trillion, net profit declined by 6.05%, from IDR 3.19 trillion to IDR 3.00 trillion. The decline was mainly attributable to a substantial increase in the cost of goods sold, which rose from IDR 23.07 trillion to IDR 27.77 trillion, accompanied by higher operational outlays, increasing from IDR 3.35 trillion to IDR 3.52 trillion, and administrative costs, which grew from IDR 750.5 billion to IDR 857.91 billion. Consequently, operating profit fell from IDR 4.29 trillion to IDR 3.91 trillion (Usman, 2025). The deterioration in profitability was followed by greater reliance on external debt, as reflected in the increase in total liabilities from IDR 8.58 trillion to IDR 12.62 trillion.

These financial developments were accompanied by changes within the firm's capital structure. Liabilities grow faster than equity levels, which rose from IDR 15.28 trillion to IDR 17.10 trillion. During the same period, total assets expanded from IDR 23.87 trillion to IDR 29.72 trillion. The substantial increase in liabilities suggests that external financing became an important source of funding for asset expansion (Latif, 2025). This evidence indicates that, despite higher sales, declining profitability caused by rising operating costs encouraged the company toward greater reliance on debt financing. As liabilities continued to climb, the company's capital structure composition shifted accordingly. Moreover, the simultaneous growth in total assets and working capital requirements highlights the close connection among these financial factors, providing a clear rationale for further empirical investigation.

According to Agustinus & Mulyani (2023) and Mardjono & Astutie (2022) Profitability reflects firms ability to earn profits within a certain timeframe act as a guide of how effectively management utilizes resources and oversees operational activities. High profitability generally indicates stronger financial performance and can shape how company's funding decisions (Josephine et al., 2026). This perspective is aligned with Pecking Order Theory, holds that profitable company generall finance operations through internal funds before seeking debt, thus reducing the need for leverage in their capital structure.

Nurkhasanah & Nur (2022) stated that profitability positively affects capital structure, as firms with higher earnings can more easily secure external funding sources to support business expansion and growth. Conversely, Pradnyani et al. (2022) proved that marked negative influence of profitability on capital structure, meaning increased profitability reduces debt use because companies can readily finance operations with internal funds.

Fixed assets can function as collateral to obtain debt, so that asset structure is an important determinant in capital structure. Firms with a higher proportion of fixed assets are a greater opportunity to obtain long-term debt financing because creditors perceive the loan risk as lower. This condition provides companies with greater flexibility in determining debt-based financing sources. Consequently, a higher asset structure can drive higher debt utilization in its capital structure (Gardenia & Jonnardi, 2021).

Asset structure has been shown to significantly influence capital structure Luthfita et al. (2022) demonstrated that high ratio of fixed assets affects a company's decision to use external financing. Conversely, Puspitasari (2022) found that asset structure exerts negative but non-significant relationship with capital structure, suggesting that the amount of fixed assets are not always a key determinant of capital structure decisions.

Capital structure decisions are influenced by a firms liquidity, which represents its capacity to meet short-term liabilities with assets that are easily converted into cash. Companies with high liquidity generally demonstrate healthy financial conditions and a comparatively low default risk. According to the Trade-Off Theory, this condition increases creditor confidence in the firms capacity to meet its obligations, thereby expanding its access debt. Conversely, the Pecking Order Theory holds liquid companies are less dependent on debt because they have sufficient internal funding sources (Suciani & Darmayanti, 2025).

Safira et al. (2024) argued firms with stronger liquidity general exhibit higher levels of capital structure because their sound financial condition increases creditors' confidence in providing debt financing. In contrast, Patricia & Ekadjadja (2024) found that liquidity was negatively associated with capital structure; however, the relationship was not statistically significant.

Differences in firm size may lead to variations in corporate financing decisions. (Mardjono, 2024) explained that firm size represents a company's operational capacity, which influences both strategic planning and financial policies. It is typically gauged through measures such as a total assets, sales turnover, and market value, which together capture the scale of a firm's business operations (Mardjono & Astutie, 2022). Consequently, firm size predicted influence the association independent and dependent variables because larger firms usually possess greater capacity to manage resources and secure external financing.

Mukaromah & Suwarti (2022) contend that larger companies typically benefit from wider access to external funding channels, a factor that enables firm size to intensify the effect asset structure and liquidity on debt levels. Contrast, Suciani & Darmayanti (2025) observe that firm size does not exert a meaningful moderating influence within this context, suggesting that internal financial conditions carry greater weight than company scale in shaping capital structure outcomes. Taking a different stance, Rahmadhani et al. (2024) demonstrate that the connection linking profitability, asset structure, and capital structure grows more evident once firm size is taken into consideration.

Adding further complexity to this issue is the still-limited number of studies that jointly examine profitability, asset structure, and liquidity within Indonesia's food and beverage subsector, revealing a considerable gap within the existing body of scholarship gap further compounded by the possibility that shifting economic conditions may reshape corporate financing behavior, ultimately influencing the way these variables relate to capital structure. Building on this gap, the present study is developed by drawing on the model previously introduced by Cahyani & Nyale (2022) incorporating profitability as an additional independent variable while continuing to position moderating role of firm size. The findings of this study add to the capital structure literature by highlighting the moderating role of firm size. Therefore, this study aims to explore the influence of

profitability, asset structure, and liquidity on the capital structure of food and beverage companies listed on the Indonesia Stock Exchange during the 2021–2025 period.

Literature Review

Corporate financing decisions are generally based on an established financing preferences, whereby internal sources funds are used before external sources. From this perspective, retained earnings are the primary financing option, while debt is preferred over new equity issuance when additional capital is needed as it offers lower financing costs and reduced information asymmetry. Puspitasari (2022) argues that internal financing more efficient and less risky than external financing. This perspective is particularly relevant for food and beverage companies, where large working capital needs encourage companies to prioritize internal resources before relying on debt.

Determining a suitable capital structure, firms must aligning benefits offered by debt financing against the risks it may pose. Trade-Off Theory argues that debt provides benefits such as tax savings and additional funding opportunities, but excessive borrowing can increase financial distress or even bankruptcy. Wahyuliza et al. (2024) found that companies adjust their debt ratio to obtain an ideal capital structure that weighs the advantages of liabilities with the risks it poses.

Profitability Affects Capital Structure

A firms profitability important consideration in determining its financing strategy because it influences the availability of internal funds for business operations and investments. Companies with higher revenues generally rely more on retained earnings before seeking external financingThis financing preference is consistent with Pecking Order Theory, which places internal funds above debt as the preferred source of financing. However, when internally generated funds are insufficient to meet investment or business expansion needs, companies may increase their use of debt. Therefore, differences in profitability are expected to shape a Capital Structure.

The research findings align with those of Rahmadhani et al. (2024), Maryanti et al. (2023) and Pradnyani et al. (2022), who found that profitability has a negative and significant effect on capital structure, meaning that firms with high profitability prefer internal financing, particularly retained earnings, over debt.
H1: Profitability exerts a negative influence on capital structure.

The Effect of Asset Structure on Capital Structure

Asset structure influences financing decisions because a high proportion of fixed assets can be used as collateral to obtain debt. From a Trade-Off Theory perspective, the availability of collateral reduces perceived risk to creditors and increases a company's borrowing capacity. Therefore, company with a larger share of fixed assets generally utilize heavily on debt within capital structure.

Firms are more likely to finance their operations through debt when they possess a higher proportion of fixed assets because these assets serve as security for loans, as reported by Luthfita et al. (2022). Similarly, Willim (2026), who found that asset structure has a positive effect on capital structure. These findings suggest a rise in tangible assets enhances a firm's borrowing capacity and eases its access to external financing.
H2: Asset structure positively influences capital structure.

Liquidity as a Determinant of Capital Structure

Liquidity influences a company's financing decisions through its ability to meet short-term obligations. A strong liquidity position enhances creditors' confidence by reducing perceived financial risk, making external financing easier to obtain. The Trade-Off Theory explains that firms make debt financing decisions by balancing its potential benefits against the related costs. As a consequence, firms with greater liquidity tend to rely more obtain debt financial.

In line with the findings of Mukaromah & Suwarti (2022), Lim et al. (2021), and Ibrahim & Sudirgo (2023) liquidity has a significant negative effect on capital structure, because more liquid companies generally rely on internal funds rather than debt.
H3: Liquidity exerts a negative influence on capital structure.

Firm Size as a Moderator in the Profitability–Capital Structure Relationship

Companies that achieve higher profitability typically demonstrate stronger overall financial performance, which strengthens their capacity to secure financing from both internal and external sources. Within this relationship,

firm size is anticipated to play a moderating role in how profitability translates into capital structure outcomes. Relative to smaller firms, larger companies generally possess more extensive asset bases, more established market reputations, and easier entry into financial markets, enabling them to raise external funds more efficiently.

Alamsyair & Sambuaga (2021) found that firm size strengthens the association between profitability and capital structure. However, Jorden et al. (2022) reported firm size does not significantly moderate the effect of profitability on capital structure.
H4: Firm size moderates the association between profitability and capital structure.

The Role of Firm Size on the Influence of Asset Structure on Capital Structure
The size of a company's fixed assets can influence financing decisions, since tangible assets often function as collateral when seeking external financing. In this regard, Firm size is thought to moderate the association between asset structure and capital structure. Larger firms typically have more extensive asset holdings, which increases the perceived collateral value in the eyes of creditors and improves access to debt financing. Consequently, firm size is predicted to strengthen positive link between asset structure and capital structure.

Rahmadhani et al. (2024) provided evidence that firm size strengthens the influence of asset structure to capital structure. Whereas, Sasmita et al. (2024) found that this association is not significantly moderated by firm size.
H5: Firm size moderates the influence asset structure and capital structure.

The Moderating Effect of Firm Size on the Liquidity and Capital Structure Link
Greater financial stability is commonly associated with a company's ability to meet its short-term liabilities, as reflected in its liquidity. Within this relationship, firm size is anticipated to play a moderating role in how liquidity affects capital structure. Relative compared with smaller firms, larger companies generally possess more stable operations, greater financial resources, and stronger credibility among creditors, which facilitates easier access to external funding. As a result, firm size is expected reinforce the correlation between liquidity and capital structure.

Based on Jorden et al. (2022) greater financial flexibility tends to be enjoyed by larger firms, which in turn allows firm size to strengthen how liquidity influences capital structure. Muzaki et al. (2024), on the other hand, reported findings that contrast with this, showing that the link between liquidity and capital structure is not significantly moderated by firm size.
H6: Firm size moderates the influence liquidity on capital structure.

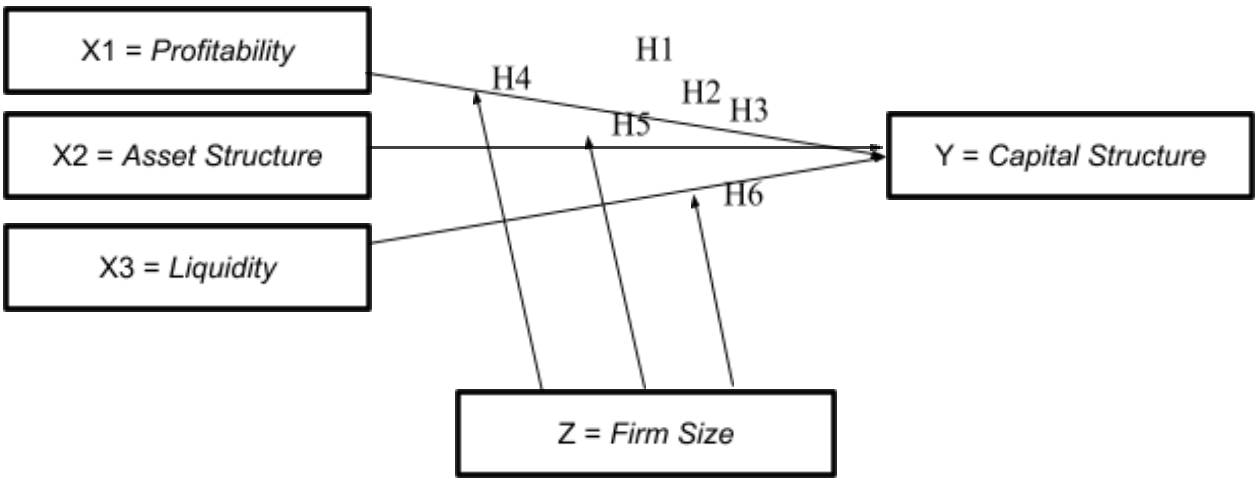

Figure 1. Conceptual framework

Method
This study applies quantitative causal method to investigating how profitability, asset structure, and liquidity affect capital structure, moderated by firm size. The population under companies covers Non-Cyclical Consumer companies listed on the Indonesia Stock Exchange in 2021–2025. The sample was selected

through purposive sampling based on the following criteria: (1) food and beverage sub-sector firms listed on the Indonesia Stock Exchange throughout 2021–2025 observation period; and (2) companies that consistently provided complete annual financial reports over the same period. Based on these criteria, 62 companies with 310 observations were derived. The study relies on secondary data obtained from the official IDX website. Data analysis involved multiple linear regression and Moderated Regression Analysis (MRA), preceded by classical assumption testing and followed by t-tests, an F-test, and the coefficient of determination (R^2).
The regression models are specified as follows:
Base Regression Model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Moderated Regression Analysis (MRA) Model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Z + \beta_5 (X_1 Z) + \beta_6 (X_2 Z) + \beta_7 (X_3 Z) + \varepsilon$$

Where:
Y = Capital Structure
X_1 = Profitability
X_2 = Asset Structure
X_3 = Liquidity
Z = Firm Size
$X_1 * Z$ = Profitability x Firm Size Interaction
$X_2 * Z$ = Asset Struture x Firm Size Interaction
$X_3 * Z$ = Liquidity x Firm Size Interaction
ε = Error

To proxied capital structure, this research employs the Debt-to-Equity Ratio (DER), calculated as the ratio of total debt to total equity. The resulting ratio reveals the degree of a companies operations funded by debt relative to equity contributed by shareholders (Cahyani & Nyale, 2022). Measurements are made based on the following formula:

$$DER = \frac{Total\ Debt}{Total\ Equity}$$

The effectiveness of a firms generates earnings from its available resources is commonly used to assess its financial performance. Return on Assets (ROA) serves as a profitability proxy, showing a company's potential to earn net income using total assets (Ramadhani et al., 2025). It is measured using the following formula:

$$ROA = \frac{Net\ Income}{Total\ Assets}$$

The proportion of fixed assets to total assets is used to measure asset structure, as fixed assets can serve as collateral and facilitate a company's access to external financing (Cahyani & Nyale, 2022). The measurement formula is as follows:

$$Asset\ Structure = \frac{Fixed\ Assets}{Total\ Assets}$$

Measured using the Current Ratio (CR), liquidity reflects a company's ability to meet short-term obligations through the ratio of current assets to current liabilities (Cahyani & Nyale, 2022). The measurement of liquidity is calculated as follows:

$$CR = \frac{Current\ Assets}{Current\ Liabilities}$$

Differences in the size of business operations are commonly reflected by firm size, which influences a company's financing capacity and financial decision-making. Within this study, firm size is determined utilizing the natural log of total assets, as this transformation reduces data variability and improves the reliability of the regression estimates (Cahyani & Nyale, 2022). Firm size is calculated as:

$$Firm\ Size = Ln(Total\ Assets)$$

Results and Discussion
The research data are summarized using the minimum, maximum, mean, and standard deviation values for each variable.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Capital Structure	310	-4.863	29.317	1.29080	2.529298
Profitability	310	-.489	.944	.04709	.114934
Asset Structure	310	.000	.912	.36554	.186304
Liquidity	310	.015	14.314	2.29426	2.255065
Firm Size	310	14.382	31.077	23.07254	5.715769
Valid N (listwise)	310				

Source: SPSS Data Processing Results, 2026

Table 1 reports the descriptive statistics for 310 observations of food and beverage companies listed on the Indonesia Stock Exchange during 2021-2025. Capital structure ranges from −4.863 to 29.317, with an average of 1.29080 and a standard deviation of 2.529298, suggesting substantial variation. Profitability ranges between −0.489 and 0.944, with a mean of 0.04709 and a standard deviation of 0.114934, indicating relatively consistent conditions. Asset structure varies from 0.000 to 0.912, with an average of 0.36554 and a standard deviation of 0.186304. Liquidity ranges from 0.015 to 14.314, with a mean of 2.29426 and a standard deviation of 2.255065, indicating considerable differences across companies. Firm size ranges from 14.382 to 31.077, with an average of 23.07254 and a standard deviation of 5.715769, reflecting notable variation in company size.

Before conducting hypothesis testing, the regression model underwent classical assumption testing, including normality, autocorrelation, multicollinearity, and heteroscedasticity tests.

Table 2. Classical Assumption Test

Assumption	Criteria	Result	Information
Normality	One-Sample Kolmogorov Sminov (Ustandardzised Residual) > 0,05	N = 299 Unstandardized Residual Sig. 0,200	Qualifed
Autocorrelation	DU < DW < 4-DU	1,830 < 1,971 < 4 – 2,169	Qualifed
Multicollinearity	Tolerance > 0,1; VIF < 10	Profitability: Tolerance .225; VIF 4.447 Asset Structure: Tolerance .233; VIF 4.291 Liquidity: Tolerance .759; VIF 1.318 Company Size: Tolerance .783; VIF 1.278	Qualifed
Heteroscedasticity	Uji Glejser dengan kriteria Sig. > 0,05.	Profitability: Sig .369 >0,05 Asset Structure: Sig .210 >0,05 Liquidity: Sig .093 >0,05	Qualifed

Source: SPSS Data Processing Results, 2026

The normality of residuals was assessed through the One-Sample Kolmogorov-Smirnov (K-S) test. Following a data screening process that removed 11 outliers, the test was conducted on 299 remaining observations. The results yielded an Asymp. Sig. (2-tailed) value of 0.200 (> 0.05), suggesting residuals follow a normally distributed and confirming that regression model's suitable for further analysis.

The Durbin–Watson statistic (1.971) lies between du (1.830) and 4 − du (2.169), showing the regression model is free from autocorrelation. This finding showed that the tolerance and VIF values were 0.225 and 4.447 for profitability, 0.233 and 4.291 for asset structure, 0.759 and 1.318 for liquidity, and 0.783 and 1.278 for firm size, indicating no multicollinearity.

The Glejser test was used to detect heteroscedasticity by examining whether residual variance remained consistent across observations. A significance value above 0.05 signals the absence of heteroscedasticity. As shown in Table 2, the significance values obtained were 0.369 for Profitability, 0.210 for Asset Structure, and 0.093 for Liquidity all exceeding the 0.05 threshold. The classical assumption of homoscedasticity is satisfied by the regression model, as evidenced by these results, confirming that no heteroscedasticity problem is present.

The effects of profitability, asset structure, and liquidity on capital structure were examined using regression analysis.

Table 3. Multiple Linear Regression Test

Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	T	Sig
1	(Constant)	1.471	.055		26.989	.000
	Profitability	-.884	.114	-1.530	-7.739	.000
	Asset Structure	.573	.110	.986	5.193	.000
	Liquidity	-.151	.011	-.440	-14.054	.000

Source: SPSS Data Processing Results, 2026

The estimated multiple linear regression model is expressed as shown below:

$$Y = 1.471 – 0.884X1 + 0.573X2 – 0.151X3 + \varepsilon$$

The results indicate a significant negative effect of profitability on capital structure (β = −0.884, p = 0.000). Conversely, asset structure exerts a significant positive effect (β = 0.573, p = 0.000), whereas liquidity demonstrates a significant negative effect (β = −0.151, p = 0.000).

A moderation analysis was performed to examine the role of firm size as a moderator of the relationships among profitability, asset structure, liquidity, and capital structure by assessing both direct and interaction effects.

Table 4. Moderated Linear Regression Test

Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	T	Sig
1	(Constant)	.003	.108		.031	.975
	Profitability	-1.032	.261	-1.787	-3.947	.000
	Asset Structure	.659	.251	1.134	2.626	.009
	Liquidity	-.122	.018	-.354	-6.604	.000
	Firm Size	.068	.005	.413	14.348	.000
	X1_Z	.014	.011	.438	1.348	.179
	X2_Z	-.014	.010	-.437	-1.394	.164
	X3_Z	-.002	.001	-.105	-2.024	.044

Source: SPSS Data Processing Result, 2026

The moderated linear regression (MRA) equation obtained from the analysis results is as follows:

$$Y = 0.003 − 1.032X1 + 0.659X2 − 0.122X3 + 0.068Z + 0.014\ (X1Z) − 0.014\ (X2Z) − 0.002(X3Z) + \varepsilon$$

The MRA results show that profitability and liquidity have significant negative effects on capital structure, while asset structure and firm size have significant positive effects. Firm size does not moderate the effects of profitability (p = 0.179) or asset structure (p = 0.164) on capital structure, but significantly moderates the effect of liquidity (p = 0.044). Following the regression analyses, model fit and the proposed hypotheses were evaluated using the ANOVA test, Adjusted R^2, and hypothesis test findings.

The results presented in Tables 2 and 3 demonstrate that both the multiple linear regression model and the MRA are appropriate for hypothesis testing, as indicated with a significance value of 0.000 (< 0.05). The multiple linear regression model generated an adjusted R^2 of 0.843, meaning profitability, asset structure, and liquidity together explain 84.3% of the variation in capital structure. After firm size and the interaction variables were incorporated, the adjusted R^2 rose to 0.965, indicating that the moderated model explains 96.5% of the variability in capital structure.

The hypothesis findings indicate that profitability (Sig. = 0.000), asset structure (Sig. = 0.009), and liquidity (Sig. = 0.000) each have a significant effect on capital structure. Meanwhile, firm size does not moderate the relationship between profitability (Sig. = 0.179) or asset structure (Sig. = 0.164) and capital structure. In contrast, the link between liquidity and capital structure is significantly conditioned by firm size (Sig. = 0.044).

The analysis reveal that capital structure in food and beverage firm listed on the Indonesia Stock Exchange during 2021–2025 is significantly and negatively influenced by profitability. Therefore, the first hypothesis (H1), which proposed a significant negative impact of profitability on capital structure, is accepted. The negative coefficient indicates that companies with greater profitability are less dependent on external debt, as internally generated resources are sufficient to fund operating activities and investment requirements. This finding in line with the Pecking Order Theory, that emphasizes the use of internal funds before external financing. As profitability increases, retained earnings become more available, reduce reliance on debt and resulting in lower leverage. These findings align with Ramadhan & Indrabudiman (2024), Maryanti et al. (2023), Pradnyani et al. (2022), Syah et al. (2023) and Maulana & Aziz (2024) which also established that profitability negatively and substantially influences capital structure.

Table 5. Model and Hypothesis Testing

Model Testing	Result	Conclusion
Anova (Multiple Linear Regression)	Sig. 0.000	With a significance level of 0.000, which is below the 0.05 threshold, the regression model is considered suitable for hypothesis testing.
Anova (Moderated Linear Regression)	Sig. 0.000	Given that sig 0.000 <0.05, the model is considered appropriate for the present study.
Adjusted R Square (Multiple Linear Regression)	0.843	Profitability, asset structure, and liquidity account for 84.3% of the variation in capital structure, while the remaining 15.7% is attributed to other factors.
Adjusted R Square (Moderated Linear Regression)	0.965	The model explains 96.5% of the variation in capital structure, with the remaining 3.5% is attributable to factors outside the model.
Hypothesis Testing	Sig.	Conclusion
Profitability → Capital Structure	.000	Significantly Influential (H1 Accepted)
Asset Structure → Capital Structure	.000	Significantly Influential (H2 Accepted)
Liquidity → Capital Structure	.000	Significantly Influential (H3 Accepted)
Profitability × Firm Size	.179	Not Significantly Influential (H4 Rejected)
Asset Structure × Firm Size	.164	Not Significantly Influential (H5 Rejected)
Liquidity × Firm Size	.044	Significantly Influential (H6 Accepted)

Source: SPSS Data Processing Results, 2026

The findings show asset structure positively and significant effect on capital structure, thereby supporting H2. This result indicates compenies exhibiting higher ratio of fixed assets generally utilize debt financing since these assets can act as security, easing access to external funding. This result aligans the Trade-Off Theory, as companies formulate its capital structure by considering the benefits from through debt, including a tax shield, with costs incurred, such as financial difficulities exposure and bankruptcy. The results align with those of Willim (2026), Luthfita et al. (2022), Budiarti et al. (2024), Poetri & Sugijanto (2022) and Miswanto et al. (2022) all of whom found asset structure significantly and positively influences capital structure.

The findings reveal negative and significant association between liquidity and capital structure of food and beverage subsector compenies, supporting the third hypothesis (H3). This implies that highly liquid companies are less dependent on debt financing, as internally generated funds and current assets adequately support operations and investment. This empirical consistent with Pecking Order Theory, under which companies give precedence to internal fuds rather than external debt. Consequently, greater liquidity lowers a firm's dependence on debt, leading lowering the proportion of debt in its capital structure. These findings corroborate previous studies by Ibrahim & Sudirgo (2023), Muzaki et al. (2024), Puspitasari (2022), Maulana & Aziz (2024) and Setyani et al. (2022) which all reported a negative and significant association between liquidity and capital structure.

The interaction between profitability and company size has no significant influence on capital structure. This suggests that a firm's size neither amplifies nor diminishes the way profitability drives capital structure. Put another way, whether a company falls into the large or small category, its profitability continues to shape capital structure in a consistent manner. Such evidence supports the earlier work of Jorden et al. (2022) and Setyoboro & Bawono (2025) who likewise concluded that company size fails to serve as a moderating factor in shaping how profitability connects with capital structure.

Firm size does not significantly moderate the relationship between asset structure to capital structure, meaning that financing decisions based on fixed asset ownership are relatively consistent regardless of firm size in the food and beverage subsector. as a result, when firm size is considered, the proportion of fixed assets alone is insufficient to explain variations in capital structure. This finding corroborates the studies by Sasmita et al. (2024) and Cahyani & Nyale (2022), which also found that firm size does not moderated the relationship between asset structure on capital structure.

Firm Size proves significantly moderated link between liquidity and Capital Structure, meaning liquidity's influence on financing decisions is not uniform but varies depending on how large a company is. Larger firms typically enjoy wider access to funding channels and encounter fewer obstacles when seeking external capital, whereas smaller firms are generally more reliant on their own liquidity position when shaping capital structure decisions. As a result, liquidity carries greater weight in determining debt-related policies once firm size is taken into account. This pattern echoes prior study by Jorden et al. (2022) and Mukaromah & Suwarti (2022), both of whom found that Firm Size significantly moderates the association between liquidity and capital structure.

Conclusion

This study found that profitability and liquidity exert a significant negative effect on capital structure, indicating a tendency for companies to rely more on internal funding sources than on debt. Conversely, asset structure has a significant positive effect, as these assets can be used as collateral to obtain external financing. Firm size does not moderate the effect of profitability or asset structure on capital structure, but it significantly moderates the effect of liquidity. These findings have implications for corporate financing decisions and investor evaluation of corporate financing options.

Focus is limited to food and beverage companies listed on the Indonesia Stock Exchange from 2021 to 2025 and concentrates on profitability, asset structure, liquidity, and firm size as moderating variables. Accordingly, future study is recommended to broaden the scope by incorporating companies from other sectors, extending the study period, and adding further factors, including firm growth, business risk, ownership structure, or corporate governance, so as to yield a more thorough understanding of the factors influencing capital structure.

Bibliography

Agustinus, E., & Mulyani, N. (2023). Pengaruh Profitabilitas Dan Likuiditas Terhadap Struktur Modal Pada Perusahaan Property Dan Real Estate Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2017-2021. *Jurnal ARASTIRMA*, *3*(2), 349–359.

Al-jabri, Q. (2025). Financial reporting quality and capital structure : Do financial constraints matter? *Journal of Accounting in Emerging Economies*, *1*(1), 1–25. https://doi.org/10.1108/JAEE-11-2025-0654

Alamsyair, S., & Sambuaga, E. A. (2021). Peran Profitabilitas dan Dividen terhadap Struktur Modal Menggunakan Firms Size sebagai Pemoderasi pada Bisnis Keluarga. *Reviu Akuntansi Dan Bisnis Indonesia*, *5*(2), 138–150. https://doi.org/10.18196/rabin.v5i2.11708

Budiarti, D., Kinasih, H. W., Pratiwi, R. D., & Prajanto, A. (2024). Pengaruh Struktur Aset, Profitabilitas dan Ukuran Perusahaan terhadap Struktur Modal. *Jurnal Maneksi*, *13*(1), 145–155. https://doi.org/10.31959/jm.v13i1.2038

Cahyani, N., & Nyale, M. H. Y. (2022). Pengaruh Struktur Aset dan Likuiditas terhadap Struktur Modal dengan Ukuran Perusahaan sebagai Variabel Moderasi. *JIIP (Jurnal Ilmiah Pendidikan)*, *5*(7), 2675–2686.

Gardenia, G., & Jonnardi. (2021). Pengaruh Profitabilitas, Struktur Aset, Dan Likuiditas Terhadap Struktur Modal. *Jurnal Multiparadigma Akuntansi*, *III*(3), 1276–1284.

Handayani, P., Suriyanti, L. H., & Fitriana, N. (2024). Pengaruh Profitabiitas Struktur Aktiva Dan Ukuran Perusahaan Terhadap Struktur Modal (Studi Kasus Pada Perusahaan Manufaktur Sub Sektor Makanan dan Minuman Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2020-2022). *Jurnal Ilmiah Reflesia Akuntansi*, *10*(1), 361–371.

Ibrahim, B. P., & Sudirgo, T. (2023). Pengaruh Likuiditas, Profitabilitas, Ukuran Perusahaan, Dan Struktur Aktiva Terhadap Struktur Modal. *Jurnal Multiparadima Akuntansi*, *V*(1), 44–54.

Jorden, Kurniawan, & Juniarto, A. (2022). Pengaruh Likuiditas, Solvabilitas, dan Profitabilitas Terhadap Struktur Modal dengan Ukuran Perusahaan Sebagai Variabel Pemoderasi. *JAP : Jurnal Akuntansi & Perpajakan*, *2*(1), 94–108. https://doi.org/doi.org/jap.v2n1.2023

Latif, A. (2025). *Laba Bersih MYOR Susut 6,06 Persen, Jadi Rp 3 Triliun Sepanjang 2024*. KumparanBisnis.

Lim, F., Zulaecha, H. E., Hamdani, & Sriyanto. (2021). Pengaruh Profitabilitas, Likuiditas, Dan Ukuran

Perusahaan Terhadap Struktur Modal. *Journal of Financial and Tax*, *1*(1), 33–46. https://doi.org/10.52421/fintax.v1i1.130

Luthfita, F., Zulaecha, H. E., Hidayat, I., & Santoso, S. B. (2022). Pengaruh Profitabilitas , Struktur Aset , Likuiditas , Pertumbuhan Penjualan Dan Leverage Terhadap Struktur Modal. *EBISMEN (Jurnal Ekonomi, Bisnis Dan Manajemen)*, *1*(4), 131–147.

Mardjono, E. S. (2024). Gender Diversity Of Executive, Internal Control, Institutional Ownership, Firm Size And Tax Avoidance : An Interactive Effects Business Strategy. *Jurnal Akuntansi Universitas Jember*, *22*(1), 80–95.

Mardjono, E. S., & Astutie, Y. P. (2022). Fenomena Audit Delay: Financial Distress Pasca Covid-19. *Jurnal Akuntansi Dan Auditing*, *1*(2), 190–203.

Maryanti, L., Ligar Hardika, A., & Abdullah Saleh, S. (2023). Pengaruh Profitabilitas, Struktur Aset, dan Pertumbuhan Aset Terhadap Struktur Modal (Studi Empiris pada Perusahaan Transportasi yang Terdaftar di Bursa Efek Indonesia Periode 2017 - 2021). *Jurnal Ekuilnomi*, *5*(2), 374–387. https://doi.org/10.36985/naf67m23

Maulana, Y., & Aziz, M. N. (2024). Pengaruh Profitabilitas, Likuiditas, Dan Kepemilikan Institusional Terhadap Struktur Modal. *Jurnal Bisnis Net*, *7*(1), 310–320. https://doi.org/10.46576/bn.v7i1.4408

Miswanto, Setiawan, A. Y., & Santoso, A. (2022). Analisis Pengaruh Pertumbuhan Penjualan, Struktur Aset, dan Profitabilitas terhadap Struktur Modal. *Jurnal Maksipreneur: Manajemen, Koperasi, Dan Entrepreneurship*, *11*(2), 212. https://doi.org/10.30588/jmp.v11i2.945

Mukaromah, U. D., & Suwarti, T. (2022). Pengaruh profitabilitas, likuiditas dan struktur aset terhadap struktur modal dengan ukuran perusahaan sebagai variabel moderating. *JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi)*, *13*(1), 222–232.

Muzaki, A., Setijaning, H. T., & Safitri, J. (2024). Pengaruh Profitabilitas, Likuiditas, Dan Struktur Aktiva Terhadap Struktur Modal Dengan Ukuran Perusahaan Sebagai Variabel Moderating. *Edunomika*, *08*(01), 1–13.

Nurkhasanah, D., & Nur, D. I. (2022). Analisis Struktur Modal Pada Perusahaan Food And Beverage Yang Terdaftar Di Bursa Efek Indonesia. *Derivatif : Jurnal Manajemen*, *16*(1), 48–60.

Patricia, T., & Ekadjadja, A. (2024). Pengaruh Ukuran Perusahaan, Profitabilitas, Likuiditas Dan Struktur Aset Terhadap Struktur Modal. *Jurnal Multiparadigma Akuntansi*, *VI*(2), 641–650.

Poetri, A., & Sugijanto. (2022). Pengaruh Struktur Aset, Pertumbuhan Penjualan, dan Profitabilitas Terhadap Struktur Modal. *Journal of Sustainability Business Research*, *3*(2), 175–181.

Pradnyani, I. G. A. C., Widnyana, I. W., & Tahu, G. P. (2022). Pengaruh Profitabilitas, Ukuran Perusahaan Dan Struktur Aktiva Terhadap Struktur Modal Pada Perusahaan Perbankan Di Bursa Efek Indonesia. *Jurnal Emas*, *3*(9), 51–70. file:///C:/Users/ASUS/Downloads/17.218-231-1.pdf

Puspitasari, W. A. (2022a). Pengaruh likuiditas, struktur aktiva, dan profitabilitas terhadap struktur modal. *Jurnal Cendekia Keuangan*, *1*(1), 42–56.

Puspitasari, W. A. (2022b). Pengaruh Likuiditas, Struktur Aktiva, dan Profitabilitas terhadap Struktur Modal. *Jurnal Cendekia Keuangan*, *1*(1), 42–56.

Rahmadhani, I., Yeni, F., & Sanjaya, S. (2024). Pengaruh Struktur Asset, Growth Opportunity , dan Profitabilitas Terhadap Struktur Modal Dengan Ukuran Perusahaan Sebagai Variabel Moderasi. *Jurnal Pendidikan Akuntansi (JPAK)*, *12*(1), 46–58.

Ramadhan, P. D., & Indrabudiman, A. (2024). Understanding The Effects Of Liquidity , Profitability , And Sales Growth On Capital Structure : The Moderating Role Of Company Size. *Jurnal Comparative: Ekonomi Dan Bisnis*, *6*(1), 140–161. https://doi.org/10.31000/combis.v6i1.11145

Ramadhani, F., Herawati, R., Mardjono, E. S., & Minarso, B. (2025). Dinamika Kinerja Keuangan : Studi Empiris Tentang Pengaruh Terhadap Kinerja Keuangan , Keputusan Deviden. *Jurnal Bina Akuntansi*, *12*(2), 56–71. https://doi.org/10.52859/jba.v12i2.754

Ramos, R. S., Santos, J. F. dos, & Confessor, K. L. A. (2025). The influence of governance on the capital structure of SMEs in the local apparel productive arrangement. *Revista de Gestao*, *32*(4), 316–331. https://doi.org/10.1108/REGE-03-2025-0053

Safira, A. G. W., Saputro, D. F. H., Isthika, W., & Prajanto, A. (2024). Faktor – Faktor Yang Mempengaruhi Struktur Modal Pada Perusahaan Retailing Yang Terdaftar Di BEI Tahun 2019-2022 Aprilia. *Jurnal Maneksi*, *13*(3), 765–778.

Sasmita, G. S., Wahyuni, S., Fitriati, A., & Wibowo, H. (2024). Determinan Struktur Modal Dengan Ukuran Perusahaan Sebagai Variabel Moderasi. *Jurnal Akademi Akuntansi*, *7*(1), 75–93. https://doi.org/10.22219/jaa.v7i1.31243

Setyani, I., Wiyono, G., & Kusumawardhani, R. (2022). Analisis Pengaruh Likuiditas, Ukuran Perusahaan dan Risiko Bisnis Terhadap Struktur Modal dengan Profitabilitas Sebagai Variabel Intervening (Studi Pada Perusahaan Sub Sektor Makanan dan Minuman di BEI Periode 2014-2020). *Ekonomis: Journal of*

Economics and Business, *6*(1), 35–43. https://doi.org/10.33087/ekonomis.v6i1.463

Setyoboro, F. Z. I., & Bawono, A. D. B. (2025). Pengaruh Struktur Aset, Profitabilitas Dan Likuiditas Terhadap Struktur Modal Pada Perusahaan Manufaktur Dengan Ukuran Perusahaan Sebagai Variabel Moderasi. *Jurnal Kelitbangan*, *13*(3). http://journalbalitbangdalampung.org

Suciani, N. P. I., & Darmayanti, N. P. A. (2025). Pengaruh Profitabilitas Dan Likuiditas Terhadap Struktur Modal Dengan Ukuran Perusahaan Sebagai Variabel Moderasi. *E-Jurnal Manajemen*, *14*(11), 845–863. https://doi.org/https://doi.org/10.24843/EJMUNUD.2025.v14.i11.p02

Syah, S. H., Harjunawati, S., Pujiwidodo, D., Lastiningsih, A. S., & Sabil. (2023). Pengaruh Profitabilitas dan Ukuran Perusahaan Terhadap Struktur Modal. *Jurnal Ekobistek*, *12*(4), 721–726. https://doi.org/10.35134/ekobistek.v12i4.617

Usman, R. (2025). *Laba Mayora Indah (MYOR) Turun 6,05% Jadi Rp 3 Triliun di Tahun 2024*. Kontan.Co.Id.

Wahyuliza, S., Tambunan, R., & Gustina, I. (2024). Fixed Asset Ratio , Profitabilitas dan Leverage Sebagai Determinan Struktur Modal Berdasarkan Trade Off Theory. *Reviu Akuntansi Dan Bisnis Indonesia*, *8*(2), 185–195. https://doi.org/10.18196/rabin.v8i2.20321

Willim, A. P. (2026). Analysis of the effect of assets structure , earning volatility and financial flexibility on capital structure in consumer goods industry sector companies on the Indonesia stock exchange. *LBS Journal of Management & Research*, *22*(1), 25–36. https://doi.org/10.1108/LBSJMR-11-2022-0069