ABSTRACT

Capital structure is part of the financial structure that functions to maintain a balance between the use of debt and equity in company financing. An optimal capital structure can be achieved by determining the most suitable combination of financing, so that the company is able to run its operations effectively and obtain maximum profits.

This study aims to determine the influence of profitability, asset tangibility, and business risk on the capital structure of transportation and logistics sector companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 period. The method used in this study is a quantitative method with secondary data obtained from the annual reports of transportation and logistics sector companies listed on the Indonesia Stock Exchange for the 2018-2023 period.

The population in this research consists of all companies in the transportation and logistics sector listed on the IDX for the 2018-2023 period. This study uses purposive sampling techniques by considering certain criteria, such as the availability of complete data during the research period. Based on these criteria, as many as 26 companies were obtained as a sample with an observation period of 6 years, so that 156 observation data were obtained. The analysis method used in this study is descriptive statistical analysis and panel data regression analysis using Eviews 12.

The results of this study show that simultaneously profitability, asset tangibility, and business risk affect the capital structure. The profitability variable partially has a positive effect on the capital structure, while the asset tangibility variable has a negative effect on the capital structure. Business risk variables have no effect on capital structure.

For further research, it is recommended to use different research objects to expand the scope of research. Further research is also recommended to use other variables outside of the variables that have been tested, as well as add a research period.

Keywords: Capital structure, Profitability, Asset Tangibility, Business Risk