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Does The Sales Stability Effect the Relationship Between Growth Opportunity, Asset Structure and Capital Structure?

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ABSTRACT
The research aims to determine the effect of Growth Opportunity and Asset Structure on Capital Structure with Sales Stability as a moderation variable on companies listed on the Indonesian Stock Exchange from 2018-2022. The population was 375 companies. Based on the purposive sampling method, samples from 75 companies were obtained. The method of analysis used is the method of double linear regression analysis. This research shows that (1) Growth Opportunity has a negative and significant impact on the Capital Structure because the company has an increased total of assets. Increased total assets enable the company to carry out operational activities using acquired assets and reduce debt. (2) Asset structure positively and significantly influences capital structure since a company with increased assets can still guarantee its fixed assets to the creditor. This condition makes the company more confident in guaranteeing the Fixed Assets. (3) Selling Stability can moderate the influence of the growth opportunity on capital structures because a company with Stability of sales will be confident to use its debt as a source of financing to enhance growth opportunities; (4) Selling Stability is unable to Moderate the impact of the asset structure on the modal Structure as the company is more likely to view the effect of sales stability on net earnings, otherwise with asset composition management or capital structure policy.

Keywords: *Growth Opportunity, Asset Structure, Capital Structure, Sales Stability*

1. INTRODUCTION

Capital structure is critical in managing a company's finances, which is used to finance its operations and achieve optimal company value by maintaining a balance between risk and return (Atma Hayat et al., 2018). Good and bad capital structure dramatically influences a company's financial position (Rico et al., 2019). On the other hand, the company wants to develop and expand market share; on the other hand, the company wants to increase production and sales, which can increase profits. This condition causes companies to increase their capital structure to achieve company goals. It is illustrated that companies that want to increase their production capacity require relatively large funds to achieve an optimal capital structure. The company will decide to combine funding sources between long-term debt and its capital. In this way, they can reduce financial risks and maintain a balance that allows increasing company value. Therefore, capital structure dramatically influences the company's financial position, where capital structure has a role in managing company finances to increase company growth internally and externally through an optimal mix of debt and own capital.

Mining and natural resources company PT SMR Utama Tbk (SMRU) faces debt restructuring in 2022 due to a suboptimal capital structure (Aprilia, 2023). This was caused by the failure of the subsidiary, namely SMRU Ricobana Abadi, to pay the Medium Term Note (MTN) worth IDR 400 billion, due

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on December 20, 2022 (Aprilia, 2023). The issuance of a Medium-Term Note (MTN) by PT SMR Utama Tbk (SMRU) on December 20, 2017, with a maturity of five years, illustrates the severe impact of the inability of subsidiaries, such as SMRU Ricobana Abadi, to meet financial obligations, which in turn reflects difficulties in the management structure company capital (Aprilia, 2023). Determine the duration and amount of debt payments carefully considered. The events in MTN 2017 were essential in managing capital structure and decision-making errors. Mistakes in making decisions to regulate the capital structure will hurt the company's ability to fulfill its financial obligations. Ultimately, it can threaten the continuity of the company's operations. The above phenomenon shows that several factors influence capital structure. Several factors, including one influence capital structure) Growth Opportunity (Anggita & Priyanto, 2022a), asset structure (Atma Hayat et al., 2018), and sales stability (Atma Hayat et al., 2018).

The first factor that influences capital structure in this research is growth opportunity. Growth opportunity can improve the capital structure of a company (Wahyuni & Ardini, 2017), (Komalasari et al., 2020), (Irian & Paranita, 2022), (Anggita & Priyanto, 2022). This is because when a company has high growth opportunities, such as business expansion or product development, the funds required tend to be significant (Komalasari et al., 2020). While the company's internal funds are limited, this encourages companies to look for additional funding sources from outside. The company's capital structure decisions then become very relevant, influencing how it funds its growth plans. In ample growth opportunities, companies may rely more on debt in their capital structure to finance the investment and expansion needed (Anggita & Priyanto, 2022). Therefore, growth opportunity significantly influences the company's capital structure because the company requires additional external funding when internal funds are limited, which leads to a more debt-oriented capital structure in situations of significant growth opportunities.

However, research results state that growth opportunity does not affect a company's capital structure (Nasution, 2020) (Anggita & Priyanto, 2022a). This is because the company does not need debt; this condition occurs because the company has internal funds that can finance the implementation of company opportunities (Salam & Sunarto, 2022). It is illustrated that if a company has access to abundant natural resources, which generate stable income, it does not need to rely on debt to support growth opportunities. In this situation, companies can take advantage of internal solid revenues from sales and allocate them to investments in developing new technologies or projects without relying on external debt. Therefore, growth opportunities cannot reduce or increase the level of capital structure because the company has sufficient internal funds to support the implementation of growth opportunities without needing to depend on external debt.

The second factor that influences capital structure in this research is asset structure. Asset structure describes the number of fixed assets related to the production process. This means that companies with a lot of fixed assets will produce a stable amount of production to meet market demand, the main goal of which is to produce maximum profits (Abidin & Hidayat, 2019). When a company has significant fixed assets, this reflects its ability to run its operations to generate profits. This condition provides security for creditors because the profits earned make the company confident to take on debt and have collateral (Abidin & Hidayat, 2019), (Dewiningrat & Mustanda, 2018). It is illustrated that the company earns significant profits that can be used as collateral when it requires external funding for large projects. When a company makes significant profits, creditors tend to be more willing to provide loans so that the company can manage its capital structure more efficiently and face possible difficulties in paying off debts with assets as collateral. Therefore, asset structure is a source of assessing whether the company can pay off debt and is a factor considered in determining the capital structure.

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Asset structure can reduce the level of capital structure in a company. According to research conducted by (Anggita and Priyanto, 2022) and (Rozi et al., 2021), the high asset structure shows the assets owned by the company, so the company does not need third-party funds or does not require much debt. The company's actions in managing assets well can improve the company's operational activities toward a stable state. This condition means the company has sufficient funds for its main operational activities (Anggita & Priyanto, 2022). To illustrate, if a company has a robust infrastructure that generates a steady stream of income, the level of the company's capital structure can be low. These valuable assets can be used as collateral when the company needs additional facility maintenance or development funding. That way, companies can manage their finances more efficiently, reduce dependence on external debt, and ensure stable operational continuity. Therefore, a high asset structure indicates that the company has many assets, so the company does not need to depend on debt or significant external financing.

Based on the explanations above, there is an inconsistency in the results of previous research regarding the influence of growth opportunity and asset structure on capital structure. This prompted retesting by adding sales stability as a moderating variable. Abidin & Hidayat (2019) and Tanri et al. (2020) revealed that sales stability is vital in changing the influence between growth opportunity and asset structure. Sales stability illustrates that when sales are stable, the company has a reliable income, which means it can be used to invest more resources in developing and implementing growth opportunities. By improving the asset structure, a company can increase its capacity and efficiency, increasing growth opportunities. The better the sales stability, the more excellent the growth opportunity and asset structure, the aim of which is to obtain financing, including debt. This condition strengthens the capital structure with an increase in long-term loans.

2. LITERATURE REVIEW

Signaling Theory is a theory that explains the actions taken by management in providing information to investors (Ekinanda et al., 2021) and (Setiawati & Veronica, 2020). The information provided aims to change investors' decisions when assessing the company (Abidin & Hidayat, 2019). It is illustrated that managers will provide transparent and accurate financial information so investors can make the right decisions by reviewing the company's financial reports (Hermayanti et al., 2023). An increase in equity will encourage investors to conduct a financial ratio analysis to ensure the company's financial condition (Mayliza et al., 2022) (Abidin & Hidayat, 2019). Therefore, management will provide explicit information regarding the company's prospects. Management will present complete, relevant, and accurate financial reports for investors. Signaling theory is closely related to capital structure because it will influence stakeholder decisions. This is because the manager is the party who knows about the company's operations and conditions in the future, and only the manager can provide signals to investors (Abidin & Hidayat, 2019). The relationship between signaling theory and capital structure is that managers will increase debt as a more convincing signal that the company has good financial performance prospects and can pay debts. Investors are expected to receive this signal by understanding that the company has good financial performance prospects. It is described when managers use much debt, and there is an increase in equity, which convinces investors that the company is performing well. Therefore, signaling theory influences capital structure because a stable capital structure will provide a positive signal to investors.

Trade-off theory explains that companies with high levels of debt will increase the level of bankruptcy (Nurohim, 2008). This is because the higher the debt, the higher the interest paid, so when the company cannot pay its debt, creditors will take action, which can cause bankruptcy (Yuliarti & Triyonowati, 2020). This explanation can be described as when a

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company cannot pay off it is maturing debt; the creditor will carry out the collection in several stages, where in the final stage, the creditor will confiscate the goods used as collateral as a form of warning to the company. Therefore, the trade-off theory is a theory that explains the causes of companies having high levels of debt and leading to bankruptcy, namely that the company is unable to pay its due debt, so creditors take action, which can lead to bankruptcy and confiscation of the last item.

Trade-off theory can be used to explain capital structure. This is because it can reflect the state of the capital structure. Companies that do not use credit in the form of debt in their capital structure and companies whose capital structure uses loans entirely can be said to be bad companies (Yuliarti & Triyonowati, 2020). This explanation illustrates that when a company uses too many loans, the condition of the capital structure will be better, where the equity owned by the company cannot cover the company's debts, leading to a precarious situation or bankruptcy. Therefore, the trade-off theory states that the optimal level of debt is achieved, meaning that there is a balance between the benefits and sacrifices arising from the use of debt (Mayliza et al., 2022).

Growth opportunity can reduce the capital structure, which signaling theory strengthens. According to signaling theory, investors can see future growth opportunities for a company. Investors usually seek information that comprehensively explains the company's current and future conditions. Increasing growth prospects can help companies gain investment (Anggita & Priyanto, 2022). This explanation can be illustrated when the company shows significant growth in the company's prospects. This condition causes investors to make sound investment decisions for the company and influences the company's decision to invest. With increased investor support, companies can reduce their debt better. Investors seeing increasing growth prospects tend to be more willing to invest in companies. Thus, growth opportunity is a factor that influences the formation of capital structure, especially in the positive signals given to investors. Previous research supports that growth opportunities can reduce company debt (Anggriani et al., 2020) and (Dawud, 2019). Therefore, a hypothesis is prepared as follows:

H1: Growth Opportunity Hurts Capital Structure

Asset structure can improve capital structure based on the observation that the higher the ownership of fixed assets, the higher the capital structure. This situation reflects that the greater the ownership of fixed assets, the more the company tends to favor using these fixed assets as collateral to utilize debt (Carolina, 2022). The trade-off theory also supports this statement, which states that the optimal debt proportion can be determined by comparing benefits and costs (Arriyani & Khairani, 2023). Companies with significant fixed assets tend to believe that using fixed assets as collateral will provide benefits commensurate with the costs incurred. This explanation can be illustrated when companies with high fixed asset ownership can obtain loans from external parties more confidently. This comes from the view that the fixed assets owned can be used as collateral and minimize creditor risk, allowing the company to obtain debt with more favorable conditions. Previous research that supports that asset structure variables can improve capital structure is (Abidin & Hidayat, 2019), (Irian & Paranita, 2022), (Dewiningrat & Mustanda, 2018), (Rico et al., 2019), (Gunadhi & Putra, 2019), (Ekinanda et al., 2021), (Setiawati & Veronica, 2020), (Sobayarun et al., 2023). Therefore, a hypothesis can be formulated as follows:

H2: Asset Structure has a positive effect on Capital Structure

Sales stability reflects a situation where the company's sales are relatively stable (Tanri et al., 2020). This stability can be measured by a significant increase in sales from one period to the next. A company is said to have sales stability if it can achieve consistent sales growth. Sales stability has a positive influence on capital structure (Abidin & Hidayat, 2019), (Agustin et al., 2020), and (Situmorang et al., 2020). This means that the capital structure tends to increase when sales stability increases, and vice versa. The existence of a unidirectional relationship between sales stability and capital structure indicates a significant influence. In addition, this research finds that sales stability

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can increase the influence of growth opportunities on capital structure. This condition causes the company to have high sales stability and increases confidence in using debt, so the capital structure also increases (Abidin & Hidayat, 2019). This condition illustrates that sales stability is essential in increasing the influence of growth opportunity on capital structure. Therefore, sales stability can increase the influence of growth opportunities on capital structure (Agustin et al., 2020). The relationship with signaling theory means that sales stability can be a positive signal to all stakeholders (Anggita & Priyanto, 2022). Sales stability illustrates that the company can manage its capital structure (Situmorang et al., 2020). This condition makes stakeholders confident to invest in the company. Based on this explanation, the following hypothesis can be formulated:

H3: Sales Stability Can Moderate the Effect of Growth Opportunity on Capital Structure

The more consistent the sales, the stronger the capital structure (Tanri et al., 2020). Sales stability can be identified from a significant increase in sales between periods, which creates a company that is considered to have sales stability (Agustin et al., 2020). Trade-off theory describes that sales stability creates estimated income, contributing to the capital structure (Irian & Paranita, 2022). When sales are relatively stable, the income earned by the company is more stable. The relationship between sales stability and capital structure is that changes in sales stability can influence capital structure (Situmorang et al., 2020). Increasing sales stability can weaken the influence of asset structure on capital structure. This condition creates a significant and opposing relationship between sales stability and capital structure. Trade-off theory explains that increasing sales gives companies more flexibility in choosing the content between debt and equity (Nasution, 2020). Sales stability can reduce the impact of asset structure on capital structure. Based on this explanation, the following hypothesis can be formulated:

H4: Sales stability can moderate the influence of asset structure on capital structure

3. RESEARCH METHOD

3.1. Research Methodology

This research is a quantitative research method using an associative type of approach. Quantitative research methods are based on the philosophy of positivism, helpful in researching specific populations or samples, collecting data using research instruments, and quantitative or statistical data analysis, aiming to test predetermined hypotheses (Sugiyono, 2019). Meanwhile, the associative approach is a research problem formulation that questions the relationship between two or more variables. Therefore, this is associative research aiming to find the relationship between the dependent and independent variables (Sugiyono, 2019).

This research was conducted on companies listed on the Indonesia Stock Exchange over five years, from 2018 to 2022. During the data collection process, information was obtained through the official website of the Indonesia Stock Exchange to obtain annual reports and edited financial reports. The purpose of choosing BEI as a research site is because BEI is the first stock exchange in Indonesia, which is considered to have complete data and is well organized. Meanwhile, the research implementation time is carried out in months, from October 2022 to February 2023, approximately four months, starting from research preparation, implementation, and reporting of research results.

3.2. Data Collection Techniques

Data collection techniques are the most essential step in research because the main aim is to obtain data. With the knowledge of data collection techniques, researchers will get data that meets the established data standards (Sugiyono, 2019). The data collection method is a non-participant observation, where the researcher only acts as a data collector. This document method is a record of past events. Someone can write documents, images, or monumental works. Documents in written form include diaries, life histories, criteria,

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biographies, and policies (Sugiyono, 2019)—documents using secondary data obtained from the IDX and Company websites.

3.3 Operational Definitions of Variables

Table 1: Variable Measurement

Variables	Measurement
Dependent Variables:	
Capital Structure	$DER = \frac{Net\ Debt}{Total\ Equity}$
Independent Variables:	
Growth Opportunity	$Growth\ Asset = \frac{Total\ aset^{t} - Total\ Aset^{t-1}}{Total\ Aset^{t-1}}$
Asset Structure	$Assets\ Structure = \frac{Fixed\ Assets}{Total\ assets}$
Moderating Variables:	
Sales Stability	$NPM = \frac{Sales}{Net\ Income} \times 100\%$

3.3. Sample Collection Techniques

The sample is part of the population's number and characteristics (Sugiyono, 2019). Sample selection was carried out based on the purposive sampling method. Purposive sampling is a technique for sampling data sources with specific considerations. This method aims to select the sample selected by the objectives of the research problem, thereby minimizing errors in the data selection process. The sample selection criteria for this research include:

Table 2: Variable Measurement

Description	No Of Companies
Companies listed on the Indonesia Stock Exchange (BEI) as of December 31, 2022	75
Companies that are not listed on the IDX during the 2018-2022 period	(13)
Companies that do not publish complete financial reports for the 2018-2022 period	(13)
Companies whose financial reports do not provide complete data	(4)
Outlier Data	(15)
Total sample for 5 years (5 x 30)	150

3.4. Data Analysis Techniques

Data analysis techniques are a way to group data based on variables, tabulate data based on variables, present data for each variable studied, perform calculations to answer problem formulation and carry out hypothesis testing. This data analysis aims to determine the role of each independent variable in influencing the dependent variable. The research data will be calculated using the Eviews (Econometric Views) series nine statistical software program and the Microsoft Office Excel application.

This method accommodates differences in individual characteristics and time with errors from the model. Considering that two components contribute to the formation of error (individual and time), this method needs to be broken down into errors from individual components, errors for the time component, and combined errors. The random effect equation can be formulated as follows:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3Z + \beta 4X1Z + \beta 5X2Z + e$$

Where:

Y = Capital Structure
α = Constant
β1 = Coefficients
X1 = Growth Opportunity
X2 = Assets Structure
Z = Sales Stability
E = error

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4. RESULTS AND DISCUSSIONS

4.1. Results

Table 3: Statistic Descriptive

Variables	N	Mean	SD	Min	Max
Dependent variables:					
Capital Structure	150	0,786400	0,451903	0,000000	0,720000
Independent variables:					
Growth Opportunity	150	-0,086733	0,192408	-1,140000	-0,050000
Asset Structure	150	0,388333	0,279247	0,000000	0,310000
Moderating variables:					
Sales Stability	150	43,06393	255.5435	3068,550	8,245000

Source: Proceed by E-views, 2024

Table 4 shows the results of descriptive statistical tests with the amount of data observed, namely 150 data obtained from 30 companies multiplied by an observation period of 5 years, from 2018 to 2022. Based on the results from Table 4.3, it can be described as follows:

The capital structure variables observed during the research period can be seen from the data produced, and the lowest capital structure value is 0.00, which means that the company Sumber Energi Andalan Tbk, from 2018 to 2020, used equity without using debt to fulfill its financing. Meanwhile, the highest capital structure value of 1.95 was obtained from PT Radiant Utama Interinsco Tbk for the 2020 period, meaning the company relies more on debt than 1.95 times compared to equity for company financing. The average capital structure value of 0.78 means that the average company in the sample data relies on debt 0.78 times compared to equity for company financing. The standard deviation of capital structure is 0.4519, meaning that the difference in capital structure between one company and one period and another company and period is 0.4519 times.

The growth opportunity variable observed during the research period can be seen from the resulting data that the lowest growth opportunity value is -1.14, which means that Dian Swatansika Sentosa Tbk in the 2022 period, which means that Dian Swastika Sentosa Tbk in the 2022 period experienced a decrease in total assets of 1 .14 times compared to the previous period. Meanwhile, the highest growth opportunity value is 0.26, which means that Alfa Energi Investama Tbk in the 2022 period will experience an increase in assets of 0.26 times the total assets of the previous period. The average value of growth opportunity is -0.086, indicating that the average company in the sample in the 2018-2022 period experienced a decrease in total assets of 0.086 times each period. The standard deviation of growth opportunity is 0.1924, meaning the difference in growth opportunity between one company and one period and another company and another period is 0.1924 times.

The asset structure variables observed during the research period can be seen from the resulting data that the lowest asset structure value of 0.00 was obtained from Sumber Energi Andalan Tbk in the 2018-2022 period, which indicates that the fixed assets owned by Sumber Energi Andalan during that period reached 0.00% of its total assets. Meanwhile, the highest asset structure value of 1.00 means PT Wintermar Offshore Marine Tbk for the 2021 period, which means that the composition of the company's fixed assets reached 100% of its total assets. The average value (mean) of asset structure is 0.38, which indicates that the average fixed assets owned by the companies in the sample during the research period were 38% of their total assets. The standard deviation of asset structure is 0.27, meaning the difference in the asset structure of one company and one period from one company to another is 27 times.

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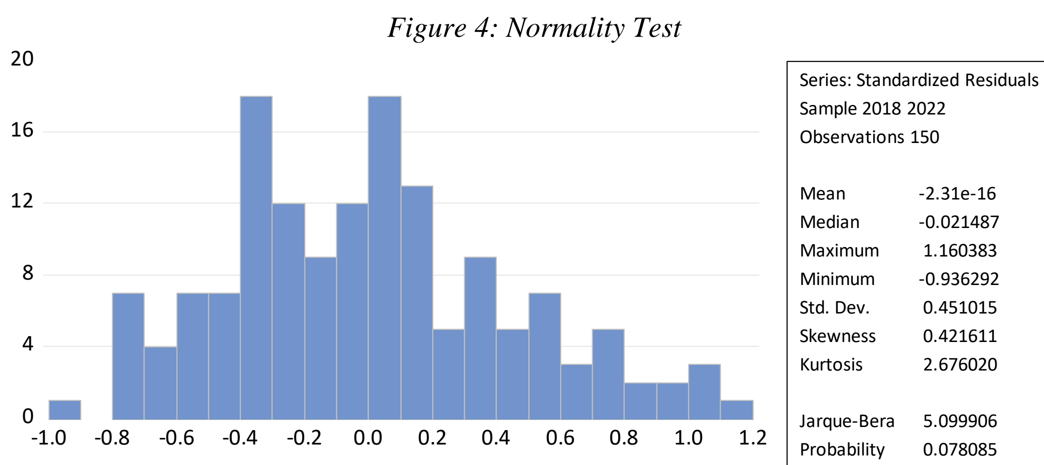
The sales stability variable observed during the research period can be seen from the data produced that the lowest sales stability value is -266.4, meaning PT Alfa Energi Investama Tbk in the 2018 period, which means that every 266.4 of revenue generated by the company causes a net loss of 1 Meanwhile, the highest sales value of 306 means Indo Straits Tbk in the 2020 period, which means that every 306 revenues generated by the company produces a net profit of 1. The average value of sales stability is 43.06, which means every 43.06 revenues generated by the company. Those sampled during this research period produced a net profit of 1. The standard deviation of sales stability was 255.5, meaning the difference in sales stability between one company and one company period and another period was 256 times.

Figure 4: Normality Test



Source: Proceed by E-views, 2024

The normality test in the image above shows that the Jarque-Bera value is 5.099906, while the probability value is 0.078085, which is greater than the significance of 0.05. So, the data in this study has been distributed normally.

Table 5: Multicollinearity test

Variables	*Growth Opportunity*	*Asset Structure*	*Sales Stability*
Growth Opportunity	1,000000		
Asset Structure	0,288322	1,000000	
Sales Stability	0,068854	0,140088	1,000000

Source: Proceed by E-views, 2024

Based on Table 5 above, the conclusion obtained for the multicollinearity test is that there is no correlation between the independent, moderating, and control variables, which is high above 0.80. So, in this study, there was no multicollinearity between variables.

Table 6: Regression test

Variables	Coefficient	Sig.
Independent variables:		
Growth Opportunity	-0.290671	0.0006
Assets Structure	0.694852	0.0002
Moderating Variables:		
Sales Stability	-0.001057	0.1098
*Growth Opportunity*Sales Stability*	-0.007061	0.0022
*Assets Structure*Sales Stability*	0.001497	0.0926
R-square	0.245648	

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Variables	Coefficient	Sig.
Prob(F-statistic)	0.000000	
Observations	150	

Source: Proceed by E-views, 2024

Based on Table 6, it is known that the prob (F-Statistic) value obtained is 0.000000. Compared with the value α = 0.05, the probability value obtained is smaller than the significance level. So, it can be concluded that the model built is suitable for use (fit).

Based on the table above, the Adjusted R-squared value is 0.245648, which means that the growth opportunity, asset structure, and sales stability variables studied can explain 24.56% of the capital structure. In contrast, other variables explain the remainder—outside research.

Growth opportunity influences capital structure. The output value of the t-test shows that the growth opportunity variable has a probability value lower than the significance level (0.05), namely 0.0006. So, growth opportunity significantly affects capital structure because the probability value is lower than the significance level by obtaining a probability value of 0.0006 < 0.05.

Asset structure influences capital structure. The output value of the t-test shows that the asset structure variable has a probability value lower than the significance level (0.05), namely 0.0002. So, asset structure significantly affects capital structure because the probability value is lower than the significance level by obtaining a probability value of 0.0002 < 0.05.

Sales stability affects capital structure. The output value of the t-test shows that the sales stability variable has a probability value higher than the significance level (0.05), namely 0.1098, so sales stability has no effect on capital structure because the probability value is higher than the significance level by obtaining a probability value of 0.1098 > 0.05.

Sales stability can moderate the influence between growth opportunity and capital structure. The output results above show that the probability value is 0.0022, where this value is lower when compared to the significance level. So, sales stability can moderate the influence of growth opportunity on capital structure because the probability value is lower than the significance level by obtaining a probability value of 0.0022 < 0.05.

Sales stability cannot moderate the influence between asset structure and capital structure. The output results above show that the probability value is 0.0926, where this value is more significant when compared to the significance level. So, sales stability cannot moderate the influence of asset structure on capital structure because the probability value is greater than the significance level by obtaining a probability value of 0.0926 > 0.05.

4.2. Discussion

The first hypothesis proposed in the research is that growth opportunity significantly affects capital structure. The results of the tests show that the profitability value of growth opportunity is 0.0006, meaning the profitability value is smaller than the significance value (0.05). Due to this condition, the growth opportunity variable negatively and significantly affects capital structure. This shows that the hypothesis is accepted.

The research results explain that growth opportunity negatively and significantly influences capital structure. Based on this, the higher the growth opportunity can reduce the capital structure, where the high growth opportunity causes the company to reduce its debt because the company has total assets that increase in each period. Increasing total assets allows the company to carry out operational activities using the assets obtained. This condition is related to signaling theory, where a high growth opportunity illustrates that the company has the potential to gain profits and perform well; with this, the company will reduce debt and provide a positive signal to shareholders. Stakeholders believe the company can increase its growth potential and reduce its debt. This situation is used as a signal by the company to attract the attention of

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stakeholders so they can provide a positive response. Previous research supports that growth opportunity increases can reduce the capital structure (Dawud, 2019) (Anggriani et al., 2020)

The second hypothesis proposed in the research is that asset structure significantly affects capital structure. The results of the tests show that the asset structure's profitability value is 0.0002, meaning the profitability value is smaller than the significance value (0.05). Due to this condition, the asset structure variable positively and significantly affects capital structure. This shows that the hypothesis is accepted.

The research results explain that asset structure positively and significantly influences capital structure. Based on this, the asset structure can improve the capital structure. The higher the level of capital structure, the higher the company's capital structure. This is because when a company has high fixed assets, it shows that the company can pay off its debts (Dewiningrat & Mustanda, 2018), (Gunadhi & Putra, 2019), and (Ekinanda et al., 2021). Companies with increased fixed assets illustrate that the company can guarantee its fixed assets to creditors. This condition makes companies more confident in deciding to guarantee their fixed assets.

On the other hand, creditors will have more confidence in companies with high guarantees for both returns and repayment. The trade-off theory also supports this statement, which states that companies face a trade-off between the benefits and costs of using debt in their capital structure. Companies with high fixed assets use their fixed assets as collateral to obtain debt. Conditions make creditors believe that the company can pay off its debts, whether it is sold or used as collateral to pay off debts. This explanation shows that when a company increases fixed assets, the company tends to increase debt. Fixed assets are used as collateral to give creditors confidence to provide loans. The company uses this condition to optimize its capital structure by using debt. Previous research that supports that asset structure can improve capital structure is (Dewiningrat & Mustanda, 2018), (Rico et al., 2019), (Gunadhi & Putra, 2019), (Ekinanda et al., 2021), and (Setiawati & Veronica, 2020).

The company's growth opportunity influences its activities to improve its capital structure. Companies that have efforts to make growth opportunities require companies that require quite extensive funds for implementation. In line with sales stability, a company that has sales stability can increase growth opportunities and manage capital structure. This condition means that sales stability can strengthen the influence of growth opportunity on capital structure. The test results show that the probability value of the interaction between growth opportunity and sales stability is 0.0022, where this value is smaller than the significance level (0.05). This shows that the third hypothesis in this research is accepted.

Sales stability is the net profit obtained mainly from company sales. This condition makes the company manage its capital structure well. Sales stability can strengthen the influence of growth opportunities on capital structure. This condition means that companies with sales stability will increase growth opportunities and capital structure because companies are confident in using their debt as a source of financing to increase growth opportunities. The company believes that the net profit obtained can pay off debt.

This statement is also supported by signaling theory, where companies with sales stability will provide a positive signal to shareholders by presenting increased sales stability and growth opportunities by using an adequate capital structure. This explanation can be illustrated when the company has sales stability. The company will show that it can pay off its debt using the net profit obtained. The net profit obtained is marked by an increase in growth opportunity, which is marked by an increase in total assets obtained by the company, so the company will give a positive signal to shareholders when investing their share capital.

The fourth hypothesis proposed is that sales stability can moderate the influence of asset structure on capital structure. The results of the analysis in this study show a profitability value of 0.0926, which is greater than the significance

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value (0.05). So, sales stability cannot moderate the influence of asset structure on capital structure. This shows that the fourth hypothesis is rejected.

Sales stability cannot strengthen or weaken the relationship between the influence of asset and capital structure. This is because the higher sales stability is not significant enough to influence the capital structure (Tanri et al., 2020). This condition is because the company looks more closely at the impact of sales stability on the net profit obtained instead of managing asset composition or capital structure policies. If a company can increase net profit, this does not directly encourage it to change its asset composition or make decisions regarding capital structure. This statement can be illustrated when a company obtains net profit from increased sales. The company will pay off debt from net profit, but from changes in these conditions, the company will make decisions regarding asset composition or capital structure policy. It was concluded that the company linked sales stability conditions to operational finance.

5. CONCLUSIONS

This research aims to measure the influence of growth opportunity and asset structure on capital structure, with sales stability as a moderating variable, in companies listed on the Indonesia Stock Exchange. Based on the research results obtained and the discussion previously explained, Growth Opportunity significantly affects Capital Structure. Asset Structure has a significant effect on Capital Structure. Sales Stability can moderate the influence of Growth Opportunity on Capital Structure. Sales Stability cannot moderate the influence of Asset Structure on Capital Structure.

Suppose you want to carry out the same research. In that case, it is hoped that you can choose a more specific type of industry to get research results representing each business sector and strengthen the research results that previous researchers have carried out. Since the Adjusted R-Square value only explains 24.5%, future researchers must look for and add other independent variables that might influence the dependent variable of capital structure. Future researchers are expected to be able to take longer and longer research periods so that they can reflect the company in the long term and obtain more accurate research results.

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