CAPITAL STRUCTURE CHANGES IN THE AUTOMOTIVE SECTOR AFFECTED BY FINANCIAL PERFORMANCE

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Abstract: The purpose of this study was to determine the effect of financial performance to changes in capital structure. Data analysis techniques using multiple linear regression with panel data approach that uses statistical test equipment EViews 7. The results showed that the variable gross profit margins (GPM), net profit margins (NPM), and return on investment (ROI) significantly influence the debt equity ratio (DER). F test results simultaneously shows that there is no significant effect between gross profit margins (GPM), net profit margins (NPM), and return on investment (ROI) on the capital structure (debt equity ratio). The theory of capital structure that supports this research is Balancing Theory.

Keywords: Gross Profit Margins, Net Profit Margins, Return on Investment, Debt Equity Ratio.
secara simultan terdapat pengaruh yang tidak signifikan antara gross profit margins (GPM), net profit margins (NPM), dan return on investment (ROI) terhadap Struktur Modal (debt equity ratio). Teori struktur modal yang mendukung penelitian ini adalah Balancing Theory.

**Kata Kunci:** Gross Profit Margins, Net Profit Margins, Return On Investment, Debt Equity Ratio.

**INTRODUCTION**

The success of a company is measured in financial terms or based the level of financial success and profit achieved. It is not surprising that a finance manager plays a very role important in the company's operation. In conjunction with accounting, then Decisions taken by the Company's financial manager are based on data finance presented by the company's accounting section with Use accounting principles that have been generally accepted.

The purpose of a company is to obtain maximum profit in increase company growth, therefore companies need know the development of his business from time to time about what The company is obtained in the past and the future, so it needs to be taken a corrective action that leads to the company's goals. Company spending cannot be separated from economic science, and can it is said that the company's spending is the application of principles economic Principles in Managing (To Manage) Decisions concerning the Company's Financial Problems. Rapidly changing environment when this continues to put pressure on the company to be able to adjust and
continue to be required to make changes to the company. One of these changes is the balance of long-term debt with capital alone.

When reviewing every company's development, initially the capital structure often it is not a concern of shareholders. When new stands, a company uses funds from shareholders not a little while debt, but often to affiliate parties. Some companies using securities, both in the money market or capital. Only the company began to attract loans from banks when they developed. To one point, the company began to choose to get additional capital with offers shares through the stock exchange.

Some of the reasons the company does go public, one of which is the structure capital and available assets are inadequate to get additional debt from banks or creditors. The value of a company is more determined by investment decisions and operational decisions. In addition, with debt, the portion of own capital in the company remains low, so return on equity (ROE) the higher shareholders if the company generates profits by using debt capital. But the utilization of debts is too big consequences. Use of excessive debt makes the company face costs Bankruptcy and Financial Difficulties (Financial Distress).

According to Siegel and Shim in Fahmi (2011) that the capital structure (capital Structure) is a composition of ordinary shares, preferent shares, and various classes like that, retained earnings, and long-term debt is maintained by business unity in funding assets. So it can be understood that the capital structure is a picture of the form of the company's financial proportions namely between the capital that is owned originated from long-term debt (Long-term Liabilities) and
shared capital (Shareholders Equity) that are the source Financing a company.

Changes to the capital structure will later affect the performance of companies in business competition both today and for time will come. The need for funds to strengthen the capital structure of a company can be sourced from internal and external, with the provisions of the source of funds it takes it from places that are considered safe (safety position) and if used has a push value in strengthening the structure financial capital of the company, in the meaning when the funds are used for strengthen the company's capital structure, the company is able to control the capital is effectively and on target.

Quoted from Gaikindo.or.id in recent years, the automotive industry national shows a fairly attractive development. This is Part of the positive impact of the growth in the number of Indonesian middle class during the last decade. The World Bank said, the number of middle class on 2002 only reached seven percent of the total population of Indonesia. That amount jumped significantly in 2017 to 22 percent. In 2018 the World Bank Reporting the number of Indonesian middle class penetrated 30 percent.

According to the Central Statistics Agency (BPS), middle class groups accounted for at least 45 percent of the total domestic consumption. Besides Nisbi’s high income, middle class is also characterized by its consumption behavior which tends to be oriented to fulfilling secondary needs, even tertiary. One of them is the need for private vehicle ownership, Good motorcycle or car. Become natural if
the vehicle sales number motorized in Indonesia experienced a drastic surge in recent years. Data from the Indonesian Motorcycle Industry Association (AISI) said, throughout 2018 922,123 units of motorbikes were sold.

Positive trends also occur in car sales. Industrial combined data Indonesian motorized vehicle (Gaikindo) recorded 851,430 car units sold In 2018, it rose 10.85 percent compared to 2017 (786,120 units). There is a segment Cars produced in Indonesia through Government Policy "Low Cost Green Car "(LCGC) accounts for 13.52 percent of total sales. In the midst of the sluggish people's purchasing power in the automotive sector, realization car sales throughout the year are still stable. However, motorcycle sales nationally entered the decline trend. Analysts projected growth the automotive sector tends to move flat (investment.kontan.co.id). The condition of the capital structure will have a direct effect on the financial position the company has affected the company's performance. Capital use of loans will increase financial risk, in the form of interest costs that must be paid, even though the company suffered losses. But interest costs are a tax deductible, so companies can benefit because interest is enforced as a cost. If the company uses its own capital dependence on outsiders will decrease, but the capital is not is a tax reduction.

Based on the description above, then the formulation of the problem in this study is whether financial performance (gross profit, net profit, and ROI) automotive sector Partially and simultaneously have a significant effect on changes in capital structure (capital structure) or debt equity.
LITERATURE REVIEW

Performance is expressed as an achievement achieved by the company in one a certain period that reflects the health level of the company. Financial performance according to Fahmi (2011) is an analysis carried out to see the extent to which a company has carried out with Use rules. Munawir further in Fahmi (2011) said "Financial statements are a very important tool for obtaining information regarding the financial position and the results achieved by the company concerned. "Therefore, financial statements Companies are needed for users to make financial decisions that are financially. Financial reporting published is considered important in decision making. This statement was confirmed by Lev and Thiagarajan (Fahmi, 2011).

Furthermore Lev and Thiagarajan in Fahmi (2011) said that analysis of financial statements which are accounting information considered important to understand the information contained in the report. so that those who need it will be able to obtain the financial report and help them in the process decision making as expected. In analysis of financial information, every business activity must be analyzed in depth both by management and by the parties interested with the company concerned. A financial report in general, it consists of:

a. Balance sheet
b. Income statement
c. Statement of changes in capital
d. Cash flow statement
e. Note for financial statements

According to Sartono (2008), profitability is the company's ability gaining profits in relation to sales, total assets and owner's equity. Thus for long-term investors will be very interested with this analysis of profitability for example for shareholders will see profits that will truly be accepted in the form dividends. Profitability in general there are 4 (four), namely gross profit margins, net profit margin, return on investment (ROI), dan return on net work (Fahmi 2011: 68).

However, in this study only 3 (three) ratios used namely, Gross Profit Margins, Net Profit Margin, and Return On Investment (ROI). The theory of capital structure (capital structure) according to Sartono (2008) is balancing the number of permanent short-term debt, term debt long, preferent shares and ordinary shares. According to Weston and Copeland (inside Fahmi 2011) capital structure or the capitalization of the firm is the permanent financing represented by long-term debt, preferred stock and Shareholder's Equity. According to Brigham (2001) the capital structure policy involves balancing (trade-off) between risks with the rate of return:

a. Using more debt means increasing the risks borne by shareholders.

b. Use more debt also enlarge the rate of return which are expected.

**Profitability Ratio as a Financial Performance Ratio**

According to Sartono (2008), profitability is the company's ability obtain profit in relation to sales, total assets and own
capital. Thus for long-term investors will be very interested in this profitability analysis for example for shareholders will see profits that will truly be accepted in the form of dividends. Profitability ratio in general there are 4 (four), namely Gross Profit Margins, net profit margin, return on investment (ROI), dan return on net work (Fahmi 2011: 68). However, in this study only 3 (three) ratios used, namely, gross profit margins, net profit margin, dan return on investment (ROI).

a. Gross Profit Margin

\[
\text{Gross Profit Margins} = \frac{\text{Sales} - \text{Basic Sales Prices}}{\text{Sales}}
\]

The higher the profitability means getting better. But it is necessary noted that gross profit margins are strongly influenced by cost prices Sales. If the cost of goods sold increases then gross profit margin will decrease and vice versa.

b. Net Profit Margin

\[
\text{Net Profit Margins} = \frac{\text{Earning After Tax (EAT)}}{\text{Sales}}
\]

If gross profit margin for one period has not changed while the net profit Margin has decreased, means showing that costs increases relatively greater than the increase in sales.

c. Return On Investment

\[
\text{Return on Investment} = \frac{\text{Earning After Tax (EAT)}}{\text{Total Asset}}
\]
Return on Investment (ROI) shows the company's ability generate profits from assets used.

So, this ratio measures the effectiveness of the overall management intended by the large amount of profit level obtained in his relationship with sales and investment. The better the ratio profitability, the better it describes the ability of the high acquisition of corporate profits. The higher risk tends to reduce stock prices, but increasing the expected rate of return (expected rate) will increase the price price. Therefore, optimal capital structure must be on the balance between risks and returns maximize stock prices.

Balancing Theory is a policy taken by the company to look for additional funds by finding good loans with counrable or also by issuing bonds (bonds). Bonds are a lette valuable (commercial paper) That lists the nominal value, interest rate, and a period of time which is released by the company or government is then sold to the public.

Figure 1 Thought's frame
Pecking Order Theory is a policy taken by a company to find additional funds by selling assets it has. Like selling buildings, land (land), equipment (inventory) it has and other assets, including by publishing and selling shares in the capital market (capital market) and funds originating from retained earnings. Based on the things that have been revealed at the beginning, then the researcher set hypotheses for problems studied, namely:

a. H1: Gross Profit Margins (GPM) has a significant effect on Debt Equity Ratio (DER).

b. H2: Net Profit Margins (GPM) has a significant effect on Debt Equity Ratio (DER).

c. H3: Return on Investment (ROI) has a significant effect on Debt Equity Ratio (DER)

H4: Gross Profit Margins (GPM), Net Profit Margins (GPM), Return on Investment (ROI) has a significant effect on Debt Equity Ratio (DER).

METHODS

Based on data measurements and analysis, this study goes inside quantitative research because the research whose data is expressed in numbers and analysed with statistical techniques. When viewed from the characteristics of the problem Exited, it can be categorized as Conclusive Research (Conclusive Research). This is because the researcher aims to test or prove something that suits the research objectives. According to Kuncoro (2003), research conclusively divided into two, namely: descriptive study and experimental studies. Descriptive Study (Descriptive Study) is more
appropriate for this research because it tests the causal relationship between variables. Of course, the difference between the two types the study above is a series of unity, not a separation that is nature dichotomically.

The object of research is generally a problem that is used as a topic writing in order to compile a research report. Financial performance companies in stocks on the Indonesia Stock Exchange are as objects from this research. In order for researchers to measure how much influence of financial performance is influenced by changes in the company's capital structure.

In this study, the sample withdrawal method, which was used was purposive sampling where the sample withdrawal technique is done with consideration of certain criteria. The criteria used in this sample are as follows:

a. Automotive sub-sector companies found on the Indonesia Stock Exchange during the study period namely 2015-2018

b. Automotive sub-sector companies that have issued financial statements the company for 4 consecutive years is 2015, 2016, 2017, 2018

c. The automotive sub-sector company that presents financial statements and ratios completely in accordance with the variables that will be examined based on the source used which ended December 31.

Nine companies in the automotive industry groups found inside The Indonesia Stock Exchange (IDX) was used as a sample in this study, namely: Astra International Tbk, Astra Otoparts Tbk, Indo Kordsa Tbk, Indospring Tbk, Multi Prima Sejahtera Tbk, United
Tractors Tbk, Tunas Ridean Tbk, Hexindo Adiperkasa Tbk, congratulations perfectly Tbk. In conducting this study the author uses regression statistical analysis multiple linear with research methods quantitatively. In testing this is the author using EViews 7 software. According to Ghozali (2005) analysis regression is basically a study of dependent variable dependence (bound) with one or more independent variables (independent variables), with the aim of estimating and / or predicting the average population or value the average dependent variable is based on the value of the independent variable that is known.

The results of the regression analysis are in the form of coefficients for each variable independent. This coefficient is obtained by predicting variable values dependent with a Ghozali (2003) equation. This can be modeled in the following equation:

\[ y = a + b_1x_1 + b_2x_2 + b_3x_3 + e \]

- \( y \) = DER
- \( a \) = constant
- \( b_1 \) = GPM variable regression coefficient
- \( b_2 \) = NPM variable regression coefficient
- \( b_3 \) = ROI variable regression coefficient
- \( x_1 \) = gross profit margins (GPM)
- \( x_2 \) = net profit margins (NPM)
- \( x_3 \) = return on investment (ROI)
- \( e \) = error term

Based on the sample criteria above, observations were obtained 36 of the total 9 companies issued a report based on the variable
needed for 4 consecutive years to the automotive company registered on the Indonesia Stock Exchange.

RESULT AND DISCUSSION

Descriptive statistical analysis is used to provide a picture (Description) about a data. Data obtained from descriptive analysis results indicating average (mean), the highest value (maximum), the lowest value (minimum), and standard deviation of each variable studied, both the free variable gross profit margins (GPM), Net Profit Margins (NPM), and return on Investment (ROI), as well as the dependent variable namely Debt Equity Ratio (DER). Results Descriptive analysis can be seen in the following table:

Table 1. Results of Descriptive Analysis

|       | DER   | GPM   | NPM   | ROI   |
|-------|-------|-------|-------|-------|
| Mean  | 0.096944 | 0.206111 | 0.096944 | 10.11028 |
| Median| 0.085000 | 0.195000 | 0.085000 | 10.05000 |
| Maximum| 0.370000 | 0.420000 | 0.370000 | 20.43000 |
| Minimum| 0.020000 | 0.080000 | 0.020000 | 1.650000 |
| Std. Dev. | 0.065675 | 0.072832 | 0.065675 | 4.501028 |
| Skewness | 2.298487 | 0.750656 | 2.298487 | -0.049369 |
| Kurtosis | 9.823207 | 3.978725 | 9.823207 | 2.536993 |
| Jarque-Bera | 101.5325 | 4.817761 | 101.5325 | 0.336187 |
| Probability | 0.000000 | 0.089916 | 0.000000 | 0.845275 |
| Sum | 3.490000 | 7.420000 | 3.490000 | 363.9700 |
| Sum Sq. Dev. | 0.150964 | 0.185656 | 0.150964 | 709.0739 |
| Observations | 36 | 36 | 36 | 36 |
| Cross sections | 9 | 9 | 9 | 9 |
Based on the table above, of the 9 incurable companies with 36 Times Observations within four consecutive years the average value of DER (Debt Equity Ratio) is 0.096944, meaning the use of the capital structure on the automotive company during 2015-2018 is 0.096944%. Average flat GPM (gross profit margin) of 0.206111, this shows the average the level of gross income of automotive companies is 0.206111% during the 2015-2018 period. The average value of NPM (Net Profit Margins) 0.096944, meaning is for four years the average value of net income the automotive company group is 0.096944%. The average ROI is 10.11028, meaning that the average return value of group investment automotive companies are 10,11028% from 2015-2018.

Regression Analysis of Panel Data Models

Data processing with data panel regression using three alternatives method, namely the smallest squared method (Pooled Least Squares), fixed effect method and random effect method. Things to do After estimating the three methods (Pooled Least Square, Fixed Effect, and Random Effect) is testing which method is the most appropriate used (Djalal, 2006).

Testing is carried out by three stages, namely F test or chow-test and hausman test. For the first test of the Chow test to determine between the smallest square method (Pooled Least Square) with fixed effect. Chow Test or Likelihood Ratio Test is testing f statistics to choose whether Model used Pooled Least Square or Fixed Effect. In testing this is done with the following hypotheses (Djalal, 2006):

a. If H0 is accepted, then the pool model (Common)
b. If $H_0$ is rejected, then the Fixed Effect model

If the results of the Chow test stated that $H_0$ was accepted, then the data regression technique panel uses a model (Common Effect) and testing stops here. If the results of the Chow test stated $H_0$ was rejected, then data panel regression techniques use a fixed effect model and for the next test Hausman. Based on the chow test that has been done, then the results are as follows:

Table 2 Chow test results

| Effects Test              | Statistic   | d.f.   | Prob.  |
|---------------------------|-------------|--------|--------|
| Period F                  | 581.978283  | (3,29) | 0.0000 |
| Period Chi-square         | 148.112034  | 3      | 0.0000 |

These results show good F-Test and Significant Chi-Square (P-Value 0.0000 and 0.0000 smaller than 5%) so $H_0$ is rejected and Ha Received, the model follows fixed effect. After the Chow test, and obtained results follow the Fixed Effect model. So the next test needs to be done, namely the Hausman test. Hausman test is a test to choose a fixed effect or random model effect. In this test it is done with the following hypothesis:

a. If $H_0$: accepted, then the Random Effect model
b. If $H_0$: rejected, then the Fixed Effect model

Based on the Hausman test that has been done, then the results are obtained as following:
Table 3 Hausman Test Results
Correlated Random Effects - Hausman Test
Pool: Untitled
Test period random effects

| Test Summary    | Chi-Sq. Statistic | Chi-Sq. d.f. | Prob. |
|-----------------|-------------------|--------------|-------|
| Period random   | 0.000000          | 3            | 1.0000|

The results of the test were significant (P-Value 1.0000 greater than 5%), So Ho is accepted and Ha is rejected. Based on the results of the F-Test and Hausman Test it can be concluded that random effects are the most suitable analysis techniques for use in this data panel analysis. Completely random results effect is presented in the following table:

Table 4 Panel Data Regression Results
Dependent Variable: DER?
Method: Pooled EGLS (Period random effects)
Included observations: 4
Cross-sections included: 9
Total pool (balanced) observations: 36
Swamy and Arora estimator of component variances

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|----------|-------------|------------|-------------|-------|
| C        | -4.76E-17   | 2.62E-10   | -1.82E-07   | 1.0000|
| GPM?     | 2.59E-16    | 3.41E-17   | 7.598084    | 0.0000|
| NPM?     | 1.000000    | 4.12E-17   | 2.43E+16    | 0.0000|
| ROI?     | 4.14E-18    | 5.07E-19   | 8.161939    | 0.0000|
Random Effects (Period)

2007--C  4.16E-18
2008--C  -8.24E-18
2009--C  -7.62E-18
2010--C  -9.89E-18

Effects Specification

|                        | S.D.      | Rho      |
|------------------------|-----------|----------|
| Period random          | 5.23E-10  | 1.0000   |
| Idiosyncratic random   | 9.10E-18  | 0.0000   |

Weighted Statistics

|                        |           |                      |
|------------------------|-----------|----------------------|
| R-squared              | 1.000000  | Mean dependent var   | 5.62E-10 |
| Adjusted R-squared     | 1.000000  | S.D. dependent var    | 0.064454 |
| S.E. of regression     | 1.85E-17  | Sum squared resid     | 1.09E-32 |
| F-statistic            | 1.42E+32  | Durbin-Watson stat    | 1.119195 |
| Prob(F-statistic)      | 0.000000  |                      |

Model interpretation

From the results of the multiple linear regression output, the random effect model with help the EViews 7 program in Table 4 shows a constant value with a figure of -4.76, while the GPM variable coefficient value shows a value of 2.59, The NPM variable shows a value of 1.00,000, and the ROI variable Shows number 4.14.based on the number coefficients above the model research that can be formed using multiple linear regression analysis is as follows:

Y (DER) = -4.76 + 2.59GPM + 1.00000NPM + 4.14ROI
Effect of Gross Profit Margins against Debt Equity Ratio

Gross profit margin is used by the company to know the ability the company produces profits from pure operations. The higher the gross profit margin, the more efficient a relative company against its competitors in the industry. The high GPM ratio means the better his profitability, so that it will affect management in predicting profit growth. In this study the results of data analysis were obtained that the coefficient Gross profit Margins partially has a significant effect on structure Capital (debt equity ratio) during the period 2015-2018. According to Smith, Skoolen, and Stice in Fahmi (2011) The value of the company's value can be it affects the decline in the value of the company's shares.

The company value is obtained from the quality of the performance of a company. Especially financial performance (Financial Performance), of course it cannot be ruled out with it support from non-financial performance too, as a mutually synergy Support the formation of corporate value. This can be seen from the T-Satistic column contained in Table 4.4. Variable gross profit margins t-count> t-table is 7.598084> 1.694 and The probability is below 0.05, which is 0.0000 then Ha is accepted, namely the Gross Profit Margins variable has a significant effect on the capital structure (Debt Equity Ratio) In automotive companies are listed on the IDX, if it happens The increase in gross profit margins by one percent will result in a decline The capital structure (debt equity ratio) is 2.59. Instead every decrease in the gross profit margins value of one percent will cause The increase in capital structure (debt equity ratio) is 2.59. Meaning if
the company is able to increase the gross profit margin then, the capital structure of a company to debt will decline.

Gross profit margin is used by the company to know the ability The Company produces profits from pure operations. The higher the gross profit margin, the more efficient a relative company against its competitors in the industry. A high GPM ratio means the better the profitability, so that it will affect the management in predicting profit growth. Reni (2014) previous researcher stated that there was significant influence between Gross Profit Margin (GPM) on debt equity Ratio (DER) in manufacturing companies, this is certainly in harmony and support in this study which means the company has succeeded in improving Great sales and profits. In this case the company who have high advantages or profits, the higher the capital a company.

So that the increase in profits produced by the company, it can reduce the capital structure. Significant influence gross profit margins on capital structure with a direct relationship, then the company can reduce the additional capital needed. Balancing theory is more appropriate to apply companies that aim to consider interest on profit obtained. It is recommended that companies can choose long-term debt to improve company performance, this is due to term debt long has a long period of time, so the company have time to increase profit from additional term debt that length. The longer the long-term debt period will also the longer the turnaround is obtained and automatically also increasingly great value obtained from the rotation. By using theory balancing then the company will get a greater equivalence of this in
line with greater debt acquisition, so risk the company will also be held by foreign parties (debt).

**Effect of Net Profit Margins against Debt Equity Ratio**

Net profit margin is the company's ability to produce profit at a certain level of sales. NET Profit Margin (NPM) can be interpreted as the level of company efficiency, which is the extent the company's ability to reduce costs in the company. The higher the NPM then the more effective a company in running operation. This ratio shows a net profit with total sales obtained from every sale. According to Dendawijaya (2000), NPM is a ratio that describes the level of profit (earnings) obtained by the company compared to income received from its operational activities. According to Siamat (1993) The size of the net profit Margins is greatly influenced by Gross Profit Margins and the amount of tax.

In this study the results of data analysis were obtained that the net profit coefficient margins partially significantly influence the capital structure (debt equity Ratio) During the period 2015-2018. This can be seen from the T- column statistics contained in table 4.4.Variable Gross Profit Margins T-count> T- table is 2.43> 1,694 and the probability is below 0.05, which is 0.0000 then Ha is accepted, namely the net profit margins variable significant effect against the capital structure (debt equity ratio) in automotive companies registered on the IDX, if there is an increase in net profit margins by one percent will resulting in a decrease in the capital structure (debt equity ratio) of 1.00000. Instead, every decrease in the net profit margins value of one percent will cause an increase in the capital structure of 1.00000.
The company can decide on the use of the capital structure (debt equity ratio) by predicting the profit profit gains obtained by the company to increase profitability. Conclusion Testing the Influence of Net Profit Margins on the capital structure is significant, with the direction of relations namely opposite direction. Compatible with Balancing theory, when profit is clean a company increases, it is a small possibility of a company owner to look for additional capital. If the company wants to increase Profit Company by using long-term debt, then it should be necessary look for balancing between debt with your own capital. Smith, Skoolen, and Stice in Fahmi (2011) put forward structure capital aims to combine the resources of permanent funds which are then used companies in the ways that are expected to be able to maximize the company's value.

For a company it is very much important to strengthen financial stability he has, because of changes in the capital structure Allegedly it can cause changes to the company's value. Previous research by Julita (2015) stated there was an insignificant effect between the Net Profit Margin against the Debt Equity Ratio on insurance companies. This matter of course it is inversely proportional to this research. This can be said that companies in financing their capital structures using debt owned, that's why companies must increase profits so that companies more efficient in financing all operational funds.

The Effect of Return on Investment against Debt Equity Ratio

Return on Investment (ROI) is one of the profitability ratios where this ratio shows the company's ability to obtain profits in
Capital Structure Changes in the Automotive Sector Affected...

relation to sales, total assets and own capital. Ratio this profitability is considered by candidates and shareholders because will be related to stock prices and dividends to be accepted.

In this study the results of the data analysis were obtained that the return on coefficient investment (ROI) partially has a significant effect on the capital structure (Debt Equity Ratio) During the period 2015-2018. This can be seen from the T-Satistic column contained in Table 4.4. Variable return on investment (ROI) t-count > t-table is 8.161939 > 1.694 and the probability is below 0.05 is 0.0000 then Ha is accepted, namely variable return on investment (ROI) has a significant effect on the capital structure (Debt Equity Ratio). Automotive companies are listed on the IDX, if there is an increase in return on Investment (ROI) of one percent will result in a decrease in structure capital (Debt Equity Ratio) of 4.14. Instead every value decreases Return on Investment (ROI) of one percent will cause an increase The capital structure (debt equity ratio) is 4.14.

Refers to the theory of capital structure which states that the company must able to balance its own capital with debt. This is intended so that companies can decide to use capital alone or debt taking into account the risks that will insiated. If the company decides to use its own capital, then the benefits obtained by the company are fully owned by the company, things this refers to the Pecking Order Theory. And if the company decides using debt, the company must balance the interest to be paid for profit obtained; this refers to the balancing theory. Often observations show that companies with levels high returns on investment using relatively small debt.
Although there is no theoretical justification on this matter, the practical explanation of this reality is that the company is very profitable it does not require a lot of financing with debt (Brigham, 2001). If the company is capable get more profits, and then level increased investment returns are impact on the company's debt the less. Previous research by Novitasari (2017) stated that return on investment has a negative effect on the structure of the capital. This is inversely proportional to this study which states that there is significant influence between ROI to Debt Equity Ratio. Many factors which distinguishes this research with previous research, one of which is the object research. Besides that, if the company's profitability increases, the greater profit results have results in profits (profit) what is obtained is higher, so accumulated profits as capital accumulation and at the same time as your own capital enhancer is getting bigger. Companies that have a rate of return on very high investments use relatively small debt, high rate of return allows doing most of the funding internally. If the test results are well worth course investors are more interested in invest in the company this will provide benefits in the automotive sector company.

CONCLUSION

After doing the analysis and testing of hypotheses about performance analysis Finance that influences changes in the capital structure in 9 companies Automotive listed on the Indonesia Stock Exchange (IDX) for the 2015-2018 period, then can be concluded that partial Gross Profit Margins (GPM), Net Profit Margins (NPM) and Return on Investment (ROI) has a significant effect on capital structure.
(Debt Equity Ratio) and then simultaneous Gross Profit Margins, Net Profit Margins and Return On Investment has an insignificant effect on the capital structure (debt equity ratio).

Based on the results of the analysis and the conclusions that have been described then the suggestions that for the company's capital structure and financial performance of the company is one factor most important in managing company management. Therefore management must be able to optimize and balance the two to be in accordance with the company's goals. For investors it is better to consider the company's performance factors and other factors to invest.

For the next researcher the researchers are then recommended to use more samples with more diverse characteristics of various sectors and extending the research period. In addition, further research too it is better to add independent variables that contribute to the structure capital.

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