Optimanus: Journal of Organizational Analysis and Performance
Vol.1, No.1 (2025), 51-66
p-ISSN: XXXX e-ISSN: XXXX
Journal homepage: https://athallahpublishing.com/index.php/optimanus/index

Research Paper

Capital Structure, Profitability, and Market Value: Analysis of Tourism Issuers on the Indonesia Stock Exchange

Novi Azzahra*

Department of Economics, Faculty of Economics, Universitas Negeri Yogyakarta, Indonesia
Email: noviazh92@gmail.com
*Corresponding author

ARTICLE INFO

Keywords
Capital Structure
Company Value
Financial Performance

Article history
Received: 15 May 2025
Revised: 30 May 2025
Accepted: 20 June 2025
Available online: 25 June 2025

ABSTRACT

Company value does not always increase every year. The increase and decrease in company value can be influenced by capital structure and financial performance. This study aims to determine the effect of capital structure and financial performance on company value in hotel, resort, and cruise line companies in the form of financial reports of companies listed on the IDX for the period 2018-2024. This study uses quantitative methods. This study uses secondary data taken from the official website of the Indonesia Stock Exchange (IDX), namely www.idx.co.id. The population of this research data is hotel, resort, and cruise line companies listed on the IDX for the period 2018-2024. This study has a population of 30 companies. The sample selection used a purposive sampling technique and obtained a sample of 11 companies. The analysis method used in this study is descriptive analysis, classical assumptions, multiple linear regression analysis, and hypothesis testing. The results of the analysis show that capital structure does not affect company value. Financial performance affects company value. Capital structure and financial performance do not affect company value.

Introduction

The hospitality industry provides facilities and related services for tourists and visitors. They provide various types of accommodation, from budget accommodation to luxury accommodation, with various facilities and services. Resorts are tourist environments that provide facilities, various facilities, and activities for visitors. Resorts are usually located in good locations, such as the seaside, mountains, or countryside. And Cruise lines are industries that operate cruise ships for tourism (Rajapathirana & Hui, 2018). Cruise ships offer various facilities and activities for visitors, such as restaurants, cafes, spas, swimming pools, and casinos. The form of capital and financial capacity is very important in increasing industry figures. Several previous studies have shown that capital structure and financial capacity affect industry figures. Several studies that prove that the form of capital affects industry figures are. On the other hand, some research that proves that financial capability affects industry figures is (Rehman et al., 2021).

Some industries in the Hospitality, Resort, and Cruise Lines sectors face a decline in MVE on Tobin's Ratio. The decline in industry figures is caused by stock prices experiencing declines. The figures of an industry are influenced by many aspects, both external and internal. One that influences industry figures is the form of capital in the industry. Brigham and Houston reported that the maximum form of capital for an industry is the form that optimizes the industry's stock price. If the form of capital is above the target of its optimal capital form, then each accumulation of debt will lower the industry's figures (Nasution et al., 2019). Next, protecting the industry's financial capability as well as possible is one of the industry's strategies in achieving its goals. For industry, increasing financial capability is a must, so that industry shares are attractive to investors. Generally, investors carry out monitoring by viewing financial comparisons as a means of assessing capital. The existence of this comparison can strengthen the bond of financial capability to industry figures. Financial capability can be observed through calculation results from accounting methods that are often referred to as financial information. Based on published financial information, the lodging, resort, and cruise lines sub-industry is facing a decline in industry capacity over the past 5 years (Mardones & Cuneo, 2020).

Therefore, based on the description above, the conclusion of the problem in this study includes how the form of capital and financial capability affects industry figures in the hotel, resort, and cruise line industries listed on the IDX in 2018-2022. The purpose of this study is to determine the progress of the form of capital and financial capability on industry figures in the hotel, resort, and cruise line industries listed on the IDX in 2018-2024, and to determine the effect of capital structure and financial performance on company value in hotel, resort, and cruise line companies listed on the IDX in 2018-2024. Signaling Theory, or the philosophy of signs developed by Ros in 1997, reports that industrial administrators who have better data about their companies will be encouraged to deliver the data to potential investors so that their company's stock price increases (W. P. Sari, 2020). The positive

thing in signaling theory is that industries that provide good data will differentiate themselves from industries that do not have good information. By informing the market about their condition, signals about good future capabilities submitted by industries whose past financial capabilities are not good will not be believed by the market. The connection between signaling theory and industry figures is that good industry figures can be a positive signal, and vice versa; bad industry figures can be a negative signal. This is because the motivation for investors to carry out capital investment is to make a profit, so that industries that are not good tend to be avoided by investors. In other words, investors will not invest their funds in industries that are not good (Habibniya et al., 2022).

The agency philosophy is centered on 2 people, namely the principal and the agent. An agency bond can be created by the existence of a contract between one or more people (principals) who give orders to other agents to carry out a service on behalf of the principal and give authority to the agent to make the best decisions for the principal. The authority and responsibility of the administrator or owner of the industry are regulated in the activity contract by mutual agreement. An agency bond can cause problems when the related parties have different goals (Sari, 2020). Capital owners want to increase the wealth and abundance of capital owners, while administrators also need increased security for administrators, resulting in a clash of needs between the owner or principal (investor) and the administrator (agent). The provisions for the payment of dividends are very important, because in this way, the industry still determines whether the industry will provide the profits obtained to shareholders or will withhold the profits for reinvestment activities in the industry. The bond of agency philosophy over industry figures is because in the agency bond, there is a clash of needs between the agent and the principal (Ahmed et al., 2024).

Industry figures are the sales figures of an industry as a business sector that is still working; the existence of a sales advantage over the dissolution figure is the figure of the management body that carries out the industry (Sartono, 2012). Industry figures can also be considered as market figures for messages worth loans and distributed industry equity. For public companies that sell their shares to the public, industry figures are easy to measure, namely in the form of stock prices. The higher the stock price, the higher the industry figures, the more shareholder wealth increases, and maximizing industry figures at a time is successful if the stock price can no longer be greater at that time (Ho, 2005), The increase in industry figures is a result, because with the soaring industry figures, the safety of the owners will also increase as desired by the owners. The purpose of industry figures is that industry figures are factual figures per share that will be obtained if the industry's legacy is sold according to the stock price (Nenzhelele, 2015). Optimizing industry figures is very important for the industry, because optimizing industry figures means optimizing the important goal of the industry, which is to create profit or profit. Due to the increasing industrial figures, the business sector will become more profitable

and provide good benefits for management and employees (Mirakhor & Krichene, 2009).

Measurement of industrial industry figures consists of: Price Earning Ratio (PER), Price to Book Value (P/BV), and Tobin's Q. The form of capital is a special mixture of long-term loans and equity used by the industry to fund its company. This mixture will affect the level of risk and industry figures. Various philosophies of capital forms that discuss how the industry should cite provisions on the form of capital have been widely reviewed by financial experts. Starting from the philosophy put forward by Franco Modigliani and Merton Miller (Milim) in 1958, which was then updated in 1963 by including tax factors (the existence of a tax shield) in the use of loans. In the second philosophy, Milim recommends that the industry should use almost 100% of loans in the form of its capital. The form of capital in this study is proxied by the Debt-to-Equity Ratio (DER). The basis of the budget obtained by the industry comes from either the internal or external budget. In this research, the form of capital is centered on the external budget of the industry. DER is a comparison used to equate all loans to all equity. The Debt to Equity Ratio is used to identify every rupiah of own capital that is used as collateral for loans. For industry, the greater the Debt to Equity Ratio, the smaller the level of funding held by the owner (Natsir & Yusbardini, 2020).

Financial capability is the industry's ability to manage and organize its resources. Data on financial position and financial capability in the past are often used as a basis for calculating the financial position and future capability and other conditions that directly attract the attention of users such as dividends, rewards, movements in the price of deposit securities, and the industry's ability to fulfill its commitments (Zagler & Dürnecker, 2003). The industry's financial capability can be measured from financial information (annual report) issued by the industry periodically, which provides a real reflection of the industry's financial position. The data contained in the financial information is used by investors to get estimates of future profits and dividends, and the risks of that evaluation. Financial capability is an analysis conducted by the industry to decide within a specific period by referring to standards or targets that have been set. In this study, financial capability was measured using the Return on Assets (ROA) indicator. ROA measures the industry's ability to generate profits by using the total assets (wealth) owned by the industry after being adjusted for the costs of financing the legacy (Lara et al., 2007).

Method

This research uses quantitative methods. Quantitative methods are research approaches that use numerical and statistical information to analyze and control monitored events. This research was conducted in all hotel, resort, and cruise line industries listed on (BEI in the period 2018-2024. There is also a duration of this research from December 2023 until the end. This research will use inferior

information sources, inferior information, a collection of data that already exists and is used as an accessory to the research data needs. Inferior information is information related to data from sources that already exist, such as important deeds, websites, novels, and the like. In this research, the inferior information obtained comes from the official website (BEI), which is www. idx. Co. id, which information is obtained from annual financial information published by the Hospitality, Resort and Cruise Lines industry for the period 2018-2024. The population in this study includes Hotel, Resort, and Cruise Lines companies listed on the IDX for the period 2018-2024. The total population in this study is 30 industries. The illustration in the study is of 11 industries.

The method of collecting illustrations in this study is a purposive sampling method. Purposive sampling is a method of collecting data by determining specific benchmarks. The research instrument used in this study is a questionnaire. This study measures the rest ratio, namely Likert 1-5. This study uses a method of collecting information by means of a questionnaire, monitoring, and selection. The information analysis method used in this study is an instrument quality test, a classical assumption test, a multiple linear regression test, and a hypothesis test (Putri & Putra, 2017).

Table 1. Operational Definition of Variables

Variable	Definition	Measuring Instrument
Company Values	Industry figures prove the thinking of investors or stakeholders about the industry situation. If the industry can provide welfare to shareholders, then the public will assume that the industry has a large figure.	Tobin's Q formula: MVE (closing price x number of shares)
Capital Structure	The form of capital in this research is proxied by the Debt to Equity Ratio (DER), which is the source of funds obtained by the industry from within or external funds. In this research, the form of capital is centered on the industry's external funds.	Debt-to-Ratio (DER) formula: Total debt/total equity
Financial performance	The financial capability of an industry is a form of industrial results observed from financial information that reflects the financial condition of the industry over a specific period of time.	ROA formula: Net profit/total assets x 100%

Data source: Compiled by the author, 2025

The hypotheses of this study are as follows:

H1: Capital structure has a positive effect on company value in hotel, resort, and cruise line companies.
H2: Financial performance has a positive effect on company value in hotel, resort, and cruise line companies.

Results and Discussion

Descriptive Statistical Analysis

Quantitative descriptive analysis is an analysis of information that attempts to identify and explain the observed elasticity in the form of numbers as the bottom for various determination collections, where this research consists, in general, of standard deviation, minimum, and maximum. Descriptive analysis is a statistical technique used to describe or summarize data that has been collected from a sample or population. The goal is not to make general conclusions (inferential), but to provide an overview of the characteristics of the data.

Table 2. Results of Descriptive Statistical Analysis: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Capital structure	55	,01	,91	,3491	,21303
Financial performance	55	-,07	,07	-,0078	,03359
Firm value	55	1,04	9,71	4,5289	2,66294
Valid n (listwise)	55				

Source: (IBM SPSS Output Version 22.2024)

Based on the results of descriptive statistical testing in Chart 2, it can be observed that the amount of research information or N used is 55. Which information was obtained from industrial illustration information, totaling 11 industries in a period of 5 years, namely the period 2018 to the period 2022. The number of N for elastic industry figures (y) has a minimum value of 1.04 with a maximum value of 9.71 and a mean of 4.5289. And the standard regression is 2.66294, which means that the mean number obtained is greater than the standard regression numbers, resulting in small deviations in the information that is intertwined, so that the distribution of its values is comprehensive. The minimum number obtained is 0.01 and has a maximum number of 0.91. The mean number obtained from this descriptive statistical experiment is 0.3491 above the standard regression of 0.21303.

This shows that the elastic mean number of Capital Form obtained from the results of this descriptive statistical experiment tends to be greater than the standard regression number. Which means that the deviation of the information that is established is small, so that the distribution of its values is comprehensive or good. From 55 information illustrations of Financial Ability (X2), the minimum number obtained is - 0.07, and has a maximum number of 0.07. The mean number obtained from this descriptive statistical experiment is - 0.0078 above the standard regression of 0.03359. This shows that the elastic mean number of Capital Form obtained from

the results of this descriptive statistical experiment tends to be greater than the standard regression number. Which means that the deviation of the information that is established is small, so that the distribution of its values is comprehensive and good.

Classical Assumption Test

The normality test is used to see whether the information is fairly distributed or not. A good regression model is a model that has fairly distributed residuals.

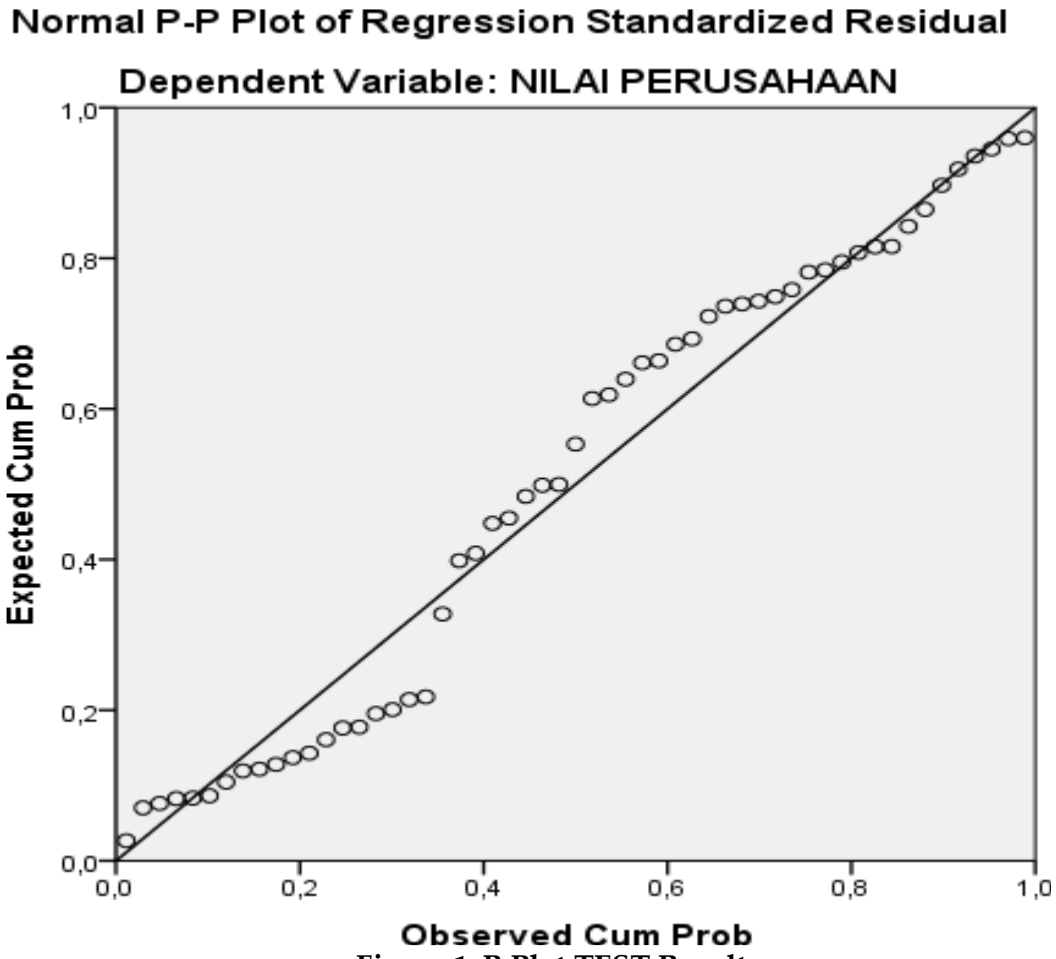

Figure 1. P-Plot TEST Results

Based on picture 1 above, the normality experiment using the P-Plot experiment can be observed if the scattered points are squeezed around the diagonal line. The results of the experiment are considered reasonable because the information contained is scattered around the diagonal line that stretches. P-P Plot (Probability–Probability Plot) is a graphical tool used in normality testing, especially to see whether the residuals (errors) of a regression model are normally distributed — one of the requirements in classical assumption testing.

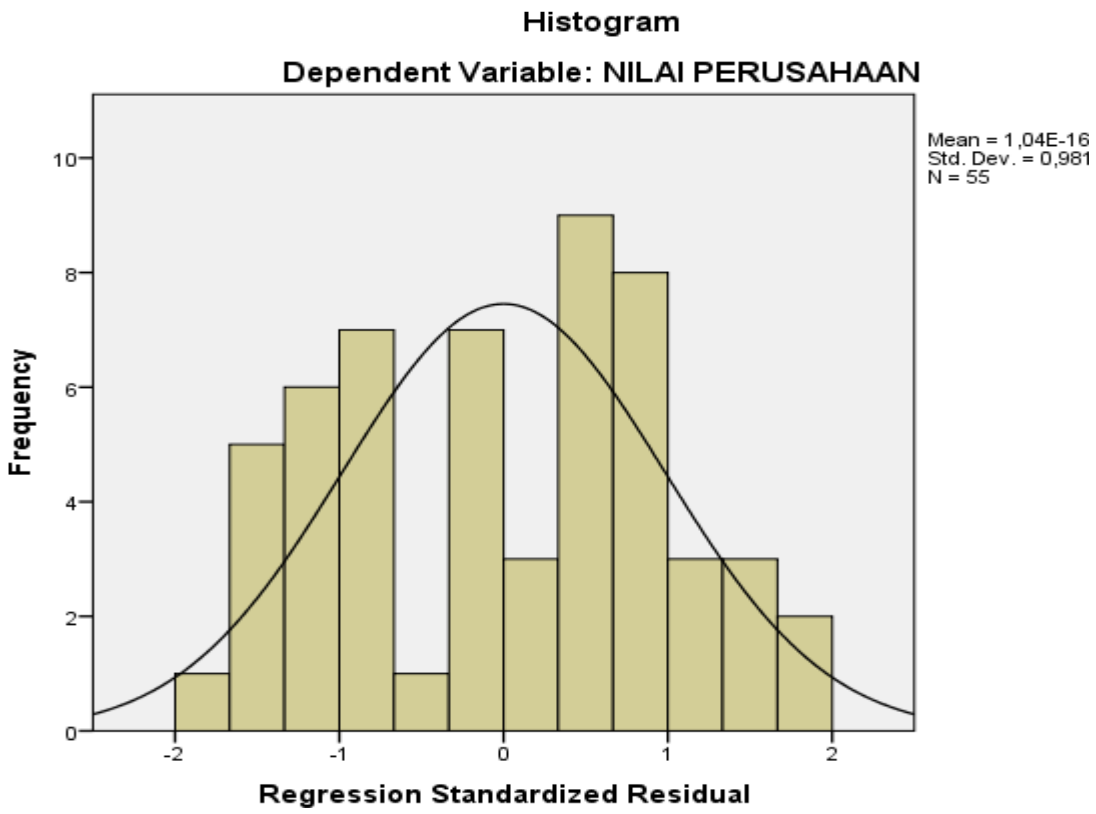

Figure 2. Histogram Test Results

Based on the painting 2 above, it proves that the histogram proves that the pattern is not skewed to the right or to the left above so that the normality test is fulfilled.

Multicollinearity test

The multicollinearity test is a test used to identify whether there is a relationship between free elasticity. To see whether or not there is a sign of multicollinearity between elastic can be observed from the tolerance number and the VIF (Variance Inflation Factor) number from the SPSS results obtained

Table 3. Results of the Multicollinearity Test Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Capital structure	,933	1,072
	Financial performance	,933	1,072

a. Dependent Variable: Company Value

Source: IBM SPSS Version 22, 2024 Output

Based on Table 3, it proves that the tolerance number of all independent elasticities of Capital and Financial Capability ≥ 0.10 and the VIF number ≤ 10. Where

the tolerance number of the capital form is 0.933 or ≥ 0.10 over VIF number 1.072 or ≤ 10. The tolerance number of financial capability is 0.933 or ≥ 0.10 over the VIF number obtained is 1.072 or ≤ 10. So it can be concluded that the form of regression used there shows no sign of multicollinearity.

Heteroscedasticity Experiment

Heteroscedasticity experiments are tried for the purpose of testing whether there is a difference in variance from the residuals for all observations in the linear regression form. In carrying out heteroscedasticity experiments, on SPSS can be tried on SPSS such as Spearman's experiment, rho, glesjser experiment, Park's experiment, and looking at the diagram pattern (scatterplot). But in this research, the experiment used is to look at the diagram pattern (Scattplot), which can be observed in the following Picture 3.

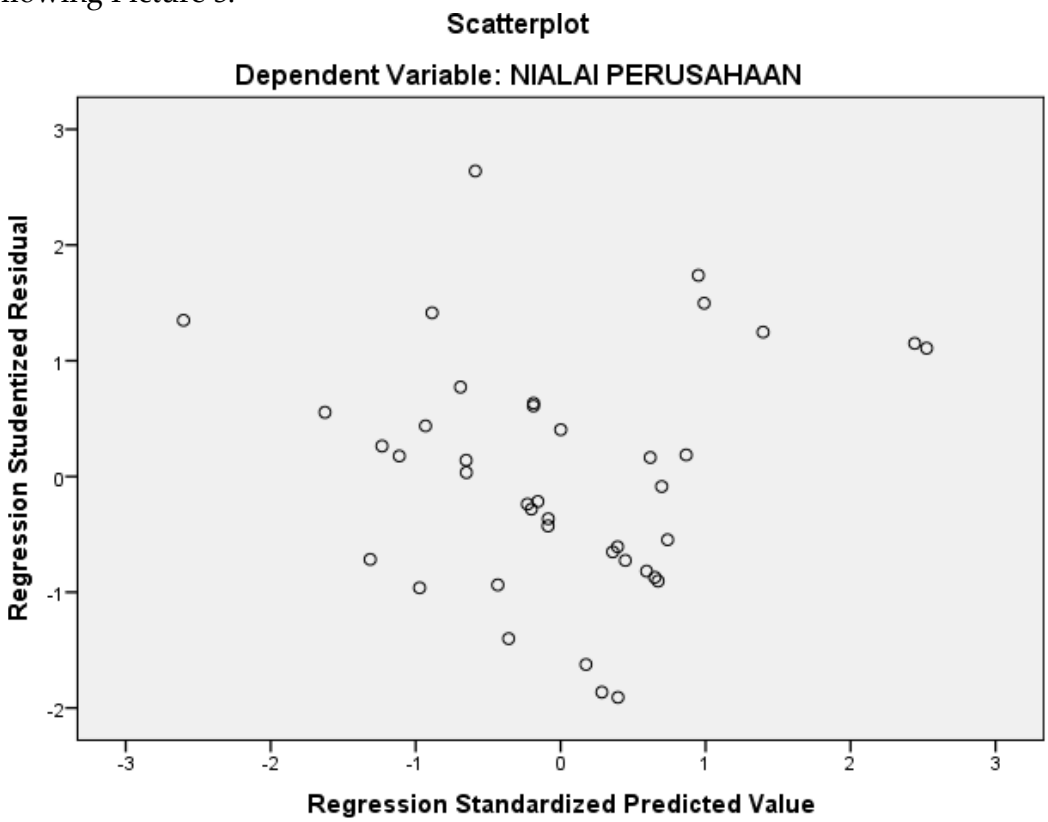

FIGURE 3. Heteroscedasticity Test Results

Source: IBM SPSS Version 22, 2024 Output

Based on Painting 3, it proves that the illustration points to the totality of the sowing method and does not create a special pattern, so it can be concluded that the information used in this research does not exhibit heteroscedasticity. Not only that, this regression experiment can be observed using the Glesjser experiment, which is determined by the significance number obtained, which is mandatory ≥ 0.05, which means that the results of this regression experiment do not face heteroscedasticity, which can be observed in the following Chart.

Table 4. Heteroscedasticity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4,436	,670		6,622	,000
	Capital structure	-,339	1,691	-,027	-,201	,842
	Financial performance	-27,028	10,722	-,341	-2,521	,015

Source: IBM SPSS Version 22, 2024 Output

Based on chart 8, it proves that the significant figures obtained from all independent elasticities are above 0.05. Where the significant figure for the capital form elasticity obtained is 0.842 or ≥ 0.05. The significant figure for the financial capacity elasticity obtained is 0.015 or ≥ 0.05. As a result, the heteroscedasticity experiment in this study can be said to have no heteroscedasticity because all significant figures are above 0.05.

Autocorrelation Experiment

The autocorrelation experiment is intended to test the relationship between confounding errors along t and confounding errors along t-1 in the form of linear regression (first). Autocorrelation is used in the form of regression, where the information is in the form of a time series. The Durbin-Watson test can be used to test whether insurance is not linked to residuals (non-autocorrelation). The Durbin-Watson experimental statistic number that is less than 1 or greater than 3 proves the presence of autocorrelation.

Table 5. Results of the Summary Model Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,036[a]	,001	-,037	1,26795	1,519

a. Predictors: (Constant), Financial Performance, Capital Structure

b. Dependent Variable: ABS_RES

Source: (IBM SPSS Version 22, 2024 Output)

Based on Table 5, it proves that the Durbin-Watson number (d) is 1.519. Where the number of free elasticities in the research is 3 and the number of illustrations is 55, so that the basic limit number dl = 1.4903 is obtained and the number above the limit du = 1.6406, so (DW≤DU≤4- DU) or (1.519≤ 1.6406≤ 2.3594). The DW trial number shows a DW number smaller than the basic limit (Dl), so that the autocorrelation coefficient is greater than zero, meaning there is positive autocorrelation.

Multiple Linear Analysis

Multiple linear regression analysis is used by researchers to identify the extent to which the form of capital and profitability affect industry figures. There are also multiple linear regression results in this study that can be observed in Chart 7 below.

Table 6. Multiple Linear Results Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	4,436	,670		6,622	,000		
	Capital structure	-,339	1,691	-,027	-,201	,842	,933	1,072
	Financial performance	-27,028	10,722	-,341	-2,521	,015	,933	1,072

a. Dependent Variable: Company Value

Source: (IBM SPSS Version 22 Output, 2024)

Based on Table 6, the results of the multiple linear regression analysis above are the follows:

$$Y=\alpha+\beta 1.\ X1+\beta 2.\ X2+\varepsilon$$

As a result, Y 4.436+ 0.339+ 27.028. From the meeting obtained from the results of the multiple linear regression experiment based on the equation, a constant number of 4.436 was obtained, so that it can be concluded that:

1. If the limited elasticity (Form of Capital and Financial Capacity) is considered consistent, the stock price can be predicted at 4.436.
2. The regression coefficient number for the Form of Capital (X1) is -0.339. This means that if the form of capital increases by 1 unit, the stock price will decrease by 0.339 if other elasticities are considered consistent.
3. The regression coefficient of Financial Ability (X2) is -27,028. This means that if financial ability increases by 1 basis point, the stock price will decrease by 277,028 if other elasticities are considered consistent.

Hypothesis Test (T-Test)

The t-test is a type of statistical test used to determine how far the free elastic effect can individually explain the limited elasticity. The t-test is carried out at a level of 95% and a level of analysis error (α) of 5%; the independence part (degree of freedom) used is df = n-k. This clear degree will be used to identify evidence of the hypothesis.

Table 8. Partial Test Results (t-Test)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4,436	,670		6,622	,000
	Capital structure	-,339	1,691	-,027	-,201	,842
	Financial performance	-27,028	10,722	-,341	-2,521	,015

Source: IBM SPSS Output Version 22, 2024

Based on Chart 8, it can be observed that the significant figures and the calculated t figures. for the ttable figures can be calculated using the free part (df) = n– k where n is the number of data illustrations and k is the number of elasticities in the study, namely df = 55– 3 = 52 so that the ttable obtained is 1.67469. So it can be concluded that:

1. The significant elastic figure of the obtained capital form is 0.842, which means the sig number ≥ 0.05 and the calculated t figure ≥ ttable is - 0.201 ≤ 1.67469. As a result, H0 is obtained and Ha is rejected, or the capital form does not significantly affect the industry figures, partially.
2. The significant figure of the financial capability variable obtained is 0.015, which means that the sig number ≥ 0.05 over the tcount number ≤ ttable is 2.521 ≥ 1.67469. As a result, Ha is obtained and H0 is rejected, or financial capability has an important effect on the industry figures in a partial way.

Simultaneous Experiment (F-Test)

F experiment to observe (at once) the effect of independent elasticity on limited elasticity. If the probability level is smaller than 0.05, it can be said that all free elasticities simultaneously affect the dependent variable.

Table 8. Simultaneous Test Results (F-Test)
ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42,967	2	21,484	3,286	,045[b]
	Residual	339,959	52	6,538		
	Total	382,926	54			

a. Dependent Variable: Company Value

b. Predictors: (Constant), Financial Performance, Capital Structure

Source: (IBM SPSS Version 24 Output, 2024)

Based on Table 8, the results of the simultaneous experiment obtained have significant figures of 0.045≤ 0.05. The F number can be observed from the independence section of the divisor (df) using k-1 or the number of elasticities minus 1 until the number df=3-1=2 and the independence section of the denominator df=n-

k=55-3=52. The result is an F total of 3.286 and an F chart of 3.18, or F total≤ F chart. So it can be concluded that the form of capital and financial capacity do not affect the industry figures together (simultaneously).

Test of Coefficient of Determination (R2)

The test of the coefficient of certainty is used to find out how much endogenous elasticity can simultaneously explain exogenous elasticity. The greater the R2 number, the better the form of the estimate of the proposed research form.

Table 9. Results of Test of Coefficient of Determination (R2)
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,036[a]	,001	-,037	1,26795	1,519

a. Predictors: (Constant), Financial Performance, Capital Structure
b. Dependent Variable: ABS_RES
Source: IBM SPSS Output Version 22, 2024

Based on Table 9, the R Square figure is 0.001 or 1%. So it can be concluded that 1% of the industry figures can be explained by the elastic form of capital and financial capacity. There are also 99% of the industry figures explained by other elasticities outside this research. This proves that the regression model used in the research is not strong enough to explain the relationship between capital form, financial capacity, and company figures. There may be other aspects that have more influence on industry figures, such as market conditions, business strategies, and other external factors.

Discussion

The Effect of Capital Structure on Company Value

Based on the results of the partial experiment that was tried, the important elastic figure of the capital form obtained was 0.842, which means the sig number ≥ 0.05 above the tcount number ≤ ttable is - 0.201 ≥ 1.67469. So Ha is rejected and H0 is obtained, which means the form of capital calculated from the debt ratio, namely using the debt-to-equity ratio (DER), does not affect and is not important to the industry figure. This means that if the form of capital is large, it does not guarantee that the industry figure will increase. Research shows that the form of capital, as measured by the ratio of debt to equity (DER), does not always have a significant relationship to the industry figure. This can be caused by several aspects, including market clarity, business costs, portfolio diversification, and other factors. Although research shows that the form of capital does not always have a significant relationship to the industry figure, it is important to note that the form of capital is still an important factor in the industry's financial decisions (Putri & Putra, 2017). The industry must consider various aspects when determining the maximum form

of capital, including market conditions, business costs, and financial goals (Rahman et al., 2021).

The Effect of Financial Performance on Company Value

The important elastic figure of financial ability obtained is 0.015, which means the sig number ≤ 0.05 above the tcount number ≥ ttable is 2.521 ≥ 1.6469. As a result, Ha is obtained and H0 is rejected, or financial ability affects and is important to the industry figure in a partial way. This means that if financial ability increases, it will affect the increase in industry figures, and if financial ability decreases, it will affect industry figures and experience shrinkage. The results of this study prove that financial ability increases and industry figures decrease. The escalation of financial ability that is not in line with industry figures can occur for several reasons. One of them is if the escalation is not aligned with the continuous development or does not change from the industry figures in a total way (Nasution et al., 2019). For example, if the escalation of financial performance is only temporary or is not considered a solid indicator of the long-term opportunities of the company, investors may be less willing to consider the company at a higher rate (Khalilov & Osma, 2020).

Philosophically, when financial performance (ROA) increases, investors believe that the company can manage finances well. Financial performance (ROA) shows how well assets are managed to generate profits. The higher or higher the ROA, the more profits are obtained from assets, but in this study, it is different. In addition, the evaluation of industry figures also considers factors such as business risk, growth opportunities, capital forms, and other perspectives. So, even though financial performance increases, if investors believe that these factors do not support long-term growth or sustainability, the company's figures can remain low or even decrease (Said & Ali, 2016). Finally, the company's figures are not only determined by financial performance alone, but also by various other factors that affect investors' perceptions of the opportunities and long-term risks of the company. The R2 test results show a 1% effect, so this study shows that financial performance, as measured by metrics such as net income and earnings per share (EPS), does not always have a significant relationship to industry figures. Although financial performance is an important factor in determining industry figures, it is important to note that it is not the only factor. Investors consider many factors when evaluating an industry, and past financial performance may not always be a reliable indicator of future performance (Habibniya et al., 2022).

Conclusion

Based on the results of the analysis of tourism sector companies listed on the Indonesia Stock Exchange (IDX), it can be concluded that Capital structure, as measured by the debt-to-equity (DER) ratio, shows a negative and significant effect on the company's market value. This indicates that the higher the proportion of debt to equity, the lower the market's perception of the company's value. Investors tend

to consider high leverage as an increase in financial risk. Profitability, as measured by indicators such as return on equity (ROE) or net profit margin (NPM), has a positive and significant effect on market value. This confirms that the company's internal financial performance is still the main factor in attracting investor interest and increasing market valuation. Simultaneously, capital structure and profitability have a significant effect on the market value of tourism companies. These two variables together explain how internal financial strategy and the ability to generate profits can affect the market's assessment of the company. Thus, optimal capital structure management and increased profitability are the main keys to strengthening the value of companies in the tourism sector. This finding is important, especially in the context of the recovery of the tourism industry post-pandemic, where financial efficiency and investor appeal greatly determine long-term business sustainability.

References

Ahmed, F., Rahman, M. U., Rehman, H. M., Imran, M., Dunay, A., & Hossain, M. B. (2024). Corporate capital structure effects on corporate performance, pursuing a strategy of innovation in manufacturing companies. *Heliyon*, *10*(3), e24677. https://doi.org/10.1016/j.heliyon.2024.e24677

Habibniya, H., Dsouza, S., Rabbani, M. R., Nawaz, N., & Demiraj, R. (2022). Impact of Capital Structure on Profitability: Panel Data Evidence of the Telecom Industry in the United States. *Risks*, *10*(8), 1–19. https://doi.org/10.3390/risks10080157

Ho, C. K. (2005). Corporate governance and corporate competitiveness: An international analysis. *Corporate Governance: An International Review*, *13*(2), 211–253. https://doi.org/10.1111/j.1467-8683.2005.00419.x

Khalilov, A., & Osma, B. G. (2020). Accounting conservatism and the profitability of corporate insiders. *Journal of Business Finance and Accounting*, *47*(3–4), 333–364. https://doi.org/10.1111/jbfa.12438

Lara, J. M. G., Osma, B. G., & Penalva, F. (2007). Board of directors' characteristics and conditional accounting conservatism: Spanish evidence. In *European Accounting Review* (Vol. 16, Issue 4). https://doi.org/10.1080/09638180701706922

Mardones, J. G., & Cuneo, G. R. (2020). Capital structure and performance in Latin American companies. *Economic Research-Ekonomska Istrazivanja* , *33*(1), 2171–2188. https://doi.org/10.1080/1331677X.2019.1697720

Mirakhor, A., & Krichene, N. (2009). The Recent Crisis: Lessons for Islamic Finance. *Journal of Islamic Economics, Banking and Finance*, *5*(1), 9–58. http://ibtra.com/pdf/journal/v5_n1_article1.pdf

Nasution, Z., Adiba, E. M., & Abdulrahim, M. O. (2019). Comparison Analysis of Risk-Based Capital (RBC) Performance and Its Effect on Islamic Insurance Profitability in Indonesia and Malaysia. *Al-Uqud : Journal of Islamic Economics*,

3(2), 149. https://doi.org/10.26740/al-uqud.v3n2.p149-160

Natsir, K., & Yusbardini, Y. (2020). *The Effect of Capital Structure and Firm Size on Firm Value Through Profitability as an Intervening Variable*. *145*(Icebm 2019), 218–224. https://doi.org/10.2991/aebmr.k.200626.040

Nenzhelele, T. E. (2015). The impact of business type and sector, location, and annual turnover on competitive intelligence practice of small and medium-sized enterprises. *Risk Governance and Control: Financial Markets and Institutions*, *5*(4CONT1), 139–149. https://doi.org/10.22495/rgcv5i4c1art3

Putri, V. R., & Putra, B. I. (2017). Pengaruh Leverage, Profitability, Ukuran Perusahaan Dan Proporsi Kepemilikan Institusional Terhadap Tax Avoidance. *Jurnal Manajemen Dayasaing*, *19*(1), 1. https://doi.org/10.23917/dayasaing.v19i1.5100

Rahman, D., Kabir, M., & Oliver, B. (2021). Does exposure to product market competition influence insider trading profitability? *Journal of Corporate Finance*, *66*, 101792. https://doi.org/10.1016/j.jcorpfin.2020.101792

Rajapathirana, R. P. J., & Hui, Y. (2018). Relationship between innovation capability, innovation type, and firm performance. *Journal of Innovation and Knowledge*, *3*(1), 44–55. https://doi.org/10.1016/j.jik.2017.06.002

Said, M., & Ali, H. (2016). An analysis of the factors affecting the profitability level of Sharia banking in Indonesia. *Banks and Bank Systems*, *11*(3), 28–36. https://doi.org/10.21511/bbs.11(3).2016.03

Sari, I. A. G. D. M. (2020). Profitability and liquidity on firm value and capital structure as intervening variables. *International Research Journal of Management, IT and Social Sciences*, *7*(1), 116–127. https://doi.org/10.21744/irjmis.v7n1.828

Sari, W. P. (2020). The Effect of Financial Distress and Growth Opportunities on Accounting Conservatism with Litigation Risk as Moderated Variables in Manufacturing Companies Listed on BEI. *Budapest International Research and Critics Institute (BIRCI-Journal) : Humanities and Social Sciences*, *3*(1), 588–597. https://doi.org/10.33258/birci.v3i1.812

Ur Rehman, A., Aslam, E., & Iqbal, A. (2021). Intellectual capital efficiency and bank performance: Evidence from Islamic banks. *Borsa Istanbul Review*. https://doi.org/10.1016/j.bir.2021.02.004

Zagler, M., & Dürnecker, G. (2003). Fiscal policy and economic growth. *Journal of Economic Surveys*, *17*(3), 397–418. https://doi.org/10.1111/1467-6419.00199