

Investigating the interrelation between capital structure and financial performance of manufacturing companies in the UK

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ABSTRACT

Aim: The research aims to identify the interrelation between the capital structures and financial performances of different food manufacturers currently operational in the UK.

Method: The study would proceed with a secondary quantitative approach that involves collecting data through existing research and financial reports. This was achieved from three food and beverage manufacturing companies' annual reports. The data would comprise data collected in the recent three years, which are; 2018, 2019, and 2020 to measure the financial performance of the food and beverages manufacturing companies.

Findings: It was found that Net Profit Margin (NMP) is selected as the dependent variable, whereas DTE, DTA, and EPS is the independent variable. The data would be collected using Stata, and the outcome would comprise descriptive, correlation, Hausman, and fixed/random effect. The following result would depict the development of the financial performances of the chosen organizations and their influences on the independent variables.

Keywords: *Capital Structure, Financial Performance, Manufacturing Companies in the UK, Equity, Profit Margin, Asset Ratio.*