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THE IMPACT OF CAPITAL STRUCTURE AND FINANCIAL EFFECTIVENESS LISTED BREWERY FIRMS IN NIGERIA

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ABSTARCT

This study investigated the relationship between Capital Structure and Financial Effectiveness of Listed Breweries Companies in Nigeria with the moderating factor of firm size. The study developed five specific objectives, five research questions as well as five hypotheses and used generalized mean, standard deviation and multiple regression with the aid of Statistical Package for Social Sciences (SPSS) to analyze the secondary data extracted from the annual reports and accounts of the companies studied. Data was gathered from secondary sources. Secondary data were sourced from annual reports of the companies available at the Nigerian Exchange Group (websites). Correlational research design was adopted and population of the study consists of five(5) listed breweries companies on the Nigerian Exchange group December 2021. Using census sampling technique, the five companies were selected to constitute the sample for the study.Capital Structure predictor variables were proxied by Equity Financing and debt financing. While Financial Performance criterion variables were measured by return on asset and return on Investment. The study found that capital structure has a positive and insignificant relationship with financial performance of listed brewery companies in Nigeria. Based on the findings, conclusions were reached that Equity financing has a positive, very weak and insignificant effect on Return on and return on investment. Similarly, Debt financing has a positive, very weak and insignificant relationship with return on asset and return on investment. Finally, Firm size has a positive, very weak and insignificant moderating effect on the relationship between capital structure and financial performance of listed brewery companies in Nigeria. The study recommended amongst others that, there should be a review of the capital structure of the firms so as to ascertain the optimal capital structure that can be used to enhance financial performance, Equity position of the firms should be reviewed as well as this could have a way of increasing their performance in terms of return in investment if used adequately, the size of the firm in terms of its total asset base should be considered by the management of the listed firms so that the right kind of capital structure for the company can be adopted.

KEY WORDS: Capital Structure, Financial Performance, Return on Asset, Return on Investment, Equity financing, Debt financing, Total assets

INTRODUCTION

Arising from the strategic prominence of the brewery sector to an economy such as Nigeria's, it is crucial for investors and shareholders to understand the impact of capital structure on the performance of brewery firms. This is because the capital structure decision on how to finance their assets by equity or debt will affect significantly the relationship with the ultimate results for any defined period since it influences the risks and returns of shareholders and as a result affects the market value of the shares. In view of this, it becomes vital to learn the link between capital structure and financial performance of brewery firms in Nigeria. According to the National Bureau of Statistics (NBS), the Nigerian brewery sector is dominated by the production of food, beverages and tobacco, with sugar and bread products generating the greatest value of output. To encourage more output in these and other sectors, the government has been making it cheaper for consumers to purchase locally manufactured goods by making the smuggled foreign alternatives prohibitively expensive or totally unavailable through prohibitions.

Most recently, the Central Bank of Nigeria (CBN) announced plans to facilitate the issuance of single-digit interest rate loans to firms operating in the agriculture and brewery sectors. Port reforms and other ease of doing business initiatives by the government are also helping to make the manufacture of goods easier in the country; relatively, at least. Owing to reforms, Nigeria's ease of doing business ranking moved to 145th place in 2017 from 169th in 2016, for instance.
The Nigerian brewery sector has been performing well in recent years. While year-on-year growth for each of the quarters in 2015-16 was negative, there was only one such instance in 2017; in the third quarter. Incentives by the government are also beginning to encourage greater interest. According to official data, at 9.3% of GDP, the Nigerian brewery sector grew by 3.4% year-on-year in the first quarter of 2018, an improvement from 0.1% y/y in Q4 2017 and -2.9% y/y in Q3 2017. The last time there was something close to such growth in the period since Q1 2016, was in Q1 2017 when the sector grew by 1.4% y/y. For the whole of 2016 till then, the sector recorded negative growth.

STATEMENT OF THE PROBLEM

There is an argument that the capital structure of a firm would affect the extent to which capital structure would influence a firm's performance. In fact, Vu et al. (2018) and Elmagrhi et al. (2018), contend that firms managed by owners would have the best capital mix and would eventually reap their benefits. This suggests that the choice of a specific capital structure would have a minimal effect on firms' performance unless specific characteristics of management prevail. Therefore, Migliori et al. (2018), argue that firms managed by owners would make a better choice on capital structure than those managed by individuals who are not owners. The paradox is that Modigliani & Miller's (1958) theory, which is supported by Cheng et al. (2010), maintains that capital structure is irrelevant to the financial performance of firms. However, studies such as Maina & Ishmail (2014), Suardi & Noor (2015), Akomeah et al. (2018) and Nguyen (2019) contradict this position by demonstrating that capital structure influences the performance of a firm. San & Hang (2011), on the other hand, argue that the benefits of the appropriate capital are linked to a firm's management structure.

It has been argued that capital structure has no effect on financial performance of a firm. The foregoing discussion shows that the implication of firms' capital structure for their performance is important. Equally, the discussion shows that the capital structure plays a key role in benefiting from an optimal capital structure. This issue has not been fully addressed in the literature. However, previous studies focused on developed countries and provided conflicting empirical results. Therefore, debates abound on whether such studies have universal relevance, especially since developing countries operate under distinct political, economic, legal, social and cultural environments. Particularly, studies on the link between capital structure and firms' performance and how managerial ownership moderates this relationship have to the best of my knowledge received little attention in developing countries, especially in Nigeria. These inconclusive anecdotal results and the gap in the literature timeline on capital structure and its influence on firm's performance require that this topic must be revisited to provide fresh evidence on the relationship between capital structure and the value of firms in Nigeria, as well as how it affects the performance of firms. Therefore, this study examines the extent to which capital structure relate to the performance of firms in Nigeria. The results of this study will contribute to the body of knowledge on the theoretical conundrum of the economic relevance of capital structure to a firm through an analysis of data from quoted brewery firms in Nigeria.

OBJECTIVES OF THE STUDY

The primary objective of this study is to examine the impact of capital structure on the financial performance of listed brewery firms in Nigeria. However, the specific objectives are as follows

1. investigate the effect of debt financing on return on investment of listed brewery firms in Nigeria.
2. Investigate how firm size moderates the effect of capital structure on financial performance of listed brewery firms in Nigeria.

RESEARCH QUESTIONS

The following research questions were formulated for this study.

1. What is the effect of debt financing on return on investment of listed brewery firms in Nigeria?
2. How does firm size moderate the effect of capital structure and financial performance of listed brewery firms in Nigeria?

RESEARCH HYPOTHESES

H_{01}: There is no significant effect ofdebt financing onreturn on investment of listed brewery firms in Nigeria.

H_{02}: Firm size does not moderate the effect of capital structure on financial performance of listed brewery firms in Nigeria.

LITERATURE REVIEW

CONCEPTUAL FRAMEWORK

Capital Structure

Capital structure is one of the most important decisions in the field of corporate finance and refer to the way that a company finances its assets by combining liabilities and equity (Gul & Cho, 2019). Listed companies have the basic characteristic that different shareholders, thus forming the company's ownership structure, own equity capital. The study of capital structure attempts to explain the mix of securities and financing sources used by corporations to finance real investment. the capital of an organization is the pool of funds that the company commits to its fixed assets, inventories, account receivables, and cash or marketable securities that lead to corporate growth (Twairesh, 2016). An economist views capital as any material or item which can be consumed in the production process to create wealth. These resources or objects are referred to as factors of production, and they are typically divided into three categories: man, machine, and money (with information as a fourth component) (Abeywardhana, 2015). As a result, capital is a crucial part of any firm. The capital structure of a company is the relationship that exists between the many types of capital that it uses to fund its activities (Abbadi & Abu-Rub, 2016).

Debt Financing

Debt Financing is also referred to as debt lending. It is a way that a business raise capital through means of borrowing. This funding will need to be repaid at an arranged later date, usually through regular repayments with added interest. Debt financing is a way that measures how much debt the company has relative to assets, that is, the extent to which debt is used in the financing of the business (CFA Institute, 2019). It is the ratio used to examine the financial risk of a business, that its total assets may not be sufficient to pay its debt and interest thereon (Casmir, 2019). It measures the relationship between the proportion of assets financed with debts, so as to determine the level of risks and losses to unsecured creditors in the event of liquidation. External debt financing plays an important role to increase future productivity of firms and more important for future growth (Gomis and Khatiwada, 2016). In some countries, the use of debt financing is referred to as gearing rather than leverage. Highly leveraged or geared companies are often referred to as being less solvent, thus, leverage and solvency are concepts that are inversely related. A company that uses little debt financing is generally considered to be more solvent than a company that uses a large amount of debt financing—that is, a company that is highly leveraged. Having a higher proportion of debt is riskier because a company is obligated to service its debt (pay interest) but does not have

a similar obligation to service its equity (pay dividends). If a company faced more obligations due to relatively more debt, there is a risk that it will not be in a position to meet those obligations or respond as quickly as its competitors to new opportunities. The greater the value of the assets relative to equity, the more debt is being used as financing. (CFA Institute, 2019). Kumar and Woo (2010) examined the relationship between debt and economic growth. The methodology adopted in the study was GMM (SGMM) dynamic panel regression. His study concluded that impact of debt on the growth is negative. So, increase in debt cause the decrease in growth.

Financial Performance

A firm's financial performance is of importance to investors, stakeholders and the economy at large. Investors are interested in the returns for their investment. A business that is performing well can bring better reward to their investors. Financial performance of a firm can increase the income of its staff, rendering quality product or services to its customers and creating more goodwill in the environment it operates. A company that has good performance can generate more returns which can lead to future opportunities that can in turn create employment and increase the wealth of people. Firm's performance is the ability of a firm to achieve its objectives resources. A company's performance is its ability to achieve its target objectives from its available resources. Suleiman (2013) viewed a firm's performance as the result of a company's assessment or strategy on how well a company accomplished its goals and objectives. Financial performance provides a deductive measure of how well a company can use assets from business operations to generate revenue. Dinh and Pham (2020) defined financial performance as a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term according to Leon (2013) is used as a general measure of the overall financial health of a business. Research on the firm's financial performance emanates from organizations theory and strategic management. The notion of financial performance is used to describe performance of an entity with the legal status of a company. The concept of financial performance is a controversial issue in finance due to its multidimensional meaning. In analyzing a firm's financial performance, emphasis should be made in formulating an adequate description of the concept of a financial performance.

Return on Investment (ROI)

Return on investment (ROI) is a measure that investigates the amount of additional profits produced due to a certain investment. Businesses use this calculation to compare different scenarios for investments to see which would produce the greatest profit and benefit for the company (Giles & Capel, 2014). Njoku (2017), see return on investment as a measure of the success of the firm in earning a net return on investment which is obtained as the company's percentage returns on its capital investment which consists of shareholders' funds and long term debts. Investment here represents shareholders' funds and term liabilities while returns stands for earnings generated after payment of interest and taxes. Brealey et al (2015) and Van-Horne (2018) see return as Net operating profit rate of return which is expressed as net operating profit before interest and taxes over total assets. That is, it is a return on sales which is a measure of a company's profitability using a pre-tax profit divided by its total sales expressed as a percentage. Glyn et al (2018); observed that return on investment is the average profit for a project expressed as a percentage of the capital outlay. Return on investment is the ratio of net profit after tax to net asset. This ratio by itself is of little value. Brealey et al (2015), also submitted that return on investment is a measure of a company's profitability using the income an investment provided in a year divided by its total investment expressed as a percentage. The return on investment as a profitability performance measure is used by bankers, investors, and business analysts to assess a company management's efficiency in using available resources and financial strength or to compare the efficiency of a number of different investments. It is one of those important ways of making judgments as to where to direct new investment funds as they become available.

Firm Size.
In today's world, the size of a firm is crucial to its success due to the phenomenon of economies of scale. Modern corporate firms look to increase their size or volume of asset value so as to get a competitive edge over their competitors by reducing production costs and increasing their market share. Bigger firms can manufacture items at much lower costs than smaller firms can (Olawale et al. 2016). According to Olawale et al. (2016), firm size is the quantity and array of production capability and potential a firm possesses or the quantity and diversity of services a firm can concurrently make available to its clients. Firm size plays a significant and crucial role in explaining the kind of relationships the firm has within and outside its operating environment. the size of a firm plays an important role in determining the kind of relationship the firm enjoys within and outside its operating environment. The larger a firm is, the greater the influence it has on its stakeholders. Again, the growing influences of conglomerates and multinational corporations in today's global economy are indicative of what role size plays within the corporate environment. The size of the firm is also one of the important variables taken in many disclosure studies (Abeyrathna., & Priyadarshana, 2019).

Theoretical Framework
Many scholars have developed various clarifications which serve as theoretical assistance on the concept of capital structure. For the purpose of this research, the study tends to look at the most regularly baseline theories on capital structure (Pecking Order Theory and the trade-off theory). But this work is anchored on the trade-off theory.

Pecking Order Theory
In the theory of company's capital structure and the finance choices, the pecking order was first suggested by Donaldson (1961) and it was advance and modified by (Myers & Majluf, 1984). It states that firms place in imperative of preference their financing sources i.e. from internally generated source to equity. According to the rule of least effort and preferring to exploit equity as the last alternative source of financing. As a result, internally generated capital are utilized first and when that is used up then debt issuance is exploited, and when it is no longer functional to issue any further debt, equity is issued (Myers, 2001).Pecking-Order theory tries to show the costs of disproportionate information. It states that firms place in order their finance sources from what it has at hand and when that is used up, then advance to issuance of debt, again when this appear to no longer work, finally equity is embraced as the last alternative. This is in conformity with the rule of least effort.
This theory reserve that companies should abide by the command chain of sources of finance and favor internal sources when accessible and choose debt instead of equity when external financing is necessary. Consequently, the type of debt a company decides on serve as a signal of its need for external finance. The pecking order theory is discrete by Myers (1984), when he reasons that equity is a less preferred choice in raising capital for the reason that when managers issue fresh equity, investors have assurance that managers reason that the firm is overrated and as such managers are attracting the advantages of this overrating. Hence, investors could place a lesser price to the fresh equity issuance.

The underpinning theory this research study will anchor on is the trade-off theory. The theory is profit motivated theory. Trade off theory explains that tax shield debt has effect on firm profitability and shows that firm can get optimum capital structure. The theory further shows that, the form of debt capital could equally have effect on firm's performance. It is for these reasons, that the researcher adopted the trade-off theory for study on Capital Structure and Financial Performance.

Empirical Review
Abubakar and Olowe (2019), examined the impact of capital structure on financial performance

of selected quoted firms in Nigeria. The study concluded that Short term, long term debt and Debt equity influences financial performance of selected quoted firms in Nigeria and therefore recommends that Security and Exchange Commission should encourage selected quoted firms to go for short term debt and long-term debt as it improves financial performance.

Charityetal (2019), examined the determinants for the level of equity and debt in the firm's capital structure and assessed the extent to which financial leverage affects firm's financial performance. Small and medium enterprises in developing economies do not usually utilize the right mix of the various sources of long term funds to finance its capital assets due to ignorance and thusdeprived of the benefits accompanied with optimal level of debt and equity mix. This study relied on secondary source of information and thus focused on conceptual exploration, review of theories and critical analyses of empirical previous studies. The study used hypothetical datasets, which includes twelve uses cases, while descriptive statistics for analysis of data and concluded that the level of debt and equity in a company's capital structure has risk and return implications. A firm should keep its optimal capital structure in mind when making financing decisions to assure that any increase in debt and preferred equity increase the value of the firm. So long as the net operating income of a firm is strong, the more a firm is levered, the higher the rate of return because interest paid on debt is tax deductible.

David and Yossi (2019), investigated the direct theoretical relationship between the variance of stock returns and financial leverage considering both corporate and personal taxes. Using a dataset of U.S. industrial firms, results obtain indicate that the variance of stock returns is positively related to the firm's financial leverage and that with regard to the relationship between the variance of stock returns and financial leverage, using market measures of the latter tends to generate a higher coefficient of determination and a more accurate approximation of the theoretical relationship between financial leverage and the variance of stockreturns.

Frank, et al. (2019), examined the contribution made by internal control systems and working capital management and financial performance of supermarkets. This study is cross-sectional and correlational, and it used firm-level data that were collected by means of a questionnaire survey. The population of the study was one hundred and sixty (160) supermarkets, which are members of the Uganda Small Scale Industries Association, and located in Kampala, Mukono, and Wakiso, Results suggest that working capital is a significant predictor of financial performance.

Imhanzenobe (2019), conducted a research on operational efficiency and financial sustainability of listed manufacturing companies in Nigeria. This study evaluated the impact of operational efficiency on long-term profitability (return on asset) and stock market performance (Tobin's Q). The efficiency variables considered included: employee growth, operating expenses, account receivables turnover, inventory turnover and asset turnover. Profitability variable was return on assets. The findings revealed that in relation to ROA, operating expenses and asset turnover had negative and positive significant relationship respectively.

Singh and Bagga (2019), evaluated the effect of capital structure on the profitability. Panel data methodology was adopted for the study, with data collected from the annual reports and accounts from2008–2017, using the ACE equity data base. The sample size was fifty (50) companies listed on National Stock Exchange of India (excluding the Ambuja Cement, HCL Technologies, HUL, and seven banking companies). Theresultsof the random effect model (model 1 and 2) show that increase in total debt results in decrease in return on assets, while increase in equity results in increase in return on assets. The results of the fixed effect model (model 3 and 4) show that increase in total debt results in increase in return on equity, while increase in equity results in decrease in return on equity. It was therefore concluded that there is significant positive impact

of capital structure on firm'sprofitability.

Dioha, et al. (2018), examined the effect of firm characteristics on profitability of listed consumer goods companies in Nigeria. The sample size used in the study consisted of twenty-two (22) listed consumer goods companies over a period of six years (2011 – 2016). Multiple regressions were employed as a tool for the study. The hypothesis that the firm characteristics have no significant effect on the profitability of listed consumer goods companies in Nigeria was formulated for the research. The result obtained indicate that firm size, sales growth and leverage have significant effects on profitability, while firm age and liquidity are not significantly affecting profitability of listed consumer goods companies inNigeria.
Hamidah and Muhammad (2018), conducted a study on the effect of leverage, liquidity and profitability on the company's performance in Malaysia. A sample of this study were drawnfrom twenty-one (21) companies in Bursa Malaysia over a period of five (5) years from 2010 to 2014. The study adopted correlation model and regression model to evaluate the results. The study found that, liquidity, leverage, and profitability is having a strong relationship with company performance. It was recommended for future study, to increase the data size by increasing the number of companies as a sample for the research and increase the yearly basis to more than 10 years, and to use quarterly bases of measurement so as to increase the understanding regarding the effect of Initial Public Offering (IPO) on company performance quote in BursaMalaysia.

Johnson et al. (2018), examined financial performance and stock returns in Nigeria banking sector. The study obtained financial information from Annual Report and Accounts selected banks from 2012-2016. The study made use of net profit margin, earning per share, returns on equity, quick ratio, and return on asset as independent variables and stock returns as dependent variable. The data were analyzed using panel regression model. It was found that return on assets and profit margin was significant and positive in explaining bank performance and stock returns while earning per share have a significant but negative relationship in explaining bank's performance on stockreturns.

Nwude and Anyalechi (2018), evaluated the influence of financing mix on the performance of commercial banks in Nigeria, and the causal link between debt-equity ratio. A sample of ten (10) out of twenty-three (23) banks was purposively selected based on their performance in the stock market. Panel data was sourced from the financial statement of these ten (10) selected commercial banks over a period of fourteen (14) years from 2000 to 2013. The findings show that whiledebt finance exert negative and significant impact on return on asset, the debt-equity ratio has positive and significant influence on return on equity. There was neither unidirectional nor bidirectional relationship between capital structure and performance of commercial banks inNigeria.

Subha et. al. (2018), investigated the impact of financial leverage on the value of firm: evidence from some NSE listed companies. Thirty-one (31) companies listed on the New York Stock Exchange, was been taken as a sample size from six (6) different sectors. The study employed fixed effect (within) regression model as suggested by Hausman Test to find out the impact of financial leverage on firm's value. Data was analyzed using multiple regression. The findings of the study reveals that there lay a significant negative relationship between degree of financial leverage and the value of firm after controlling the variable firm's Size.

Basit and Irwan (2017), studied the impact of capital structure on firm performance of Malaysia listed industrial product company. Convenience sampling technique was used to select fifty (50) industrial product companies listed in Bursa Malaysia main exchange market based on available of 2011 to 2015 annual report. Descriptive statistics and multiple regression were used for data

analyses the data. Findings also showed that debt to equity has a negative significant impact on EPS, total debt ratio has positive significant impact on EPS and total debt has insignificant impact on EPS. In conclusion, industrial product company raise debt finance can reduce agency problem and enjoy tax advantage, but debt level over the optimum capital structure will bring a negative impact on firm performance.

Ibrahim and Akinlo (2017), examined the relationship between firm size, growth and the profitability of quoted non- financial firms in Nigeria. The sample size adopted for their research work was one hundred and fifteen (115) companies that are listed on the Nigerian Stock Exchange for the period 1998 - 2012. The generalized method of moment results suggests that increase in profitability is the driving force of all-encompassing growth. Transitively, profit has positive effect on growth while growth has positive effect on companysize.
Isik (2017), conducted a study to investigate the determinants of profitability – evidence from real sector firms listed in Borsa Istanbul Stock Exchange. The study examined the influence of firm- specific factors on the profitability for 153 listed real sector firms in Turkey for a period of eight years from 2005 to 2012. The study found that growth opportunities measured by the ratio of capital expenditure to sales have no statistically significant impact on the profitability of real sector firms; that larger firm size leads to higher ROA, a higher level of liquidity leads to higher ROA, larger tangibility ratio causes profitability to decrease significantly, that higher leverage ratio significantly lower the ROA ratio, and increased risk for smaller and younger firms leads to lower ROA, increased risk significantly increases profitability of older firms, increasing firm age enhances the ROA, and financial crisis leads to lowerprofitability.

Jonah (2017), conducted a study to investigate the correlation between working capital and financial performance of quoted oil and gas companies in Nigeria. This study adopted panel secondary data of ten (10) oil and gas companies quoted in the Nigerian Stock Exchange for ten years (2007-2016). The analysis was done using Descriptive Mean, Pearson Product Moment Correlation and Multiple Linear Regression Analysis, aided by IBM SPSS 20. The study used the ex-post factor research design in organizing and interpreting the data collected from the sample companies. The study found that working capital variables (inventory, cash management, and trade receivable) had a significant negative relationship with performance variables (return on asset, return on equity and net profit margin); which implies that a reduction in trade receivable period, inventory holding period and cash conversion period will increase their financial performance.

Kanga and Achoki (2017), investigated the effect of company size on the financial performance of listed agricultural companies in Kenya. The research design was descriptive and causal focused to bring out the correlation of variables and establish how one variable affects changes in another. The secondary data was obtained from the audited financial statements available from seven (7) listed agricultural companies and records of the regulatory authorities.Thestudyfoundthat company size as measured by total assets affects the financial performance of agricultural companies listed in NSE positively and significantly. The study concluded that company size had positive and statistical significance on all the three indicators of the financial performance, disclosing that large companies were found to have a competitive advantage over smallfirms.

KibetKiptooet. al.(2017),opined the effect of working capital management practices on the financial performance of the tea processing firms in Kenya. Cross-sectional Descriptive research design was employed. The population of 54 tea processing firms in Kenya managed by KTDA was used out of which sample size of 48 tea processing firms was selected using stratified random sampling methods. Primary data was collected by use of a questionnaire whereas the secondary data was collected by use of a record survey sheet and analyzed by Pearson correlation and linear regression using SPSS. The results showed that inventory management has a negative significant

relationship with the financial performance of tea processing firms. The study therefore recommended tea processing firms to ensure the total numbers of days taken before inventories are sold is minimized in order to boost the returns of the firms, because he longer the period taken to settle account payables therefore increased profitability of a firm.

Michael et. al. (2017) examined the impact of working capital management on financial performance of quoted consumer goods manufacturing firms in Nigeria. Secondary data used were obtained from annual financial statements over a period of ten(10) years from 2005 to 2014.The findings revealed that efficient working capital management increases financial performance. In conclusion, a negative relationship exists between Cash Conversion Cycle (CCC) and financial performance while there is a positive relationship between Average Collection Period (ACP) and financial performance. The study recommended that firms within the industry may increase the in average collection period above the present industry average collection period of fifty-eight (58) days.
Muhammad (2017), conducted a study to investigate on working capital management and profitability of listed conglomerate firms in Nigeria. The key variables were working capital – measured by cash conversion cycle, debtor's turnover ratio, and inventory turnover ratio; and profitability measured by return on capital employed. Data were collected from the annual reports of the six conglomerate firms listed on the Nigerian Stock Exchange for time period of ten (10) years from 2006 to 2015. Correlation research design was used, while ordinary least regression (OLS) was employed in data analysis. Using panel data methodology, the study found a significant positive relationship between cash conversion cycle and profitability; an insignificant negative relationship between debtor's turnover ratio and profitability; and an insignificant positive relationship between inventory turnover ratio andprofitability.

Nwanna and Ivie (2017), investigated the effect of financial leverage on firm's performance of banks in Nigeria from 2006 – 2015. The study was carried out on thirteen (13) deposit-money banks listed in the Nigerian stock exchange for a period of ten (10).Performance are asunder study were profitability, size liquidity, efficiency and market capitalization value. Data used was gotten from annual reports of companies and analyzed using least square multiple regression technique. The findings of the research indicate that the use of debt improves managerial efficiency as managers will have to ensure more profit is made to pay interests and still beprofitable.

Abdi and Ali(2016),investigated the influence of capital structure on firms' financial performance a case study of commercial banks in Mogadishu Somalia. To achieve the objective of the study secondary data was used in this study. Data was collected by the review of documents, annual reports of the sampled companies published books. Descriptive statistics and multiple regression were adopted for data analysis with the aid of SPSS version 20. Results indicates that equity finance, debt finance, optimal capital structure had significant effect on the financialperformance of commercial banks in Mogadishu Somalia. The study findings indicated that there was a strong positive relationship (R= 0.637) between the variables, that there was a variation of 38.3% in the regression model, and that 61.7.0% of capital structure can be explained by the independent variables. From the study findings it was concluded that equity finance, debt finance, optimal capital structure had a strong positive relationship on the financial performance of a commercial banks in Mogadishu Somalia because there was evident that at 100% confidencelevel.

Abolo et. al. (2016), conducted a study to investigate the effect of capital structure on profitability of the firm, using a study of selected insurance firms in Port Harcourt. A descriptive survey research design was adopted in the research, a sample of eighty (80) respondents was adopted using simple random sampling technique, while Simple Percentage and Chi-square Statistics was adopted in the testing of hypothesis. Findings show that there is a significant relationship between

debt to assets ratio and return on assets, that there is a significant relationship between expenses to income ratio and return on capital employed, and that there is a significant relationship between debt to equity ratio and return onequity.

Adamu (2016), examined the determinants of financial performance of listed primary mortgage banks in Nigeria. The study employed the use of explanatory research design. Secondary data was collected from the published annual reports and accounts of listed primary mortgage banks (PMBs) for a period of ten (10) years covering from 2004 to 2013. The study adopted a pooled Ordinary Least Square (OLS) multiple regression analysis to investigate the determinants of financial performance. The study found a negative significant effect of capital adequacy and bank size on the financial performance (return on equity) of listed primary mortgage banks (PMBs) in Nigeria. It also showed that liquidity is insignificant to explain the financial performance of listed primary mortgage banks (PMBs) in Nigeria.

Akinyomi (2016),examined the effect of capital structure on firm performance, with evidence from Nigerian manufacturing industry. The research stresses the fact that capital structure decision is fundamental for the survival of the manufacturing sector in Nigeria. Data used for the research were gotten from annual reports of various manufacturing companies in Nigeria over a period of five (5) years from 2007 -2011. The result of the findings indicates that DC, DCE, and AGE is positively related to ROE. The results obtained also confirmed that there is a significant relationship between capital structure and financial performance using both ROA and ROE.

Birru (2016), studied the impact of capital structure on financial performance of selected commercial banks in Ethiopia over the past five (5)year period from 2011 to 2015 using secondary data collected from financial statements of the commercial banks. This study employed a survey design that was administered through structured review of documents from selected commercial bank's financial statements for five years. Data was then analyzed on quantitative approach using descriptive statistics, correlation matrix, multicollinearity test, heteroskedasticity test, random effect(RE) and fixed effect (FE) Pooled OLS, and multiple regression models using Stata12.The results indicated that financial performance is significantly and negatively associated with capital structure, where as DR have negative impact on financial performance. The study concluded that, capital structure decisions are among the most important and crucial decisions for any business because of their effect on the performance of firms. The study recommended that the commercial banks of Ethiopia should focus on the proportion of debt used by the bank, the manner of utilizing the resources while expanding the banks and the amount of investment on fixed asset.

Elekwachi et. al. (2016), investigate on the effect of capital structure on organizational performance (a study of selected firms in Port-Harcourt)". A descriptive survey research design was adopted in the research, 124 respondents was adopted as sample using a simple random sampling technique, while Descriptive Mean and Chi-square Statistics was adopted in testing of hypothesis. The findings showed that there is a significant relationship between debt equity financing and profitability of corporate organizations, that there is a significant relationship between debt financing and return on investment of corporate organizations, that there is a significant relationship between debt capital and liquidity of corporate organizations, and that there is a significant relationship between debt capital and riskiness of corporateorganizations.

Kingsley et al. (2016), investigate on the effect of capital structure on organizational performance (a study of Rivers State Ministry of Works). The study became necessary because of the difficult task of achieving efficient and effective budgetary control system in recent times across Nigeria, since the government uses budgetary control as tool for proper management of resources. The research method adopted was cross-sectional survey, and three hypotheses were tested using

the Pearson Product Moment Correlation Coefficient. 100 questionnaires were distributed to management staff of the Rivers State Ministry of Works in Port- Harcourt. The study found that there is a positive relationship between Budget Controlor Monitoring and Organizational Performance, there is a positive relationship between Budget Planning or Coordination and Organizational Performance, there is a positive relationship between Effective or Efficient Management of Resources and Organizational Performance.
Nwokocha et al. (2016), conducted a study to investigate the "Accounts Receivable Management and Performance of Microfinance Bank (A Study of Selected Banks in Port- Harcourt)". The key variables were accounts receivable – measured by loan repayment schedule, loan guaranteeing process, and accounts receivable factoring; and performance – measured by profitability, liquidity and survival. A descriptive survey research design was adopted with a sample of 50 respondents using a simple random sampling technique, while descriptive meanand chi-square statistics were adopted for analysis. The study found that loan repayment schedule has a significant impact on the profitability of microfinance banks, that loan guaranteeing processhas a significant impact on the current ratio of microfinance banks, and that accounts receivable factoring has a significant impact on survival of microfinancebanks.

Nyakundietal (2016),assessed the influence of working capital management practices on financial performance of SMEs in Machakos Sub-County, Kenya. They assessed the influence of cash, receivables and inventory management practices influences financial performance of SMEs. The study adopted a cross-sectional survey research design which allowed the collection of primary quantitative data through structured questionnaires and interview methods. The target population was one hundred and fifty-nine (159) SMEs trading in Machakos Sub-County. Random sampling technique was used to obtain a sample of 22 SMEs trading in Machakos Sub-County. The data was analyzed using both descriptive and inferential statistics. The results showed that working capital were low amongst the SMEs, since majority had not adopted formal working capital management practices and their financial performance was on a low average. This study concluded that WCMPs have an influence on the F. Pof SMEs; therefore, there is need for SMEs owners/manages to embrace EWCMPs as a strategy to improve their F.P in order to survive in the turbulent business environment.
Sorin (2016), examined the impact of leverage on firms in period of economic growth and economic uncertainty, and with empirical evidence from firms listed in Romanian. The study covered a period range of eleven (11) years from 2001 -2011. The growth of these firms was evaluated using different measures such as sales growth and employment growth. The result obtained using regressional model indicate that that leveraging has a positive effect on firm growth, while older firms saw a faster increase in assets and sales.

Taqi, et al. (2016), studied the impact of capital structure on profitability of selected trading companies of India. The present study is an explanatory and non-experimental in nature and intended to examine the nature of capital structure and firm's performance. The time period ofthestudycomprisesoftenyearsi.e.2006-07to2014-15andthedataofeighttradingcompanies listed in Bombay Stock Exchange have been analyzed. The sample size included eight companies. Panel data econometric techniques are employed for the study, including Pooled Ordinary Least Squares (OLS) model, Fixed Effect Model and Random Effect Model, which were used for analysis. Data collected was entered into the E views and multiple regression analysis method was used for analyzing and testing of hypotheses. The study revealed that capital structure influences financial performance offirm. Thus, from the study results it was concluded that equity and long term debt financing enhances financial performance.

Bukar and Habila (2015), conducted a study to evaluate the impact of ownership structure on firm performance – evidence from deposit money banks in Nigeria. A historical survey research

design was adopted in the research, 19 deposit money banks were adopted as sample using a simple random sampling technique, while Descriptive Mean and Pearson Correlation was adopted in testing of hypothesis. The study therefore concluded that institutional ownership has significant impact on the performance of listed banks in Nigeria, because return on asset has maximized the wealth of shareholders, return on equity has built the confidence of prospective investors, and size of the bank has positive effect on institutional ownership.

Geetika and Alka (2015), analysed the relationship between the capital structures of forty (40) Indian firms and their performance. The paper surveyed the topical developments in the empirical structure over a period of 2001 – 2014. The independent variables used in the analysis were debt-equity ratio, debt-asset ratio and long term debt, while the dependent utilized in the research include net profit, net profitmargin.

Hussaini, et al. (2015), conducted a study to investigate the capital structure and profitability of deposit money banks in Nigeria. A correlation and ex-post facto survey research design was adopted in the research, 10 deposit money banks were adopted as sample using a simple random sampling technique, while Descriptive Mean and Pearson Correlation was adopted in testing of hypothesis. The findings revealed that debt to total asset ratio has a positive significant impact on the profitability of listed deposit money banks in Nigeria, and that debt to total equity has a negative significant impact on the profitability of listed deposit money banks in Nigeria. Based on these findings, the study that banks' finance managers should identify the optimal capital structure that will help to attain the best financial performance in their various business dealings.

Kazeem (2015) studied impact of firm specific characteristics on the financial performance of listed insurance firms in Nigeria. Financial performance was the dependent variable while theage of insurance company, firm size, premium growth, loss ratio, liquidity and leverage are independent variables. The population of the study was thirty (30) listed insurance firms as at 31st December 2013. Twelve of them were selected to form the sample of the study for the period of eight years (2006-2013). Secondary data obtained from the financial statements of the companies were analyzed using multiple regressions. Panel data techniques (fixed and random effects model) were utilized to investigate the impact of firm specific characteristics on financial performance. The result shows that firm size, loss ratio, liquidity, and leverage are the most important determinants of financial performance.
Kymet. al.(2015), analysed the relation between the leverage ratio and the effect of managers' decision to manage earnings in Brazil. Three models of discretionary accruals where used as proxy for earning management, linear regression was used as data were observation from 1994–2010.Results obtained indicate that there is no relationship between the leverage ratio and earnings management. The result obtained contributes to the various literatures that examined the effect of opportunistic behaviour on managementearnings.

Ilyukhin(2015)studied the impact of financial leverage on firm performance in Russia. According to his research, financial leverage can influence a firm performance positively because leverage can be treated as a tool for disciplining management. According to the writer, the results for a large sample of Russian joint stock companies from 2004-2013 showed that the impact of financial leverage on Russian firms' performance has been negative. This was as a result of ineffective corporate control of Russian market, debt attracting difficulties, high growth potential and high interest rates for financing through debt. The result obtained supports pecking-order theory but are not consistent with the trade-offtheory.
Jamil et al. (2015), studied the effect of working capital management efficiency on operating performance of the industrial companies in Oman. The study employed explanatory non-experimental research design. Thirty-seven (37) out of forty-eight (48)industrial companies listed

in the Muscat Securities Exchange (MSM) in Sultanate of Oman, were selected as sample size. This included eighteen (18), results showed that the first model is significant because only CCC and NWCR have impact on the NOP; where R2 is 46% of total variance, which means that the CCC and NWCR interpret only 46% of any changing in NOP. and second model is insignificant, because CCC, CR, CAT and NWCR have no impact on EBIT; where R2 is 7.4% of total variance which means that model does not interpret any important changes in EBIT.

Abubakar et. al. (2020), studied the impact of working capital management on financial performance of selected quoted firms in Nigeria. The study has been conducted in different parts of the globe and in Nigeria with different findings which are mixed and inconclusive. The population of the study consists of ten (10) firms quoted on the Nigerian stock exchange as at 31st December 2019. A sample size of ten (10) firms were selected over a period of seven (11) years from 2009 to 2019 based on purposeful sampling technique. The study adopted a correlational research design with ordinary least square (OLS) model, descriptive statistics, multiple regression and Pearson correlation analysis. The study revealed that Cash Conversion Cycle showed a positive significant impact on financial performance of selected quoted firms in Nigeria while Debt Equity Ratio and Inventory Conversion Period have no significant impact on financial performance of selected quoted firms in Nigeria.
Mukumbi et. al. (2020), studied the impact of capital structure on the financial performance of non-financial firms quoted at the Nairobi Securities Exchange. The findings showed that capital structure has a direct influence on the financial performance of firms listed at the Nairobi bourse. The results showed that the financial performance of firms increases with the increase in the changes in debt in the capital structure. This thus supports debt financing in running the firms as compared to equity financing. Thestudy thus recommended that firms should increase debt financing in their capital structure in order to enhance financial performance and increase value to the companies'stakeholders.

Mather(2015),estimated the cost of equity capital for the banking sector in the long-run. Data used for the analysis were from countries in the Eurozone, US, UK, Sweden and Switzerland for the period 1999-2014. The research was modelled to analyze whether the cost of equity of banks in Eurozone differs from banks' cost of equity in the U.S. Results obtained indicate that the multi-factor as set pricing framework does provide a robust explanation of the cost of equity for banking sector. However, the result obtained also indicates that the pattern, sign, size, and significance of these factors vary widely between the Eurozone and theUS.

Mihaela et. al. (2015), investigated the determinants of capital structure of micro-and small enterprises based in the country of Iaúiin Romania. They employed debt ratio as the dependent variable and five (5) factors (tangibility, profitability, size, liquidity and growth opportunity) as determinants of capital structure. Their results indicate that leverage is negatively related to tangibility, profitability and liquidity. The size of the firm and the growth opportunities can also have a negative impact on the leverage, but to a lowerextent.

Nawaz et. al. (2015), examined the impact of financial leverage on Firms'profitability: an investigation from cement sector of Pakistan. Eighteen (18) out of twenty-one (21) cement manufacturers were incorporated in the study and six (6) years annual data from 2005 to 2010 regarding financial leverage and profitability of the said firms were taken into consideration. Ordinary Least Square model was applied on the data to establish a causal relationship between the variables. The study finds that financial leverage has a statistically significant inverse impact on profitability at 99% confidence interval.

Ndulue et. al. (2015), investigated the impact of capital structure on financial performance of

cement manufacturing industry in Nigeria – A Case Study of Dangote and Ashaka Cement Companies. The annual financial statements of the companies were used for this study which covers a period of six (6) years from 2008 - 2013. Ordinary Least square regression analysis was applied on performance proxies return on asset (ROA) and return on equity (ROE) as well as total debt (TD) and total equity (TE) as capital structure proxies. The study found that, there is a positive significant relationship between ROE and total equity and there is positive significant relationship with ROA and total debt, in both Dangote and Ashaka Cement. The study concludes that statistically, capital structure represented by total debt (TD) and total equity (TE) is the major determination of firm performance in the cement manufacturing industry.

Yahaya and Bala (2015),investigated the effect of working capital management of Deposit Money Banks in Nigeria. The results showed a strong positive relationship between current ratio and quick ratio and ROA of Listed Deposit Money Banks in Nigeria, while cash ratio was found to be inversely but significantly related to ROA of Listed Deposit Money Banks in Nigeria. In line with the above findings, the study recommended that the management should put more attention on their liquidity in order to maintain an adequate liquidity as the study has empirically proved that higher liquidity signifies more profitability, the listed Deposit Money Banks in Nigeria should try and maintain a higher quick ratio as it will have a positive impact on their profitability. Finally, the management should reduce the amount held in cash as current asset and concentrate more in investing them, so that it could yield higher return rather than tie down the idlecash.

Oliver(2015),studied the examined the effects, magnitude, strength, causalities and co integration of the relationships between banks' financial performance indicators and share prices in Nigeria banking sector, for a study period range of 2004 - 2013. Secondary data where used, which included data from annual report and accounts of First Bank Plc, Access Bank Plc, Zenith Bank Plc and United Bank for Africa Plc. Multiple regression models where used to determine the nature and magnitude of association between the dependent variable (MPS) and the independent variables Bank Age, Earnings Per Share (EPS) and Return on Assets (ROA). The results obtained indicate that only EPS, amongst the other variables has both positive and significant relationship with MPS. About 33% of the variations in market price of ordinary shares could be explained by changes in earnings per share, returns on assets and the age of the banks and there is a fairly strong relationship between MPS and earnings per share (55%).

Chowdhury and Chowdhury (2010), examined the impact of capital structure on the value of shares of Bangladesh quoted firms. The study aims to provide a status on the extent to which a firm's capital structure may differ and how the value of firm changes as a result.. They establish from the empirical findings that there is a strong positive correlation between the firms" capital structure and value expressed by their share prices in the market.

David and Olorunfemi (2010), investigated the relationship that exists between earnings per share and leverage ratio on one hand and dividend per share and leverage ratio on the other hand in the Nigerian petroleum industry. The earnings per share and dividend per share are used as performance measures. The study employs panel data analysis using Pooled regression estimation, Fixed-effect estimation, Random-effect estimation and Maximum likelihood estimation. They find that there is positive relationship between earnings per share and leverage ratio on one hand and positive relationship between dividend per share and leverage ratio on the other hand.

METHODOLOGY

To achieve the objective of this study, Correlation research design was adopted. Correlation research design was employed based on positivism paradigm which employed the quantitative methods of data collection, data presentation, testing of hypotheses and discussion of findings. This study is

historical because events about capital structure and financial performance in Nigeria have been published through annual reports, as occurring under preceding year of assessment. The study used quantitative methods, because capital structure measures the finance data used to boost production and performance of breweries.

For this study, the population is all five (5) brewery firms in Nigeria, listed under the brewers/distillers section, and classified under the beverages and consumer goods group of companies (Nigerian Stock Exchange, 2021). This include five (5) listed brewery firms as at 31st December, 2021.

1. Nigeria Breweries
2. International Breweries Plc
3. Guinness Nigeria
4. Champion Breweries
5. Golden Guinea breweries Plc

Source: Nigeria Exchange Group Plc, (2021)

The collection of five (5) listed brewery firms were selected to constitute the sample for which secondary data that spans ten years (2011 – 2021) was collated. Organizations'data that pertains to Capital Structure and Financial Performance were obtained from the five (5) banks. The sampling procedure employed for this study is census sampling technique whereby all the members of the population were chosen.

Descriptive and Inferential analytical techniques were employed in analyzing the data. The descriptive analyses consist of mean and standard deviation, while a trio of multiple linear regression equations was used to establish the direction and strength of the effect of the endogenous and exogenous variables. Multiple regression was considered appropriate in view of the fact that it helps in not only establishing relationship between variables, but shows the effect cause and effect relationship.

Model Specification

The model specification adopted for this study is based on the description of the relationship between the dependent and independent variables of this research work.

$Y = f(X)$ 1

Where Y = Dependent Variable represents financial performance which is proxy by Return on asset (ROA) and return on investment (ROI) (these parameters were used because some of them were used by) in his study on financial report. They were also used because they are indicators representing financial performance in this research work.

X = Independent Variable Adekunle, (2013) represented by Equity funding and debt funding;

The multiple linear regression models that will be used in testing the hypotheses of the study are presented below:

$ROI = \beta_0 + \beta_2 EQF + Ɛ$

$FP = \beta_0 + \beta_1 FSZ + \beta_2 CAS + \beta_3 FSZ*CAS + Ɛ$

Where:

ROA = Return on Asset
ROI = Return on Investment
β_0, β_1& β_2 = parameters to be estimated
DTF = Debt Financing
EQT = Equity Financing
Ɛ = error term signifying other variables not captured in the study
FSZ = Firm size
FP = Financial Performance
CAS = Capital structure

β_3FSZ*CAS = Interaction

DATA PRESENTATION AND ANALYSIS.

Hypothesis One:

H_{01}: There is no significant effect of debt financing and return on investment of listed brewery firms in Nigeria.

Table 1: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.012	1.133		-.893	.376		
	LDTF	.049	.061	.108	.793	.431	1.000	1.000

a. Dependent Variable: LROI

From Table 1, the unstandardized coefficients indicate how much the dependent variable return on investment varies with the independent variable debt financing. As shown on the table, the intercept B_0 is -1.012, indicating the predicted value of return on investment without the contributions of debt financing. i.e. when debt financing is equal to zero. However, the slope B_1 is .049, indicating that 1-unit increase in debt financing will bring about .049 units increase in return on investment. Furthermore, the standard error of the estimate (ε) is 0.061 which is the actual contribution of debt financing in return on investment. More so, the Beta value in the Standardized Coefficients is .108 which further confirms the regression coefficient in the model summary.

Since the probability value is 0.431 > 0.05 which means debt financing statistically insignificantly predicts return on investment. In view of these results we accept the null hypothesis which states there is no significant effect of debt financing and return on investment of listed brewery firms in Nigeria. These findings have helped to answer research question four. From Table 4.13 the regression model can be developed thus;

ROI = B_0+ B_1DTF + ε

ROI = -1.012 +.049 DTF + 0.061

Hypothesis Two

H_{02}: Firm size does not moderate the relationship between capital structure and financial performance of listed brewery firms in Nigeria.

Decision Rule

Reject **Ho_5** if the *p*-value for the moderated regression is less than 0.05. Otherwise, do not reject

Ho_2: The hypothesis was tested using moderated regression analysis based on the model below

$FP = \beta_0 + \beta_1 CS + \beta_2 FSZ + \beta_3 CS*FSZ + \mu_t$

The predictors, Capital Structure (CS), firm size (total asset) (FSZ), and the moderator (CS*FSZ) were regressed on firm performance (FP). The coefficient on the moderator (CS*FSZ) was used in interpreting the effect of the moderator of the relationship between Capital structure (CS) and financial performance (FP).

Table 2: Model Summary from regression of moderator variables on firm performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.147[a]	.022	-.036	1.1910430	1.544

a. Predictors: (Constant), LFSZ, LCAS, FSZ*CAS

b. Dependent Variable: LFP

Source SPSS Window Output, Version 21.0 (2023)

The model summary of the regression results shows that the R value is 15 percent, indicating that the independent variables explain about 15 per cent of the variations in the dependent variable. The model summary with an F value of .378 is not significant at the 1 per cent level.

Table 3:ANOVA Table from regression of moderator variable on firm performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.607	3	.536	.378	.769[b]
	Residual	72.348	51	1.419		
	Total	73.955	54			

a. Dependent Variable: LFP
b. Predictors: (Constant), LFSZ, LCAS, FSZ*CAS
Source SPSS Window Output, Version 21.0 (2023)

Table 4 :Table of Coefficients from regression analyses involving the moderator

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	12.400	14.654		.846	.401		
	LCAS	-.526	.922	-.917	-.571	.571	.007	134.656
	FSZ*CAS	.026	.040	1.749	.653	.517	.003	373.790
	LFSZ	-.542	.749	-.956	-.723	.473	.011	90.989

a. Dependent Variable: LFP
Source SPSS Window Output, Version 21.0 (2023)

The ANOVA table shows that not a greater proportion of the variation in the dependent variable is explained by the regression. The significance value of .769 indicates that the model is relatively appropriate.

Table 4 shows the values of the t statistics of the independent variables and their significance levels. The variable, Capital structure (CS), has a t value of -.571 with a significance of .571 indicating that CS has a no significant relationship with financial performance. Firm Size similarly has no significant relationship with firm performance. The interaction term FSZ*CAS has a t value of .653 and a negative coefficient which is insignificant at 1 per cent level. This means that firm size negatively moderates the relationship between capital structure and financial performance.

Test of Model Utility

The serviceability of the overall regression statistics was tested prior to the testing of the individual hypotheses for their levels of significance. The fitness of the model can be explained by F-ratio in Table 3 and Table 4.6. The F-ratio in the model is 1 is .564, which is very insignificant at $p < 0.05$., model 2 is .388 and insignificant at $p < 0.05$ respectively. This implies that there is significant evidence to extrapolate that capital structure (equity and debt) is linearly related to financial performance. The study concludes that, the regression model is useful to the extent that the predictor variables significantly predict the behaviour of the metrics of dependent variables investigated. The implication is that at least one of the independent variables has none zero coefficient. This proposes that the model is measured to be fit and that capital structure has substantial influence on financial performance.

DISCUSSION OF ANALYSIS

The research hypothesis one states there is no significant relationship between debt financing and return on investment of listed brewery companies in Nigeria, as evident in the statistical results , P-values (0.431) is greater than 0.05 level, the null was accepted as there is an insignificant

relationship between debt financing and return on investment. The R value depicts that there is 10.8% direct relationship between debt financing and return on investment. R–squared value of .012 (01%) shows that debt financing can affect return on investment on very low degree, and that 1% of the changes in financial performance in terms of return on investment is accounted for by debt financing aspect of capital structure. In addition, with a coefficient of 0.108 signify that debt financing also has a positive relationship with return on investment. The implication of this that a 1% rise in debt financing would result in a 0.108 percent increase in return on investment of the listed brewery companies. Result here also aggress with that of Gomes & Khatiweda (2016), Njoku (2017) and Okosun (2019) but disagrees with that of Leon (2013) whose study result indicated a positive and significant relationship existing between capital structure and return on assets and return on investment of firms listed in the stock exchanges.

These results imply that when the capital structure of firms consist of debt component, is in place return on asset as well as return on investment of the listed firms would not be affected to a great extent and vice versa. The finding here is in agreement with the studies of (Orichom&Omeke, 2021; Okosun, 2019) whose study result indicated thatcapital structure has an insignificant relationship with financial performance of firms.

The research hypothesis two states Firm size does not moderate the effect of capital structure on financial performance of listed industrial goods firms in Nigeria using *p*-value for the moderated regression (0.517) is greater than 0.05 and also statistically insignificant the null is not rejected, that firm size does not moderates the relationship between capital structure and financial performance of listed brewery companies. The values of Multiple R, and R squared (0.147, & 0.022) respectively shows that 14.7% direct relationship between capital structure and financial performance exist when there is moderating effect of firm size. 2% of the variation that exists between capital structure and financial performance is accounted by the effect of firm size. In addition, with a coefficient of 1.749 (Table 1), signify that firm size also has a positive influence on the relationship between capital structure and financial performance and it implies that a 1% rise in firm size would result in a 1.749 percent changes on the effect that capital structure would have on financial performance of listed brewery companies in Nigeria. These results imply that when the size of the firm in terms of its total assets is considered by the listed brewery companies, the capital structure composition of the companies can be affected and vice versa. The findings here aggress with the study of previous works of Hayat et al (2017); Reinhardt (2017) and Olawale et al (2016). It however disagrees with that of Nenu et al. (2018) whose work indicated that firm size is moderator between the relationship that exist with capital structure and financial performance of firms. Nenu et al. (2018) carried out an empirical investigation on the impact of capital structure on risk and firm performance in Romania with firm size as a moderator. The result showed that leverage is positively correlated with the size of the company and the share price volatility. On the other hand, the debt structure has a different impact on corporate performance. Hamyat et al. (2017) examined the effect of firm size and diversification on capital structure and firm value in Indonesia Stock Exchange. The results revealed no effect of capital structure on Firm's value. Diversification and Firm Size effect on firm value. Diversification has effect on capital structure. Firm size has no effect on the structure. No mediation effect of capital structure on relationship between diversification and Firm value.

FINDINGS:

Firstly, the study discovered that Debt financing has a positive, very weak and insignificant relationship with Return on investment of quoted brewery companies in Nigeria.

Also, the study established that Firm size has a positive but insignificant moderating effect on the relationship that exists between capital structure and financial performance.

CONCLUSION(S)

In view of the finding of the study, it is concluded as follows:

Debt financing has a positive, very weak and insignificant relationship with Return on investment of quoted brewery companies in Nigeria.
Finally, Firm size has a positive but insignificant moderating effect on the relationship that exists between capital structure and financial performance.

RECOMMENDATIONS

In line with the findings the following recommendation is put forward for consideration by the appropriate authorities:

1. There should be a review of the capital structure of the firms so as to ascertain the optimal capital structure that can be used to enhance financial performance
2. Equity position of the firms should be reviewed as well as this could have a way of increasing their performance in terms of return in investment if used adequately. This is particular important as shareholders and investor will most at times identify with firms where they have returns on investment on a regular basis, no matter how small the returns are
3. In considering to use a mix of debt and equity, they should go for the right kind of debt financing otherwise, financial performance could be affected on the negative side. This is important as result has shown that debt financing has an insignificant relationship with financial performance. where practicable, they should issue only equity forms of capital structure as these has a more tendency to impact positively on return on investment for the listed firms
4. Management of the companies should ensure increased awareness of its capital structure as well as capital intensity and monitor this so that it can achieve optimum financial performance.
5. The size of the firm in terms of its total asset base should be considered by the management of the listed firms so that the right kind of capital structure for the company can be adopted.

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