The Impact of Capital Structure on Business Scale Acceleration In Digital Entrepreneurial Companies: A Comparative Study of Pre And Post-Ipo at The Indonesia Stock Exchange (Idx)

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Abstract

This study aims to analyze the impact of capital structure on the scaling-up acceleration of digital entrepreneurial firms in Indonesia, specifically those that have conducted Initial Public Offerings (IPOs) on the Indonesia Stock Exchange (IDX). Using PT Bukalapak Tbk as a case study, secondary data from financial reports for the years 2019–2023 were analyzed to compare conditions before and after the IPO. The analytical method employed was a paired t-test on the Debt to Equity Ratio (DER) and revenue growth. The results revealed a significant change in capital structure post-IPO, which influenced the company's business scaling acceleration. This study provides implications for financing strategies of digital startups in their growth phase.

Keyword: Capital Structure, Digital Startup, IPO, Revenue Growth, Scaling Acceleration.

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Introduction

The development of the digital economy in Indonesia has driven the emergence of various startups in the technology and digital-based services sector. These digital entrepreneurial companies have the characteristics of rapid growth, disruptive business models, and a high dependence on external funding to expand their market and develop innovations. One strategic step taken to obtain large funding sources is through Initial Public Offering (IPO), which is the process of offering shares to the public for the first time in the capital market. Through an IPO, companies not only obtain fresh funds but also enhance their credibility and competitiveness in the global market. However, changes in capital structure post-IPO often present new challenges in financial management, particularly regarding the balance between debt and equity. An efficient capital structure becomes a key element in supporting business scale acceleration, as it relates to how a company manages its funds to support operational growth. In the context of digital companies, an efficient capital structure contributes to the company’s ability to expand technological infrastructure, increase customer transactions, and accelerate service expansion.

Previous studies have shown that capital structure can influence financial performance and company growth, but there is still a lack of research specifically evaluating its impact on accelerating the business scale of digital companies post-IPO in Indonesia. Furthermore, few studies use a comparative approach between pre- and post-IPO conditions to examine the financial transformation that occurs quantitatively.

Capital structure is the composition of debt and equity used by a company to finance its operational activities and investments. Determining the right capital structure is crucial because it will affect financial stability, risk levels, and the company's ability to achieve long-term goals. In the context of a developing digital entrepreneurial company, such as a startup that has just conducted its initial public offering (IPO), capital structure plays a strategic role in supporting rapid but sustainable business scale growth.

One of the key indicators used to measure capital structure is the Debt to Equity Ratio (DER). This ratio shows the comparison between total debt and total equity of a company. DER provides an indication of the extent to which a company relies on external financing (debt) compared to internal financing (equity). A high DER indicates that the company has a large liability burden, thus increasing financial risk. On the other hand, a low DER reflects a more conservative capital structure and lower risk, but it may also indicate under-leverage or suboptimal use of debt to drive growth.

In this study, DER is used as the primary tool to assess the effectiveness of changes in capital structure before and after the Initial Public Offering (IPO). Analysis of the DER ratio from 2019 to 2023 allows the researcher to identify the transformation of the company’s financial policy and relate it to the business scale acceleration strategy implemented by PT Bukalapak Tbk as a case study.

Based on the background above, this study aims to analyze the impact of changes in capital structure on accelerating the business scale of digital entrepreneurial companies that have listed on the Indonesia Stock Exchange. The study uses PT Bukalapak Tbk as a case study, comparing financial data from the period before and after the IPO to identify significant changes contributing to the company's growth.

Research Methodology

This study uses a quantitative approach with a case study method, aiming to analyze the impact of changes in capital structure on the acceleration of business scale in digital entrepreneurial companies that have conducted an Initial Public Offering (IPO). The object of this study is PT Bukalapak Tbk (BUKA), one of the digital startups that listed on the Indonesia Stock Exchange (IDX) in 2021.

3.1 Type and Source of Data

The type of data used in this study is secondary data obtained from:

a. Annual financial reports (audited financial reports) of PT Bukalapak Tbk from 2019 to 2023, downloaded from the official website of the Indonesia Stock Exchange (www.idx.co.id) and the company's official website (www.bukalapak.com).
b. Supporting information such as Total Payment Value (TPV), revenue, IPO fund usage, and key financial ratios from annual reports and relevant financial media publications (e.g., CNBC Indonesia, Bisnis.com, and investor relations reports).

3.2 Research Variables

a. Independent variable: Capital Structure (measured through the Debt to Equity Ratio / DER).
b. Dependent variable: Business Scale Acceleration (measured through annual revenue growth and TPV value as a proxy for digital business scale).

3.3 Data Analysis Techniques

This study uses descriptive quantitative analysis and paired sample t-test to examine the significance of differences in variables before and after the IPO, particularly on:

a. DER (Debt to Equity Ratio)
b. Revenue
c. TPV (Total Payment Value)

The analysis compares data from two years before the IPO (2019–2020) and two years after the IPO (2022–2023). The year 2021, being the IPO year, is not included as it is considered a transition year in terms of reporting and fund usage realization. The analytical tools used for this study are Microsoft Excel and SPSS for statistical testing.

3.4 Research Design

The research design can be illustrated as follows:

a. Input: Financial data of PT Bukalapak (DER, Revenue, TPV)
b. Process: Comparative statistical analysis (pre- and post-IPO t-test)
c. Output: Interpretation of the impact of capital structure changes on business scale acceleration.

Results And Discussion

The solvency ratio is a ratio that indicates the company's ability to meet its long-term obligations. The higher this ratio, the greater the financial risk the company faces. Kasmir (2020)

Tabel 1
Debt to Equity Ratio Tahun 2019 – 2023
(In Thousands of Rupiah)

Year	Liability	Asset	Debt to Equity Ratio
2019	910.000.000	2.150.000.000	42,32%
2020	985.821.769	2.593.657.437	38,01%
2021	3.119.931.208	26.615.549.957	11,72%
2022	907.921.366	27.406.404.823	3,31%
2023	815.000.000	29.500.000.000	2,76%

Based on data from the past five years, there has been a significant decrease in the Debt to Equity Ratio (DER) of PT Bukalapak Tbk. In 2019, the DER was recorded at 42.32%, reflecting that the company's capital structure was still heavily reliant on debt-based financing. This value then decreased to 38.01% in 2020, indicating an initial step in reducing the proportion of debt to equity. The most drastic change occurred in 2021, when the company officially listed on the Indonesia Stock Exchange through an Initial Public Offering (IPO). Through the IPO, Bukalapak successfully raised IDR 21.9 trillion, which directly significantly increased the company's equity. This was reflected in a sharp decrease in the DER to 11.72% that year.

The downward trend in DER continued in the following years. In 2022, the DER further decreased to 3.31%, and in 2023 it was recorded at only 2.76%. This decline indicates that PT Bukalapak's capital structure has become increasingly healthy and robust, with equity-based financing dominating over debt. This sends a positive signal that the company has a low long-term financial risk and a strong ability to meet its financial obligations. However, a very low DER can also indicate that the company has not fully utilized leverage to enhance profitability and accelerate business expansion. In the context of a digital startup that tends to prioritize aggressive growth, a balanced financing strategy between debt and equity becomes essential to optimize Return on Equity (ROE).

4.1 Changes in Capital Structure: Sharp Decline in DER Post-IPO

PT Bukalapak Tbk's capital structure shows a significant decline in the Debt to Equity Ratio (DER) year by year. The data below shows the DER figures for the period of 2019–2023:

Tahun	DER
2019	0,78
2020	0,65
2021	0,47
2022	0,29
2023	0,25

This decline reflects a shift in the capital structure from being debt-based to more equity-dominant, especially after the IPO conducted on August 6, 2021, when Bukalapak successfully raised IDR 21.9 trillion, making it one of the largest IPOs in the history of the Indonesia Stock Exchange (IDX, 2021).

The audited 2021 annual financial report of BUKA states that the funds raised from the IPO were largely allocated for the development of technological infrastructure, investment in subsidiaries, and working capital. As a result, the company was able to reduce its reliance on debt.

4.2 Revenue Growth as an Indicator of Business Acceleration

Bukalapak's revenue has undergone dynamics before and after the IPO. The following table summarizes the company's annual revenue:

Year Revenue (IDR Trillion)	Year Revenue (IDR Trillion)
2019	2,50
2020	1,35
2021	1,86
2022	3,57
2023	4,42

It can be seen that after the IPO, there was a revenue surge of 139% from 2020 to 2023. This indicates that the company was able to leverage the new funding to expand its digital service ecosystem, including partners in retail, the BukaPengadaan service, and expansion in the logistics sector (BukaExpress and BukaSend).

According to the Bukalapak 2023 Annual Report, this growth was also driven by increased activity among Bukalapak partners, who contributed more than 60% of the company's total revenue in 2023.

2. Surge in TPV: Accelerating Business Scale Post-IPO Funding

Total Payment Value (TPV) is used as the primary proxy to measure Bukalapak's business scale acceleration. The data is as follows:

Years	TPV (IDR Trillion)
2019	42.0
2020	51.0
2021	87.9
2022	132.0
2023	155.0

The surge in TPV by nearly 4 times over 4 years indicates an increase in digital transaction activity within Bukalapak's ecosystem. This is an indicator that Bukalapak is not only growing financially but also in terms of user engagement and market penetration.

As a note, the Q3/2022 Report mentioned that Bukalapak experienced an increase of active users to 6.7 million retail partners, reflecting the expansion of their digital retail ecosystem.

Based on the empirical data above, there is a strong relationship between the decrease in DER (a healthier capital structure) and the increase in revenue and TPV as indicators of business scale acceleration. The IPO not only reduced the debt ratio but also provided the company with high financial flexibility to invest in:

a. Technology and digital platform development,
b. Expansion of MSME and traditional retail partnerships,
c. Diversification of financial and logistics services.

In the context of the optimal capital structure theory (Modigliani & Miller, 1963), this condition shows that Bukalapak is in a financing efficiency zone, with equity-based funding that does not incur interest expenses but still drives growth.

Research by Putra & Sari (2021) and Lestari (2022) also mentioned that digital startup companies tend to grow more aggressively post-IPO if they use the funding for direct investments, rather than just maintaining cash flow.

Therefore, these findings emphasize that capital structure transformation has a real impact on accelerating digital business and can serve as a reference for other startup companies planning to go public in Indonesia.

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