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PROFITABILITY AND LIQUIDITY AS DETERMINANTS OF FIRM VALUE: THE MODERATING ROLE OF DIVIDEND POLICY

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ABSTRACT

This research identifies instability in firm value among various consumer non-cyclical issuers listed on the Indonesia Stock Exchange (IDX) over the 2020–2024 period. This research is designed to test the contribution of profitability and liquidity in affecting firm value. Furthermore, it also tests the extent to which dividend policy can moderate the intervariable relationship among consumer non-cyclical entities listed on the IDX throughout the observation period. Using a quantitative approach of the explanatory research type, secondary data were gathered directly from the annual financial reports of the objects under study. A total of 150 observational data points serving as the sample were analyzed using the PLS-SEM technique with WarpPLS 7.0. The empirical results indicate that an increase in profitability significantly encourages a rise in firm value. Meanwhile, the level of liquidity instead has a significant negative effect on firm value. On the other hand, dividend policy is not proven to moderate the effect of either profitability or liquidity on firm value. Overall, profitability emerges as the dominant factor driving the increase in firm value, whereas dividend policy fails to perform an effective moderating function in this relationship.

Keywords: Profitability; Liquidity; Firm Value; Dividend Policy

ABSTRAK

Penelitian ini mengidentifikasi adanya ketidakstabilan nilai perusahaan pada berbagai emiten consumer non-cyclical di BEI periode 2020–2024. Studi ini dirancang untuk menguji kontribusi profitabilitas dan likuiditas dalam memengaruhi nilai perusahaan. Lebih lanjut, diuji pula sejauh mana kebijakan dividen mampu memoderasi hubungan intervariabel pada entitas consumer non-cyclical yang terdaftar di BEI selama periode pengamatan. Dengan menerapkan pendekatan kuantitatif berjenis explanatory research, data sekunder dihimpun langsung dari laporan keuangan tahunan objek amatan. Sebanyak 150 data observasi yang menjadi sampel dianalisis menggunakan teknik PLS-SEM dengan WarpPLS 7.0. Hasil empiris mengindikasikan bahwa peningkatan profitabilitas secara signifikan mendorong kenaikan nilai perusahaan. Sedangkan, tingkat likuiditas justru membawa dampak negatif yang signifikan terhadap nilai perusahaan. Di sisi lain, kebijakan dividen tidak terbukti mampu memoderasi pengaruh profitabilitas maupun likuiditas terhadap nilai perusahaan. Secara keseluruhan, profitabilitas teridentifikasi sebagai determinan dominan dalam mendorong peningkatan nilai perusahaan, sedangkan kebijakan dividen tidak efektif menjalankan fungsi moderasi dalam relasi tersebut.

Kata Kunci: Profitabilitas; Likuiditas; Nilai Perusahaan; Kebijakan Dividen

INTRODUCTION

Every publicly listed company is fundamentally oriented toward maximizing shareholder wealth, which is most evidently reflected in the elevated corporate worth within the financial market. This worth is most concretely expressed through the dynamics of stock price fluctuations, whereby a sustained appreciation in share prices not only strengthens investor confidence but also signals favorable long-term business prospects. Consequently, the management of firm value becomes a strategic challenge that cannot be overlooked by management, particularly amid the rapid flow of global investment that is highly responsive to the fundamental financial condition of a corporation.

Listed companies in the non-cyclical subsector focus on manufacturing daily necessities, ranging from food products to other household goods. The stable nature of demand for these products, even during economic downturns, makes these primary consumer goods stocks highly sought-after defensive instruments in the capital market. With the certainty of a stable market, corporate liquidity indicators and profitability levels are projected to remain at healthy levels, ultimately supporting consistent growth in firm value over time.

Table 1. Price to Book Value of Selected Consumer Non-Cyclicals Sub Sector

No	Company Code	Price to Book Value				
		2020	2021	2022	2023	2024
1.	ICBP	0.76	0,64	0,63	0,56	0,62
2.	MYOR	5.38	4,02	4,36	3,64	3,63
3.	ROTI	2,61	2,95	3,05	2,97	2,60

Source: IDX, 2025

As illustrated in Table 1, the firm value indicator proxied by PBV in the non-cylicals sub sector for the period 2020–2024 demonstrates inconsistency. ICBP recorded a declining trend in PBV from 0.76 in 2020 to 0.62 in 2024; MYOR experienced a decrease from 5.38 in 2020 to 3.63 in 2024; while ROTI increased from 2.61 in 2020 to 3.05 in 2022, before declining again to 2.60 in 2024. These market value anomalies and dynamics underpin the importance of conducting this study. The aim is to empirically demonstrate how liquidity capacity and earnings performance influence the intrinsic value of a firm, while also exploring the extent to which dividend policy may function as a moderating factor that strengthens such correlation.

Profitability as the rate of earnings generated by a firm, plays a central role as one of the primary variables driving fluctuations in firm value. When a firm achieves strong profitability, it transmits favorable signals capable of boosting corporate worth from the standpoint of market investors. Such signaling implies that the enterprise possesses robust internal financial health, while concurrently validating the management's proficiency in maximizing shareholder returns (Angelicia et al., 2025).

Beyond profitability, liquidity represents another variable that intervenes in determining a corporation's value. This ratio reflects a company's capacity to meet its immediate financial liabilities using available liquid resources. Enterprises that consistently maintain high liquidity tend to be regarded as financially more resilient by market participants, encouraging investors to assign a premium valuation to such companies.

From the perspective of market participants, an issuer's consistent track record of distributing dividends serves as a strong indicator of its financial stability, particularly during phases of economic instability. Through this signaling effect, the proportion of dividend distribution is capable of strengthening the correlation between earnings capacity and liquid fund availability toward the market value appreciation of an entity. Issuers that are generous in distributing dividends are generally assumed to possess robust fundamentals, which in turn drives stock price appreciation and reinforces firm value.

Empirical gaps regarding this topic remain clearly evident, as reflected in prior findings. For instance, the study by Riki et al. (2022) substantiated a favorable and statistically significant relationship between profitability and corporate value, while concurrently demonstrating that liquidity produced a negative yet insignificant effect, with dividend distribution failing to exhibit any moderating role. A slightly divergent perspective was offered by Simangunsong & Solikhin (2022), who identified a significant negative correlation for liquidity, while the moderating function of dividends was only substantiated for the profitability variable. Furthermore, research by Mardona & Dewi (2026) found that profitability and liquidity ratios are simultaneously capable of reinforcing corporate value, despite the moderating role of dividend policy proving to be non-existent. A contrasting finding was established by Syariati et al. (2025), who validated the intervening role of dividend policy in moderating both financial variables, although its presence was found to weaken rather than strengthen the original correlation.

Although the conceptual framework linking financial ratios and dividend policies to market value is not new, there remains a significant empirical gap in this area. The first gap lies in the selection of research subjects; the majority of previous studies tend to broadly generalize the manufacturing sector, while in-depth analysis of the non-cyclical consumer goods subsector remains scarce. In fact, this group of primary consumer goods issuers possesses a unique characteristic: the stability of consistent dividend distributions year over year. Beyond the limitations of the research focus, the urgency of this study is further reinforced by the inconsistent results from previous researchers.

The research aims to strengthen the theoretical grounding concerning the determinants of liquidity and profitability on firm value, with dividend policy serving as a moderating element specifically targeting consumer non-cyclical enterprises operating within Indonesia. From a practical standpoint, the insights gleaned from this inquiry are expected to offer actionable guidance for corporate executives in architecting fiscal strategies, while simultaneously aiding market investors in refining their asset selection processes.

LITERATURE REVIEW

Signaling Theory

From a signaling theory perspective, information asymmetry tends to arise because internal company stakeholders have a much deeper understanding of actual operational conditions compared to external parties, including investors. Management needs to send convincing “signals” through published financial information, dividend distributions, or investment policies to communicate a company's overall financial soundness and long-term growth potential to external stakeholders, particularly investors. When an entity demonstrates high profitability and liquidity ratios, investors perceive this as a positive signal that strengthens their confidence to invest (Riki et al., 2022). In addition to these two ratios, management’s commitment to distributing profits consistently is also viewed as another form of positive signal; this step serves as tangible evidence of the company’s financial stability and sustainability (Dewi et al., 2021).

The Bird in the Hand Conceptual Model

Through the bird in the hand principle, Lintner (1962) and Gordon (1963) explained that capital market participants tend to be risk-averse, preferring tangible dividends in the current period. For them, a certain return in the present is far more valuable than the expectation of capital gains that remain speculative in nature. Companies that consistently distribute dividends are perceived as having sound financial conditions and cash flows, thereby eliciting a positive response from investors (Ilhami & Ika, 2022). Conversely, a reduction in or the absence of dividend distribution may generate a negative market response (Dewi et al., 2021).

Hypothesis Development

The Effect of Profitability on Firm Value

An expansion in a corporation's capacity to extract returns from its asset base sends an encouraging signal to the market. Such a favorable investor reaction manifests as heightened trading activity in the company's shares. Consistent with the demand principle governing capital markets, a rise in purchase transactions subsequently drives share price appreciation functioning as a concrete indicator of corporate value enhancement. Evidence from prior studies confirms that profitability partially carries a meaningful impact on firm value (Mardona & Dewi, 2026; Syariati et al., 2025).

H1: Profitability has a significant effect on firm value in consumer non-cyclicals sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020–2024

The Effect of Liquidity on Firm Value

A high level of liquidity can function as a favorable signal to investors, reflecting a firm's financial soundness and its ability to remain stable. Firms capable of meeting their short-term obligations efficiently tend to build greater confidence among investors, which in turn drives an upward movement in the firm's market valuation. This pattern is supported by prior empirical findings showing that liquidity exerts a significant positive effect on firm value (Mardona & Dewi, 2026; Syariati et al., 2025). On the other hand, several studies have revealed that an increase in liquidity negatively and significantly impacts firm value (Simangunsong & Solikhin, 2022; Syahputri et al., 2025).

H2: Liquidity significantly affects firm value among Consumer Non-Cyclicals sub-sector firms listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period.

Dividend Policy as a Moderator of the Effect of Profitability on Firm Value

The ability of a company to generate profits is often associated with its capacity to provide dividend payments to shareholders. As profitability increases, management tends to have more opportunities to distribute earnings while maintaining operational sustainability. Therefore, dividend policy is frequently considered a mechanism that may influence how profitability affects firm value. A number of prior studies indicate that dividend policy can amplify the role profitability plays in driving up firm value (Dewi et al., 2021; Syariati et al., 2025). Other research, however, presents contrasting results, finding that dividend policy fails to adequately moderate the profitability firm value relationship (Mardona & Dewi, 2026; Riki et al., 2022).

H3: Dividend policy moderates the influence of profitability on firm value in Consumer Non-Cyclicals companies listed on the Indonesia Stock Exchange (IDX) during 2020–2024.

Dividend Policy as a Moderator of the Effect of Liquidity on Firm Value

Firms that consistently maintain their liquidity while simultaneously distributing dividends to shareholders on a regular basis tend to be capable of creating a positive perception among investors regarding the financial health of the firm. This condition may ultimately drive an increased buying interest in the company's shares, which progressively reinforces firm value in the capital market. Empirical findings in this area show that dividend policy plays a moderating role in the liquidity firm value relationship, though the direction of this moderation tends to be weakening rather than strengthening (Syariati et al., 2025). A contrasting finding was presented by another study, which conversely confirmed that dividend policy is capable of moderating the aforementioned relationship in a positive direction (Dewi et al., 2021). On the other hand, a considerable number of studies have also obtained opposing results, wherein

dividend policy is deemed to possess neither the capacity to weaken nor to strengthen the effect of liquidity on firm value (Mardona & Dewi, 2026; Riki et al., 2022)

H4: Dividend policy is capable of moderating the effect of liquidity on firm value in Consumer Non-Cyclicals sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020–2024.

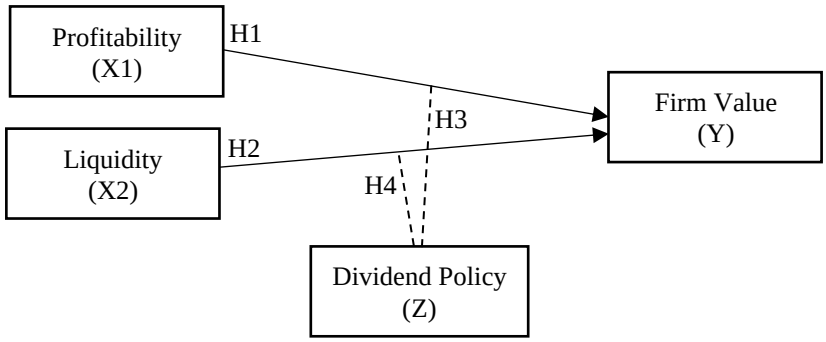


Figure 1. Conceptual Framework

METHODS

This study was designed using a quantitative method grounded in an explanatory research approach as its methodological framework. The selection of the quantitative method was based on the consideration that this research relies on the processing and analysis of numerical data through a series of systematic statistical techniques, with the aim of producing conclusions that are objective and academically accountable. The study relied on secondary data collected from publicly available annual reports and audited financial statements of Consumer Non-Cyclicals companies listed on the IDX between 2020-2024. The target population comprised all firms operating within the Consumer Non-Cyclicals sector during the observation period. Sample selection was carried out through purposive sampling to ensure that only companies meeting the specified criteria were included in the analysis. The data processing in this study employed the PLS-SEM technique with the assistance of WarpPLS version 7.0 software as the primary analytical instrument. Analysis proceeded through two interrelated stages: an outer model assessment, used to evaluate the validity and reliability of the measurement instruments, and an inner model assessment, used to examine the strength and direction of relationships between the research variables. Hypothesis testing, meanwhile, was carried out using a bootstrapping procedure, with p-values and t-statistics serving as the principal criteria for drawing statistical conclusions.

Table 2. Sample Selection Procedure

NO	DESCRIPTION	NUMBER
1	Consumer non-cyclicals sector companies listed on the IDX throughout during 2020–2024	131
2	Consumer non-cyclicals sector companies with an IPO after the year 2020	(54)
3	Companies that failed to consistently pay out dividends during the 2020–2024 period	(47)
	Total Sample Companies	30
	Total Observation Years	5
	Total Research Sample	150

Table 3. Research Variable Operationalization

Variable	Formula	Scale
Profitability (X_1)	$ROA = \frac{Net\ Income}{Total\ Assets}$	Ratio
Liquidity (X_2)	$CR = \frac{Short\ Term\ Assets}{Short\ Term\ Liabilities}$	Ratio
Firm Value (Y)	$PBV = \frac{Share\ Market\ Price}{Share\ Book\ Value}$	Ratio
Dividend Policy (Z)	$DPR = \frac{Total\ Dividends}{Net\ Income}$	Ratio

RESULTS AND DISCUSSION

RESULTS

Table 4. Latent Variable Coefficients

Coefficients	ROA	CR	PBV	DPR	DPR*ROA	DPR*CR
R^2				0,443		
Adj. R^2				0,428		
Composite Reliability	1,000	1,000	1,000	1,000	1,000	1,000
Cronbach's Alpha	1,000	1,000	1,000	1,000	1,000	1,000
Average Variance Extracted	1,000	1,000	1,000	1,000	1,000	1,000
Full Collinearity VIF	1,533	2,333	1,762	1,987	1,077	1,469
Q^2				0,445		

Source: WarpPLS 7.0 Data Processing Results (2026)

Measurement Model Evaluation

The measurement model evaluation confirmed that all constructs satisfied the established validity and reliability criteria. This is attributable to the fact that all operational variables in this study were constructed using single indicators, such that the Composite Reliability, AVE, and Cronbach's Alpha values for each variable automatically reached a perfect score of 1,000. These results exceed the recommended threshold values for construct assessment, including Composite Reliability (> 0.70), AVE (> 0.50), and CA (> 0.50). Accordingly, the instruments used to measure the research variables were deemed appropriate and capable of providing reliable and valid measurements for hypothesis testing.

Structural Model Evaluation

The structural model was developed to examine the direct and moderating relationships among the research variables. In this model, liquidity was measured using the Current Ratio, profitability using ROA, dividend policy using the Dividend Payout Ratio, and firm value using the PBV ratio. To evaluate the moderating effect of dividend policy, two interaction constructs, namely DPR*CR and DPR*ROA, were included in the analysis.

The model produced an R^2 value of 0.443 for the firm value variable. This finding suggests that the independent and moderating variables collectively explain 44.3% of the variance in firm value, whereas 55.7% is attributable to other determinants not incorporated into the research framework. The adjusted coefficient of determination (Adj. R^2) was 0.428,

suggesting a moderate level of explanatory power according to the established evaluation criteria.

Moreover, the model demonstrated satisfactory predictive relevance, as indicated by a Q^2 value of 0.445. Since the obtained value exceeds zero, the model is considered capable of predicting the endogenous construct and possesses adequate predictive validity for empirical analysis.

Full Collinearity VIF Test

The Full Collinearity VIF analysis was utilized to evaluate whether the research variables exhibited collinearity that could potentially introduce bias into the model (Harpidalinda et al., 2024). The measurement results indicate VIF values of 1,533 for Current Ratio; 2,333 for ROA; 1,987 for PBV; 1,762 for DPR; as well as 1,469 for the interaction variable DPR*ROA and 1,077 for DPR*CR. As the test results of all coefficient values fall well below the critical cut-off value of 3,3, it can be ascertained that this research model is entirely free from multicollinearity issues.

Model Fit Measurement Evaluation

Table 5. Model Fit Measurement

Indicator	Calculation Result	Criteria	Conclusion
Average path coefficient	0,215, P=0,002	P < 0,05	Meets the significance requirements
Average R- squared	0,443, P<0,001	P < 0,05	Meets the significance requirements
Average adjusted R-squared	0,428, P<0,001	P < 0,05	Meets the significance requirements
Average block VIF	1,571	Threshold ≤ 5, optimal ≤ 3,3	Model fit and ideal, no multicollinearity detected
Average full collinearity VIF	1,693	Threshold ≤ 5, optimal ≤ 3,3	Model fit and ideal, no multicollinearity detected
Tenenhaus Goodness of Fit	0,666	Small ≥ 0.1, Medium ≥ 0,25, Large ≥ 0,36	Large category; the model has strong predictive
Sympson's Paradox Ratio	0,750	Threshold ≥ 0,7, optimal = 1	Meets the requirements
R-Squared Contribution Ratio	0,996	Threshold ≥ 0,9, optimal = 1	Meets the requirements
Statistical Suppression Ratio	1,000	Acceptable ≥ 0,7	Meets the requirements
Nonlinearity Bias Corrected Direction Ratio	0,875	Acceptable ≥ 0,7	Meets the requirements

The model fit evaluation was carried out as a verification step to ensure that the structural model developed possesses adequate goodness of fit with the empirical data employed, prior to proceeding with the hypothesis testing process.

Table 5 shows that the APC value reached 0.215 with P = 0.002, confirming statistical significance at the 5% level. The significance of the model is further evidenced by the ARS value of 0.443 and the AARS value of 0.428, both yielding P-values below 0.001. These statistics indicate that the model demonstrates satisfactory explanatory capability.

Additionally, AFVIF values of 1.571 and 1.693 are considerably below the accepted threshold of 3.3, providing evidence that multicollinearity does not adversely affect the model.

The GoF assessment further yielded a score of 0.666, which exceeds the minimum criterion of 0.36 and therefore reflects a high level of model fit. This suggests that the model has adequate predictive strength. Supporting indices, namely SPR, RSCR, SSR, and NLBCDR, likewise fulfilled the recommended standards. Consequently, the overall model can be regarded as reliable and suitable for testing the proposed hypotheses.

Structural Model Testing

To investigate the proposed relationships among variables, a structural model analysis was carried out. The analysis employed path coefficients and p-values as the principal criteria for evaluating the hypotheses. The resulting relationships and interaction patterns among the constructs are visually represented in the WarpPLS path diagram provided in Figure 2.

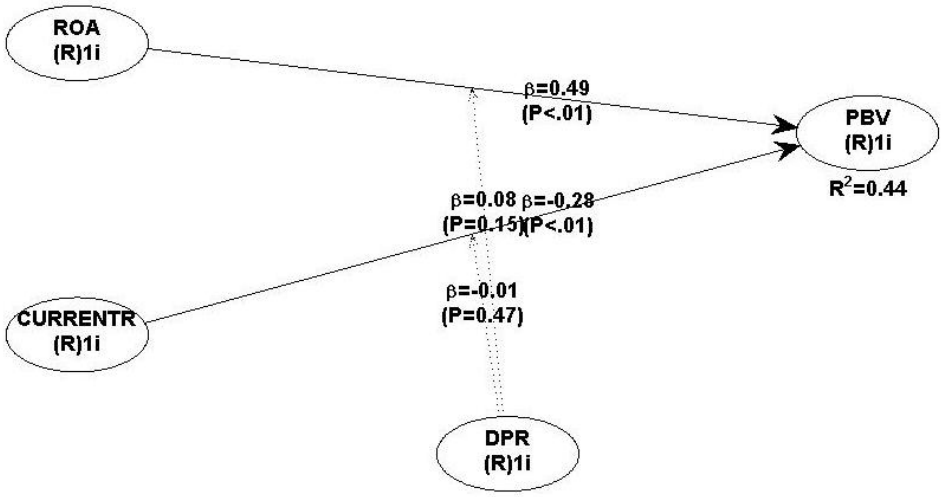


Figure 2. WarpPLS Path Diagram Output

The proposed hypotheses were subsequently tested by analyzing the significance values and path coefficient estimates reported in Table 6.

Table 6. Hypothesis Testing

Hypothesis	Hypothesis Description	Path Coefficient	P-Value	Direction	Result
H1	Profitability exerts a significant influence on Firm Value	0,495	<0,001	Positive	Accepted
H2	Liquidity exerts a significant influence on Firm Value	-0,279	<0,001	Negative	Accepted
H3	Dividend Policy moderates the relationship between Profitability and Firm Value	0,082	0,155	Positive	Rejected
H4	Dividend Policy moderates the relationship between Liquidity (CR) and Firm Value	-0,006	0,471	Negative	Rejected

DISCUSSION

The Effect of Profitability on Firm Value

The path coefficient obtained from testing H1 was 0.495, with a p-value below 0.001, leading to the acceptance of H1. This statistically confirms that profitability does indeed have a positive and significant impact on firm value.

The findings support the perspective of signaling theory, which argues that highly profitable companies are able to provide positive signals to investors concerning their future performance and growth opportunities. These signals encourage investor interest in the firm's shares, thereby increasing market demand and strengthening firm value. A high ROA reflects how effectively management utilizes company assets to generate optimal net income, making profitability one of the key indicators investors routinely rely on when evaluating a firm's overall performance.

The results are also consistent with prior research that found profitability to be a significant determinant of firm value (Simangunsong & Solikhin, 2022; Syahputri et al., 2025).

The Effect of Liquidity on Firm Value

Based on the statistical analysis, H2 was supported with a path coefficient of -0.279 and a significance level of less than 0.001. This result indicates that liquidity negatively influences firm value in a significant manner.

A high liquidity ratio does not necessarily signify that a company is in good financial health. Elevated liquidity figures can arise from an accumulation of receivables that remain uncollected or inventory that has not been sold, meaning the current assets on hand have yet to be converted into readily usable cash. Investors tend to read this situation as a negative signal, suggesting that the company is failing to manage and optimize its operational activities effectively. At the same time, holding current assets beyond a reasonable level points to idle funds generating no return. The resulting consequence is that the firm misses opportunities to expand its profit margins and maximize returns on investment. Because the company is unable to put its cash to productive use, its credibility in the eyes of the market suffers, leading to a notable decline in firm value.

These results align with earlier studies, which similarly found that liquidity has a significant negative effect on firm value (Simangunsong & Solikhin, 2022; Syahputri et al., 2025).

Dividend Policy as a Moderator of the Effect of Profitability on Firm Value

The testing of H3 yielded a path coefficient value of 0,082 with a p-value of 0,155, which exceeds the significance threshold of 0,05, thereby resulting in H3 being declared rejected. This finding indicates that dividend policy failed to fulfill its function as a moderating variable in the relationship between profitability and firm value.

The level of dividends a company pays out to shareholders does not always move in tandem with the profits it generates. A firm may post strong profitability without this necessarily translating into larger dividend payments, since dividend policy decisions are shaped by a range of other factors as well, including the need to fund future investments, the adequacy of the company's liquidity position, and its broader strategic direction.

These results also run counter to the central claim of Bird in Hand Theory, which posits that investors generally favor cash dividends received in the present over the prospect of future capital gains, on the grounds that dividends carry greater certainty and lower risk.

This is consistent with several earlier studies concluding that dividend policy does not meaningfully strengthen or weaken the link between profitability and firm value (Dewi et al., 2021; Riki et al., 2022).

Dividend Policy as a Moderator of the Effect of Liquidity on Firm Value

Testing of H4 produced a path coefficient of -0.006 with a p-value of 0.471, exceeding the 0.05 significance threshold and resulting in H4 being rejected. This indicates that dividend policy fails to moderate the relationship between liquidity and firm value.

Investors do not view dividend distribution as a reliable enough indicator for gauging a firm's liquidity condition. This is because paying dividends can deplete a company's internal cash reserves. Conversely, a high dividend ratio may actually signal that the company struggles to identify worthwhile, profitable projects in which to invest its cash flows. Many firms with sufficient liquidity instead choose to retain most of their earnings to fund expansion and growth rather than pass them on to shareholders. It is this very pattern that ultimately prevents dividend policy from playing a meaningful moderating role in the relationship between liquidity and firm value.

These findings are consistent with previous empirical evidence indicating that dividend policy does not significantly moderate the impact of liquidity on firm value (Dewi et al., 2021; Ilhami & Ika, 2022; Riki et al., 2022).

CONCLUSION

This study essentially set out to examine how a company's ability to generate profit and manage its short-term assets shapes investors perception of firm value, and whether dividend policy plays a role in strengthening or weakening that relationship. The findings suggest that companies capable of utilizing their assets effectively to generate steady earnings tend to be viewed more favorably by the market, which in turn lifts the value attributed to the firm by investors. Conversely, companies that hold an excessive amount of current assets or idle cash without channeling them productively into business activities tend to be perceived as less efficient, a perception that can erode investor confidence and diminish firm value. Meanwhile, the way a company chooses to distribute its profits through dividends does not appear to meaningfully alter either of these relationships, indicating that investors place greater weight on a firm's consistency in generating earnings and managing its resources than on how those earnings are eventually distributed to shareholders.

LIMITATIONS AND RECOMMENDATIONS

There are a number of limitations that need to be acknowledged in this study. First, this research only encompasses two independent variables as factors presumed to influence firm value, namely profitability and liquidity. Second, each variable is represented by only a single measurement instrument, whereby profitability is proxied by ROA, liquidity by CR, dividend policy by DPR, and firm value by PBV. Furthermore, this study has also only accommodated one moderating variable, namely dividend policy, resulting in a scope that remains relatively limited.

Several recommendations can be put forward for consideration. For companies, it is hoped that they will consistently strive to maintain and enhance firm value on a sustainable basis, in order to strengthen investor confidence while simultaneously realizing long-term business continuity. Meanwhile, for future researchers, it is advisable to broaden the research scope through the addition of new independent variables that remain unexplored, or by substituting the moderating variables currently employed. This is important given that there are still many other external factors that have the potential to make a significant contribution to the formation of firm value.

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