4th INCOGITE and 2nd HOSPITOUR 2022
"Regenerative Economy, Business & Tourism: Through innovation & Sustainability"
Thursday, November 17th, 2022 – Universitas Pelita Harapan Tangerang

Cash Flow Moderation between Profitability, Liquidity, and Leverage on Company Value on the Indonesia Stock Exchange

Partogian Sormin

partogian.sormin@uph.edu

Faculty of Economics and Business, Universitas Pelita Harapan, Tangerang, Indonesia

Abstract. This study objective is to test the effect of profitability, liquidity, and leverage on firm value where cash flow is treated as a moderating variable. The object of research is the consumer goods industry listed on IDX for the period 2027-2021 by implementing multiple regression analysis models. The results showed that profitability had a positive effect on firm value, while liquidity and leverage had no significant effect on firm value. Meanwhile, cash flow is able to strengthen the influence of profitability on firm value, while variable cash flow is not able to moderate the effect of liquidity and leverage on firm value.

Keywords: Profitability; liquidity; leverage; cash flow; firm value

1. Introduction

Current national and global social and economic conditions have created increasingly sharp pressures between companies in the industry. Recently, competition forces makes industry try to continuously improve performance, so that they can achieve goals. The goal of every organization is to maximize the value of the company or wealth for shareholders. Maximizing the value of the company is planned to be more appropriate as the goal of a company because maximizing the value of the company means maximizing the present value of all the profits should be gained by shareholders in the future. The value of the company's shares reflects the value of the company. In other words, if the company value decreases, the stock market value will also decrease, and if the company value increases, the stock market value will also increase (Sudana, 2015; Maryam et al, 2020). Achievement of company goals should not only be short term but able to develop and survive in the long term. One of the limitations of the company's development is the lack of funds. One of the source of fund is in form of additional share capital. Equity financing by issung share could be create a strong equity structure.

With the existence of a capital market, the limitations experienced by companies in developing their business can be overcome by offering part of their ownership in the form of stock through the Indonesia Stock Exchange. Carrying out this process also makes the company transform from a private company to a public company that will be managed better, transparently and professionally. The listed companies in IDX are classified on the IDX-IC as 11 sectors, one of which that is the consumer goods sector. Companies listed in the Consumer Goods sector produce basic ingredients into products that will be consumed by the public because the company's production is a daily necessity. With the high demand for products from this industry, makes the company's ability to create profits also increases so that investors also feel the benefits. However, the role of the community on the performance of this company has a significant influence, for example, when the emergence of the Coronavirus Disease in early 2020 in Indonesia caused a decrease in public behavior in investing.

The IDX Index decreased since the end of the 2019 period by -38% and one of which is the primary consumer goods sector by -40%. This can happen due to weak economic growth due to the Covid-19 pandemic, one of which is the decline in people's purchasing power should drives the company's financial performance also declines. However, according to data listed on the IDX throughout the first quarter of 2020, the decline that occurred in the Consumer Goods sector was the lowest compared to the decline that occurred in other sectors. This indicates that this sector is still in demand by investors even during the pandemic of corona virus -19.

In relation to the company's goal, the price per share represents the wealth of shareholders. Thus, maximizing stock prices is the same as maximizing shareholder wealth so that the value of the company increases. The goal of company can provide maximum prosperity for shareholders if the share price increases. Firm value is very important for the company because high corporate value will be proceed by high shareholder prosperity (Anita & Yulianto, 2016). By continuing the research of firm value, which is measured using the Tobin's Q indicator, where this ratio measures every element of debt and assets owned by a company.

Several factors can affect company value, one of them is profitability variable (Sabrin et. al 2018, Masha and Murtaqi, 2017; Purwohandoko, 2017; Sucuahi and Cambarihan., 2016). Concept of profitability show the ability of a company to earn profits in a certain period. Companies that are able to generate large and stable profits will attract investors, because it will automatically benefit investors. The capability of company to generate profits also shows good company management, thereby fostering trust in investors. The investor trust can ultimately be the most effective instrument to raise the company's stock price. An increase in share price means increasing the value of the company, so that it can further guarantee the prosperity of shareholders. It is different if the company does not have a good ability to generate profits, then investors will hesitate or do not believe in investing their shares. This distrust becomes a serious trigger for the decline in the company's stock price, so that the company's value will also fall. Profitability variable is an important prerequisite for maintaining the long-term sustainability of a company and is a variable that has a significant effect on achieving the financial goals of other companies.

Liquidity is one of very important element in every company. It shows the amount of working capital needed by a company to finance all the operational activities. Planning and monitoring the company's liquidity is very important for the company because it can prevent the company from the risk of non-fulfillment of short-term liability financing and excess current assets. Companies that are growing well are reflected in an increase in liquidity. The meaning of liquidity is the level of a company's ability to meet its short-term obligations by using its current assets. The greater the liquidity ratio of a company, the greater the company's ability to meet its short-term obligations and vice versa. This is because a company with a high level of liquidity proves that the company's performance in managing its current assets is good. Liquidity is one of the factors that can drive changes in stock prices (Baten and Vo, 2019; Zuhroh, 2019; Du et al, 2016). High liquidity shows the company's ability to meet its short-term obligations. The company's liquidity can be measured by the current ratio, which shows the company's ability to pay current debts using its current assets. The higher the liquidity, the greater the current assets owned by the company compared to its current liabilities.

Beside profitability and liquidity factors, the next variable is leverage.This variable is seen to have an impact on company value. According to Yulia et., al (2020). If the value of the debt level is still below the standard value of similar company obligations, it is mean that the company has productive debt. Through debt financing company has ability to increase it sales. Debt as a second source of fund will drive capacity to improve company profit, and will enhance the investors interest in investing their capital and be able to increase stock prices in the capital market so that company value also grows.

Previous researchers have found inconsistent results on the profitability with different result, supporting and non supporting. Besides that result research also already get in testing of liquidity, and capital structure impact on firm value. The finding of Ranti and Agus (2022) that profitability variable has a significant and positive effect on firm value. While liquidity has a negative effect on firm value, then leverage has a significant positive effect on firm value. Another researcher, M. Zihadi et al. (2021), found that liquidity, activity, leverage and Profitability variable simultaneously affect firm value. Meanwhile, Ida and Ida (2020) examined the construction industry, found that liquidity had a significant positive effect on firm value. The findings of Ida and Ida also found that there is no effect of liquidity on firm value. Capital structure (leverage) is able to mediate the effect of Profitability variable and liquidity on firm value. Then the research by Gregorius and Dominicius (2017) examined the manufacturing industry, that liquidity had no significant effect on firm value, nor did leverage have a significant and negative effect on firm value. Departing from the inconsistent and controversial results of previous research, the novelty of this research is 1) if the previous researcher researched the construction and manufacturing industries, then this research examines the consumer goods industry, 2) the data used is the latest in the last year at IDX, namely data for the reporting year finance 2016-2021, 3) research will examine how the influence of the cash flow variable as a moderating variable between profitability variable, liquidity, and leverage. Based on this, the title of the research is: Cash Flow Moderation between Profitability variable, Liquidity, and Leverage on Firm Value.

The purpose of this study was to examine whether profitability variable, liquidity, leverage affect firm value, which is moderated by cash flow in the consumer goods industry which is listed on the Indonesia Stock Exchange.

2. Literature Review

2.1 Agency Theory

According to Scott in https://articleeducation.id (2021), the concept of agency theory is "a contractual relationship between the principal who is the party who employs the agent to perform tasks for the interest of the principal, and the agent who is the party carrying out the interests of the principal." Agency theory can be interpreted as the relationship between the owner/shareholder (principal) and the manager (agent), who has a contract in managing a company.

2.2 Signal Theory

Signaling theory is a management decision that can provide clues to investors regarding the prospects of a company (Bringham & Ehrhardt, 2021). In general, signaling theory is closely related to the availability of information to determine the quality of an entity. Signals are informational cues sent out by one party to another in order to influence desired outcomes. After obtaining private information (positive or negative signal), insiders decide whether to communicate it to the outsiders or not. Usually, the prime aim of insiders is to send out positive signals to outsiders and avoid sending negative information deliberately in order to reduce information asymmetry or misleading, which helps firms reach their ultimate goal of positively influencing desired outcomes e.g. leaders of a young firm in an initial public offering (IPO). appoint diverse group of prestigious directors to send a message to potential investors about the firm's legitimacy (Certo, 2003; Filatotchev & Bishop, 2002). In this context, the main focus of signaling theory remains on purposely communicating positive information for conveying positive attributes of the organization to outsiders (Connelly et al., 2011). Positive signal gives investor as tool to reduce business and financial risk.

2.3 Firm Value

Especially in this era of technology and information in the industrial 4.0 era, business people should be more careful and wise in managing the variables that encourage organizational performance improvement. In the literature review and research field, the variables of profitability, liquidity and leverage and cash flow are very important factors in accelerating company value.

The value of the company able to reflect the performance of management in managing its assets, the higher the value obtained is able to prosper the shareholders, so that investors' perceptions of the prospects of a company increase (Rosada & Farida, 2017). Firm value is defined as the perception of shareholders on the level of success of a company in relation to stock prices, where if the stock price increases it can make the value of the company increase due to high market confidence in the company's long-term prospects (Manurung, Effrida, & Andreas, 2007). 2019). In this study, firm value was measured using the Tobin's Q ratio.

Tobin's Q ratio is used as a measuring tool to determine the long-term prospects of a company by looking at the total capital at book value based on assets owned. Tobin's Q formula is as follows:

Tobin^' s Q=(MVE+DEBT)/(BV TA)

Information:
MVE = Total Market Value
DEBT =Total Book Value of Liabilities
BV TA = Total Book Value of Assets

2.4 Profitability and Firm Value

Signaling theory which states that profitability will be a management signal that describes the company's prospects based on the level of Profitability variable that is formed and directly affects the value of the company can be seen from the stock price in the market research conducted by Agustia (2010), Alfredo Mahendra DJ (2011),Wulandari (2013) show that Profitability variable has a significant positive effect on firm value.

The Profitability variable ratio reflect the level of a company's capability in creating profits which is reflected in the income statement. By analyzing this ratio, investors could get information concerning success of a company in carrying out its business operations, which is known based on the profits earned and the investments owned by the company. According to Rosada & Farida (2017), Profitability is a indicator to proves the level of success of a company to generate profits, help project the company's ability to produce in the long term, and minimize the risk of default in terms of borrowing funds or carrying out investment activities. Profitability is measured using the Return On Assets (ROA) with formula:

ROA = Net Profit/Total Asset

2.5 Liquidity and firm value

Liquidity shows the level of a company's ability to meet short-term obligations on time. Liquidity is related to the problem of the company's ability to fulfill its financial obligations which must be fulfilled immediately. Meanwhile, according to Munawir (2010), "liquidity shows the ability of a company to meet its financial obligations that must be met, or the company's ability to meet financial obligations at the time of collection". So it can be concluded that liquidity is the company's ability to meet its short-term financial obligations which must be fulfilled immediately. The company's ability to fulfill its short-term obligations will be responded positively by the market, this is in accordance with the concept of signaling theory with a high level of liquidity. According to Alfredo Mahendra DJ (2011), Safitri (2014) in his research shows that liquidity has a positive effect on firm value. The higher the level of company liquidity, the higher the interest of investors to invest.

This will increase the company's stock price, where the value of the company will also increase. This statement is in line with research conducted by Putra and Lestari (2016) which found a positive and significant relationship between liquidity and firm value. In this study liquidity is proxied by the current ratio with the formula:

Current ratio = Current Assets/Current Liabilities

2.6 Leverage

The leverage ratio is a measuring tool used to find out how much total capital is used by a company based on debt to acquire assets. According to Febriyanto (2018), basically, companies that use debt as capital are able to increase profits on sales obtained higher than using limited personal capital.

Thus it was concluded that the solvency ratio is a measuring tool in knowing the total capital derived from the company's debt. In this study, the leverage ratio is measured using the Debt to Equity Ratio (DER) indicator (proxy). If a company's debt level is high, it indicates an unfavorable financial condition because it can cause bankruptcy so that investor demand for shares decreases which causes a decrease in company value. The formula used to calculate the Debt to Equity Ratio (DER) is as follows:

DER=(Total Liabilities)/(Total Equity)

Information:
DER = Debt to Equity Ratio
Total Liabilities = Total Debt
Total Equity = Total Capital

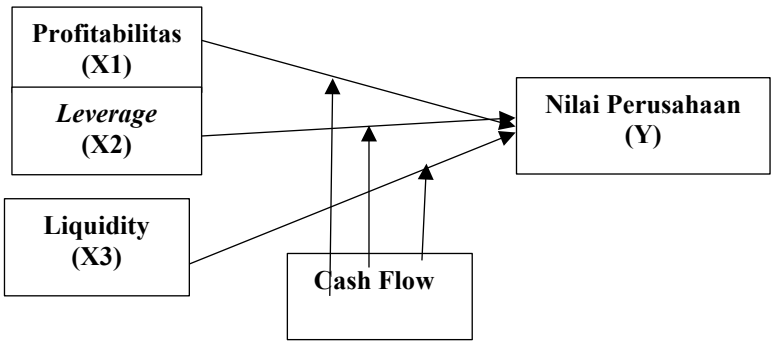
2.7 Operating Cash Flow

According to Sumarsan (2013), the definition of operating cash flow is "Cash flow from operating activities shows the net cash value obtained from the sale of goods or services of the company after deducting the cash that must be spent to produce and sell products or services." Meanwhile, according to Surya (2012), "The amount of cash flow originating from operating activities is an indicator that determines whether a company's operations can generate sufficient cash flow to pay off loans. Cash flow that can maintain the company's operating ability, pay dividends, and make new investments without relying on external funding sources. In this study, the cash flow proxy used is operating cash flow ratio to total assets. The formula used is as follows:

$$OCFA = \frac{Operating\ Cash\ Flow}{Total\ Aset}$$

Information:
OCFA = Operating cash flow to total assets
After operationally formulating each research variable, then the research framework is described as follows:

Figure 1
Framework of thinking



3. Hypothesis

Based on the review of the literature, framework, and findings of previous studies that have not been consistent, each research hypothesis is formulated as follows:
H1: Profitability variable Has a Positive Effect on Firm Value

H2: Liquidity has a positive effect on firm value
H3: Leverage has a positive effect on firm value
H4: Profitability variable has a positive effect on firm value moderated by cash flow
H5: Liquidity has a positive effect on firm value moderated by cash flow
H6: Leverage has a positive effect on firm value moderated by cash flow

4. Research Methods

4.1 Types of research

The research conducted is a type of quantitative research. According to Martono (2019: 20), quantitative research is a study conducted to test a problem based on processing numbers which are then analyzed through statistical procedures.

4.2 Population

According to Martono (2019), the population is the total data that is used as the object of research. In this study, the object under study is the Consumer Goods sector which is listed on the Indonesia Stock Exchange.

4.3 Sample

Silaen (2018) defines a sample as part of the population with certain criteria. The technique in determining the research sample used by the author is purposive sampling technique, which means that there are several criteria for determining the sample, including:

Table 1
Sample Characteristics

Description	**Total**
Primary Consumer Goods Sector Manufacturing Company (IDX-IC Non-Cyclicals) listed on IDX	92
Companies that have not yet IPO As of January 1, 2016	(31)
Companies that do not report financial statement	(14)
Incomplete data	(9)
Total	38
Year of observation	6
Total observation sample (38 x 6 tahun)	228
Outlier	(10)
Number of observation	218

Source: www.idx.co.id

4.4 Data and data collection technique

This study uses a secondary data collection method, in which the data has been recorded at www.idx.co.id in the form of financial reports, stock prices obtained from the www.investing.com site, and interest rate data obtained through data recorded at Bank Indonesia and reprocessed. The technique used in the process of collecting data through documentation review. According to Martono (2019), the documentation method is a method used to collect data related to the research to be carried out.

4.5 Empirical Research Model

The equation model formulated for regression testing is as follows:

$$TobinsQit = \alpha + \beta 1ROAit + \beta 2CR + \beta 3DERit + \beta 4ROA*OCFAit + \beta 5CR*OCFA + \beta 6DER*OCF + \varepsilon it$$

Information:
Tobin's Q = Value of firm

α = Constant
β = Coefficient
ROA = Profitability variable
CR = Liquidity
DER = *Debt to Equity Ratio*
OCFA = Operating Cash Flow
DPR = *Dividend Payout Ratio*
SIZE = Company size
ε = *error term*

5. Results and Discussion

5.1 Descriptive Statistical Analysis

The following presents the results of the descriptive statistical analysis in this study in tabular form.

Table 2
Descriptive Statistical Test Results

Variable	Obs	Mean	Std. Dev.	Min	Max
TobinsQ	218	2.099	3.42687	.0071886	21.84305
ROA	218	.063	.1342255	-.582526	.5306875
CR	218	2.406	2.319231	.0601375	13.30906
DER	218	1.178	2.094431	-10.31441	17.21064
OCFA	218	.104	.1196344	-.2063165	.5487684
DPR	218	.375	.5128937	-.83	4.124582
SIZE	218	15.53901	1.546896	10.66048	20.0516

Source: Secondary data, www.idx.co.id processed with STATA 17

From table 2 above, the average Profitability variable by proxy ROA for the six (6) year period 2016-2021 is 6.31%, where the highest figure is 53% and the lowest is -0.58%. Meanwhile, the level of liquidity by proxy The average CR for 6 years is 2.40 or 240%, where the highest is 13.3 or 1330%, and the lowest is 0.060 or 6%. Leverage with an average DER proxy for 6 years was 1,178 or 117.8%, where the highest figure was 209% and the lowest was -1,031%.

5.2 Classic Assumption Test

The normality test in this study uses the Kolmogorov-Smirnov statistical analysis of the residual equation with the condition that if the probability value is above 0.05 then the data in the study can be normally distributed, and vice versa. Then the results of the study show that the K-S value is 0.007 which proves that the data is not normally distributed. Thus these symptoms are overcome by transforming the data into the form of Natural Logarithms (Ln), statistical test values with significance values seen through asymp values. sig. to be 0.182. This indicates that the research data is normally distributed because it meets the normality test requirements with a standard significance value above 0.05. So that the requirements of the normality test have been fulfilled.

The multicollinearity test for each research variable resulted in a tolerance value of <0.10 and a VIF value of > 10. This indicates that the independent variables used in this study do not have a linear relationship. If viewed based on the multicollinearity test criteria, that the data indicates symptoms of multicollinearity if there is a tolerance value of more than 0.10 and a VIF value of less than 10, it can be concluded that the data in this study are free from symptoms of muticolinierity or the multicollinearity test requirements are fulfilled.

The heteroscedasticity test in this study was carried out using the Glesjer Test, the SPSS output results on the heteroscedasticity test stated that the significance value of each independent variable used in this study had a significance value of more than 0.05 according to the Heteroscedasticity test criteria using the Glesjer Test. This indicates that there are no independent variables that statistically affect the residual absolute value as the

dependent variable. Thus, it can be concluded that the regression model in this study is free from symptoms of heteroscedasticity.

The autocorrelation test in this study used the Runs Test with the Asymp value. Sig. (2-tailed) of 0.572 where the test criteria for the Run Test are the Asymp Sig results > 0.05. So it can be concluded that the autocorrelation test conditions are fulfilled.

5.3 Analisis Regresi Berganda

The following is the multiple linear regression analysis table that was processed using STATA 17 software.

Table 3

Result of F test, t test and Coeficient Determination

```
      Linear regression                               Number of obs     =        218
                                                      F(8, 209)         =      10.63
                                                      Prob > F          =     0.0000
                                                      R-squared         =     0.6080
                                                      Root MSE          =     2.1861

------------------------------------------------------------------------------
             |               Robust
     TobinsQ |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         ROA |   2.887085   1.253618     2.30   0.022     .4157282    5.358442
          CR |  -.0651674   .0800455    -0.81   0.416    -.2229674    .0926325
         DER |  -.0270082   .0851434    -0.32   0.751    -.1948581    .1408418
    ROAxOCFA |    58.1639   12.99423     4.48   0.000     32.54733    83.78046
     CRxOCFA |   .0063492   .6328567     0.01   0.992    -1.241252     1.25395
    DERxOCFA |   .4713005   1.651683     0.29   0.776    -2.784794    3.727395
        SIZE |  -.1199898   .1243892    -0.96   0.336    -.3652081    .1252286
         DPR |   .0039424   .1786051     0.02   0.982    -.3481561    .3560408
       _cons |    2.90608   2.065384     1.41   0.161    -1.165576    6.977736
------------------------------------------------------------------------------
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Source: Secondary data from www.idx.co.id processed with STATA 17

Based on the results of the regression analysis table 3, the multiple regression equation model is obtained as follows:

TobinsQit = 2,90 + 2.88 ROA -0.065 CR – 0.027DERit + 58.164 ROA*OCFAit + 0.006 CR*OCFA+0.471DER*OCFA+ εit

Based on the results of the constant values in the regression model, it can be seen that there is a positive effect of the Profitability variable (ROA) variable on firm value. Meanwhile, Liquidity (CR) and Debt to Equity Ratio (DER) have no significant effect on Firm Value (Tobin's Q). This means that the operating cash flow variable (OCFA) as a moderating variable is able to strengthen the significant effect of Profitability variable on firm value, while the cash flow variable is not able to affect liquidity and leverage on firm value.

5.4 Individual Parameter Significance Test (Test Statistical t)

The t statistic test shows how far the influence of each independent variable individually in explaining the variation of the dependent variable. In the t statistical test, the calculated t value will be compared with the t table value, carried out in the following way:

If t count > t table or probability < significance level (Sig < 0.05), then Ha is accepted and Ho is rejected, the independent variable affects the dependent variable. If t count < t table or probability > significance level (Sig > 0.05), then Ha is rejected and Ho is accepted, the independent variable is not effect on the dependent variable.

5.5 F Uji test

Based on the results of the F test in table 3, it can be seen that the Profitability variable variable is proxied by Return on Assets (ROA), Liquidity by proxy Current Ratio (CR), Leverage by proxy Debt to Equity Ratio

(DER), Cash flow by proxy Operating Cash Flow (OFCA) jointly affect the value of the company. This means that this research model is suitable for predicting firm value.

5.6 Test the coefficient of determination

The study found the results of statistical tests on the coefficient of determination as shown in Table 3 the value of Adjusted R Square obtained a figure of 60.80%. This indicates that the variable firm value as the dependent variable can be explained by the variables of Profitability, liquidity, Leverage, and operating cash flow as moderating by 60.80% (strong impact), while the remaining 39.20% is explained by variables outside this research model.

H test results 1: Profitability variable has a positive effect on firm value

Based on the statistical test results shown in Table 3 above, it shows a probability of 0.000 < significance level of 0.05, which means that there is a positive influence from the Profitability variable variable (ROA) on firm value (Tobins Q). Thus the hypothesis (H1), which says that there is a positive effect between Profitability variable on firm value, is proven to be significant. Thus H1 is accepted. This indicates that if the Profitability variable value obtained by a company increases, it will increase the value of the company. Thus, it can be concluded that the higher the Profitability variable value, the higher the company value.

The results of this study support the research of Priswanti, Andini, & Ariesta (2018), which states that the Profitability variable variable has a partial influence on Firm Value. This proves that by increasing the profit earned by the company in carrying out its operational activities, the investor's trust is higher which results in the company's value increasing. However, the results of this study contradict the research conducted by Effendi (2019), which proves that the profitability variable variable has no effect on Firm Value.

H2 test results: Liquidity has a positive effect on firm value

From the results of the multiple regression calculation above, it is obtained that liquidity by proxy Current Ratio (CR) obtains a probability number of 0.416 > the level of significance (Sig <0.05) so that H2 which says liquidity has an effect on firm value is rejected.

H3 test results: Leverage has a positive effect on firm value

Based on the statistical test results shown in Table 3, it proves that the H2 hypothesis is rejected, this indicates that the leverage variable has an influence on firm value where the probability value is 0.751 > a significance level of 0.05. So it can be said that the Leverage variable has no effect on Firm Value. The results of this study also explain the direction of the influence of the leverage variable on firm value, namely obtaining a betta coefficient value of -0.027, which means that the leverage variable and firm value have a negative relationship. Thus it can be concluded that the formulation of the hypothesis which states that the higher the leverage will reduce the value of the company is rejected. The results of this study contradict the results of research conducted by Sanita et al., (2021) which state that the leverage variable has no effect on firm value.

However, the results of this study support the results of research that has been carried out previously by Zahra et. al (2021), which suggests that the value of the Debt to Equity Ratio (DER) has an effect on Firm Value. Where, when a company has high debt but is still within reasonable limits or below industry standard values, then the opportunity for increased sales to the company can increase. This is because the debt owned by the company is used for productive activities or is turned back into capital to develop sales in order to create higher profits.

H4 test results: Profitability variable has a positive effect on firm value moderated by cash flow

Based on the results of statistical tests on the hypothesis which says that Profitability variable affects firm value which is moderated by cash flow, it shows a number where the probability number is 0.000 <0.050. This means that Profitability variable has a positive effect on firm value which is moderated by cash flow. In other words, that cash flow can strengthen the influence of Profitability variable to increase firm value. The higher the Profitability variable, the firm's value will also increase which is reinforced by cash flow.

H5 test results: Liquidity has a positive effect on firm value which is moderated by cash flow

The statistical test results are shown in Table 3, showing a probability number of 0.992 > a significance level of 0.05, the results are not significant, this means that liquidity has no positive effect on firm value. Then from these results it can be said that cash flow is not able to function as a moderator variable that strengthens the relationship of liquidity to firm value.

H6 test results: Leverage has a positive effect on firm value moderated by cash flow

The statistical test results are shown in Table 3, showing a probability number of 0.776 > a significance level of 0.05, the results are not significant, this means that leverage has no positive effect on firm value. Then

from these results it can be said that cash flow is not able to function as a moderator variable that strengthens the relationship of leverage to firm value.

6. Conclusion

This study aims to test the consistency of variables that can affect firm value. The independent variables used in this study include Profitability variable, liquidity, leverage, and cash flow with the dependent variable namely company value. The research object used by the author is a company engaged in the primary goods consumption industry which is listed on the Indonesia Stock Exchange with a research period of six years, namely from 2016 – 2021 with a total sample of 218 observations.

Based on the previous description with reference to the formulation of the hypothesis and a confidence level of 95% (<= 0.05), the results of this study are as follows:

a. The test results for the Coefficient of Determination (R^2) indicate that the variables Profitability variable, liquidity, and Leverage, are able to explain the variable Firm Value simultaneously by 60.80.6% while the remaining 39.20% is explained by other variables not used in the this research.
b. The results of the Simultaneous Significant Test analysis (Test F) indicate that the Profitability variable, Liquidity, and Leverage variables which are moderated by cash flow are able to influence the Firm Value together.
c. Profitability variable has a positive effect on firm value, thus H1 which states that Profitability variable has a positive effect on firm value is acceptable. The results of this study support the research of Retno, Rita & Mariska (2018) which proves that the Profitability variable variable has a positive effect on firm value, but the results of this study are in contrast to Effendi's research (2019) which states that Profitability variable has no effect on firm value.
d. Liquidity does not have a positive effect on firm value, thus H2 which states that liquidity has an effect on company value is rejected. This finding does not support Ida and Ida (2020) who examined the construction industry, which found that liquidity has a significant positive effect on firm value. However, it supports the research results of Gregory and Dominicius (2017) that liquidity has no significant effect on firm value.
e. Leverage has no positive effect on Firm Value, thus H3 which states that Leverage has a positive and negative effect on Firm Value is rejected. This supports research that has been carried out previously by Zahra et al., (2021) which revealed that the Debt to Equity Ratio (DER) has an effect on firm value. Meanwhile, according to research conducted by Sanita et al., (2021) it results that the Debt to Equity Ratio (DER) has no effect on company value.
f. The findings of this study prove that cash flow can strengthen the positive effect of Profitability variable on firm value, on the other hand, cash flow is not significant as a moderating variable for the influence of liquidity and leverage on firm value.

Practical Implications

Based on the findings of this study, the management of the company should pay more attention to cash flow management because cash flow is able to strengthen the influence of Profitability variable to increase the value of the company, and vice versa if cash flow is not or is not managed properly, it will reduce the company's ability to increase Profitability variable and in turn will weaken the value of the company.

Suggestion

With the limitations of writing in this study, the authors provide several suggestions that can be done by further research, namely:

1. It is hoped that in further research to add independent variables to measure financial performance by using other financial ratio measuring tools that are not used in this study
2. For further researchers who will complete this research by measuring macroeconomic conditions, it is expected to conduct research on companies in sectors other than Non-Cyclical Consumer Goods.
3. Future research is expected to be able to add to the total research sample, able to increase the value of a higher coefficient of determination.

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