JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
ISSN 2550-0732 print / ISSN 2655-8319 online
Vol. 10 No. 2 / August 2026
DOI;10.36555/jasa.v10i2.3058

Uncovering the Determinants of Firm Value: The Moderating Role of Business Risk on Growth, Leverage, and Profitability

Sevi Indra Dewi[1], Reza Pahlevi[1], Gita Desyana[1]
Universitas Tanjungpura, Indonesia[1]
*Coresponding Email : b1031231020@student.untan.ac.id

ABSTRACT

This study examines the effects of firm growth, leverage, and profitability on firm value and evaluates whether business risk moderates these relationships in industrial sector companies listed on the Indonesia Stock Exchange during 2020–2024. Using a quantitative associative design and purposive sampling, the study analyses 85 firm-year observations from 17 companies. Secondary data were obtained from annual reports and financial statements. The analysis applies panel-data regression and moderated regression analysis. The findings indicate that firm growth has a positive but insignificant effect on firm value, so H1 is rejected. Leverage has a negative but insignificant effect, so H2 is rejected. Profitability has a positive but insignificant effect, so H3 is rejected. Business risk does not significantly moderate the relationship between growth and firm value, so H4 is rejected. However, business risk significantly strengthens the relationship between leverage and firm value, supporting H5, and significantly weakens the relationship between profitability and firm value, supporting H6. These findings imply that investors and managers should assess business risk together with financing and profitability decisions when evaluating firm value.

ARTICLE INFO

Article history:
Submitted: 08 Juny 2026
Revised: 16 August 2026
Accepted: 24 August 2026
Published: 30 August 2026

Keyword:
Business Risk
Firm Value
Growth
Leverage
Profitability.

To cite this article (APA Style):
Dewi, S. I., Pahlevi, R., & Desyana, G. (2026). Uncovering the Determinants of Firm Value: The Moderating Role of Business Risk on Growth, Leverage, and Profitability. JASa : Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi. Vol 10 (2), p.308-320. https://doi.org/10.36555/jasa.v10i1.3058

INTRODUCTION

In the increasingly complex dynamics of business competition, a company's primary goal is to demonstrate firm value that reflects investors' perceptions of the company's performance and prospects. Firm value is generally reflected in a stable and upward-trending stock price, as the stock price serves as an indicator of management's success in creating shareholder value. The higher the firm value, the greater the level of investor confidence in the company's ability to generate profits and maintain the sustainability of its business. For publicly traded companies, a rise in the stock price is often viewed as a positive signal regarding the company's financial condition and future prospects (Brigham and Houston, 2019).

Firm value has consistently been a key focus across various industrial sectors in Indonesia, including companies listed on the Indonesia Stock Exchange (IDX). Although this sector has shown significant growth following the economic recovery after the pandemic, increased corporate growth does not always correspond to a consistent rise in firm value (Streb, 2006). This finding indicates that the relationship between fundamental variables and firm value cannot be fully understood without considering the surrounding risk context.

A company's growth reflects its ability to expand the scale of its operations through increases in assets, sales, and profits (Febriana et al., 2026). A high growth rate is often viewed as a positive sign because it indicates opportunities for expansion and increased cash flow in the future. However, overly rapid growth can also put pressure on a company's financing needs and increase operational risks if it is not accompanied by effective management.

In addition to company growth, leverage is also one of the factors that influence a company's value (Putra & Jonnardi, 2025). Leverage indicates the extent to which a company uses debt as a source of funding. The use of debt can provide benefits in the form of additional capital to expand the business and increase profit opportunities for shareholders. However, a high level of leverage also increases the company's financial risk because the company must meet interest and principal payments on its debt. Failure to meet these obligations erodes investor confidence and leads to a decline in the company's value.

Another factor that influences a company's value is profitability. Profitability reflects a company's ability to generate profits through the utilization of its assets and capital. Profitability ratios, such as Return on Assets (ROA), are often used to assess a company's effectiveness in generating profits. A high level of profitability generally sends a positive signal to investors because it indicates strong company performance and the ability to create value for shareholders (Yunanto & Nodi, 2025).

Previous studies have reported inconsistent findings regarding the effects of firm growth, leverage, and profitability on firm value. For firm growth, Larasati and Said (2024) found that firm growth does not have a significant effect on firm value, whereas Pangestika & Sunarto (2025) found a positive and significant effect. Regarding leverage, Salsabillah et al. (2025) found that leverage does not have a significant effect on firm value, while Rahman (2026) found a significant effect. Similarly, Ningsih et al., (2025) found that profitability does not have a significant effect on firm value, whereas Noviera et al., (2024) found a positive and significant effect. These differences indicate that the relationships between firm growth, leverage, profitability, and firm value remain inconclusive and may depend on the conditions faced by the company. Furthermore, previous studies have examined the role of business risk as a moderating variable in the relationship between specific financial factors and firm value. Putra and Jonnardi (2025) found that business risk does not moderate the effect of firm growth on firm value, while it strengthens the relationship between leverage and firm value. Similarly, Hutami et al., (2021) found that business risk can influence the relationship between profitability and firm value, whereas Febriana et al., (2026) found that business risk can strengthen the relationship between firm growth and firm value. However, these findings remain inconsistent across the relationships examined. Therefore, a research gap remains regarding the simultaneous role of business risk in moderating the effects of firm growth, leverage, and profitability on firm value.

Furthermore, this study was conducted within a specific temporal context—namely, the post-pandemic period in Indonesia's industrial sector. This period is characterized by structural shifts that have the potential to make business risk mitigation mechanisms substantially different from those of previous periods. Rising production costs, demand volatility, and increased environmental regulatory pressures in the post-pandemic era have created a more heterogeneous business risk landscape. These conditions provide a relevant contextual backdrop for examining whether and how business risks alter the strength and direction of the relationship between fundamental variables and firm value in this new era.

This study is expected to make a threefold contribution: theoretically, by enriching corporate finance studies through a more integrative simultaneous moderation framework; methodologically, by offering a more comprehensive approach to testing interactions compared to partial moderation; and practically, by providing a reference for investors and

corporate management in considering the dimension of business risk when making investment decisions and financial policy decisions, particularly amid the uncertain dynamics of the post-pandemic era.

Hypothesis Development

Firm Growth and Firm Value

Signaling theory suggests that firm growth can provide a positive signal to investors regarding the company's future prospects. Higher growth reflects the company's ability to expand its business activities and may increase investor confidence, thereby contributing to higher firm value. Previous studies by Putra and Jonnardi, (2025) and Lesmana et al., (2025) found that firm growth has a positive effect on firm value. Therefore, the first hypothesis is formulated as follows:

H1: Firm growth has a positive effect on firm value.

Leverage and Firm Value

According to signaling theory, leverage can provide information to investors regarding a company's financial condition and risk. Excessive use of debt may generate a negative signal because it increases financial obligations and financial risk, which may reduce investor confidence and firm value. Desyana et al., (2023) and Rahmawati et al., (2024) found that leverage has a negative effect on firm value, although the effect was not significant. Therefore, the second hypothesis is formulated as follows:

H2: Leverage has a negative effect on firm value.

Profitability and Firm Value

Profitability reflects a company's ability to generate profits from its operating activities. Under signaling theory, higher profitability provides a positive signal to investors because it indicates good financial performance and future prospects, which may increase firm value. Noviera et al., (2024) found that profitability has a positive effect on firm value. Therefore, the third hypothesis is formulated as follows:

H3: Profitability has a positive effect on firm value.

The Moderating Role of Business Risk in the Relationship between Firm Growth and Firm Value

Business risk reflects the uncertainty arising from a company's operating activities and may influence how investors respond to firm growth. Although high growth may signal favorable future prospects, high business risk can increase uncertainty regarding the sustainability of such growth. Therefore, business risk may strengthen or weaken the effect of firm growth on firm value. Fuadi et al., (2022) found that business risk moderates the relationship between firm growth and firm value. Therefore, the fourth hypothesis is formulated as follows:

H4: Business risk moderates the effect of firm growth on firm value.

The Moderating Role of Business Risk in the Relationship between Leverage and Firm Value

High leverage increases a company's financial obligations and may increase financial risk. The effect of leverage on firm value may therefore depend on the level of business risk faced by the company. In companies with high business risk, excessive leverage may increase investor concerns regarding financial difficulties. Putra and Jonnardi (2025) found that business risk is related to the relationship between leverage and firm value. Therefore, the fifth hypothesis is formulated as follows:

H5: Business risk moderates the effect of leverage on firm value.

The Moderating Role of Business Risk in the Relationship between Profitability and Firm Value

High profitability generally provides a positive signal to investors regarding a company's financial performance. However, high business risk may increase uncertainty regarding the sustainability of future profits, potentially affecting the strength of the relationship between profitability and firm value. Hutami et al., (2021) found that business risk is related to the relationship between profitability and firm value. Therefore, the sixth hypothesis is formulated as follows:

H6: Business risk moderates the effect of profitability on firm value.

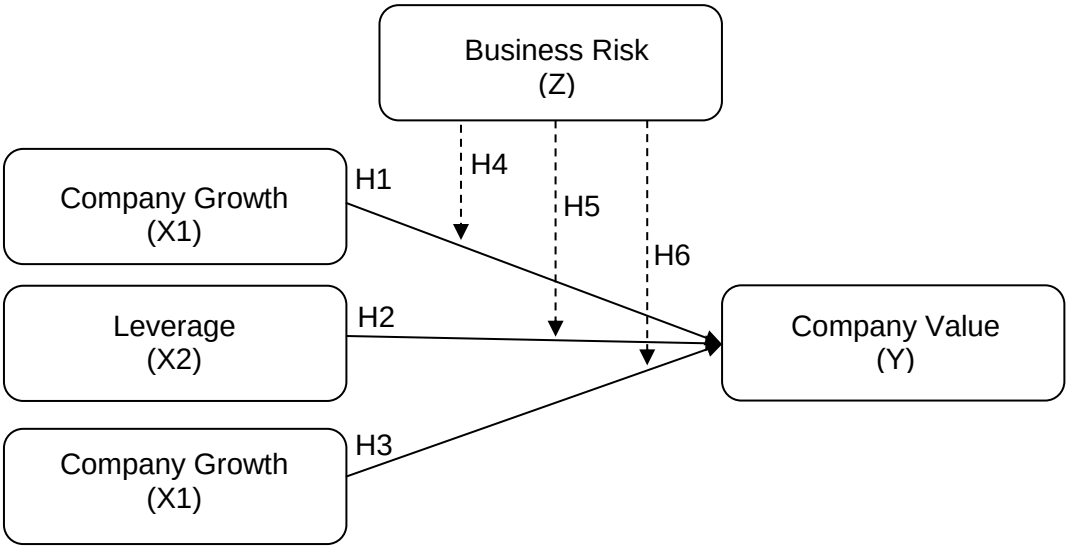


Figure 1. Conceptual framework
Source: Processed by the researcher (2026)

METHODS

Research Design

This study employs a quantitative approach, utilizing data from annual financial reports and company press releases as its primary sources. Data collection was conducted through descriptive research by accessing secondary information from the Indonesia Stock Exchange (IDX) website at www.idx.co.id.

Research Population and Sample

The population in this study consists of all companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period, totaling 65 companies. Sample selection was conducted using purposive sampling based on specific criteria aligned with the research objectives. Based on these criteria, 45 companies were selected as the research sample. The 2020–2024 observation period was selected to capture the financial performance and firm value of industrial sector companies during the post-pandemic period.

The population in this study consists of all companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period, totaling 65 companies. Sample selection was conducted using purposive sampling based on specific criteria aligned with the research objectives. Based on these criteria, **17 companies** were selected as the research sample. The 2020–2024 observation period was selected to capture the financial performance and firm value of industrial sector companies during the post-

pandemic period:

Table 1. Collection Usage by Language

No	Description	Quantity
1.	Number of industrial companies listed on the Indonesia Stock Exchange from 2020 to 2024	65
2.	Companies that do not consistently publish their annual reports and have incomplete data for 2020–2024	(21)
3.	Companies newly listed in 2020 or 2024	(19)
4.	Companies delisted between 2020 and 2024	(8)
5.	Number of companies studied from 2020 to 2024	17
6.	Number of samples during the study period	5
7.	Final sample size for research data processing	85

Source: IDX and company websites, compiled by the researcher (2026)

Types, Sources, and Data Collection Techniques

This study uses secondary (indirect) data obtained by the researcher from annual reports and financial statements of industrial sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020–2024. The data were obtained from the IDX's official website (www.idx.co.id) and/or the official websites of the respective companies. The researcher applied a documentary study method by analyzing the published secondary data. Secondary data is data obtained from records such as financial statements published by companies, and it does not require reprocessing of the original source (Desyana et al., 2023).

The following are the variables that the researcher will use, which will be explained in terms of their operational definitions:

Table 2. Operational Definitions of Variables

Types of Variables	Variables	Measurement Indicators	Source
Dependent Variable	Company Value	$\text{PBV} = \frac{\text{Stock Price}}{\text{Company Book Value}}$	Brigham and Houston (2019)
Independent Variable	Company Growth	$\text{Growth} = \frac{\text{Assets}^{\text{T}} - \text{Assets}^{\text{T}-1}}{\text{Assets}^{\text{T}-1}}$	Brigham and Houston (2019)
	Leverage	$\text{DER} = \frac{\text{Total Debt}}{\text{Equity}}$	Brigham and Houston (2019)
	Profitability	$\text{ROA} = \frac{\text{Net Income After Tax}}{\text{Total Assets}}$	Brigham and Houston (2019)
Moderating Variable	Business Risk	$\text{BRISK} = \frac{\text{EBIT}}{\text{Total Assets}}$	Brigham and Houston (2019)

Source: Books and Journal Publications (2026)

Data Analysis Techniques

The data analysis procedures were conducted using Eviews 12 and include descriptive statistical tests to provide an overview of the sample data, as well as tests of classical assumptions such as normality, multicollinearity, heteroscedasticity, autocorrelation, the Chow test, the Hausman test, and the Lagrange multiplier test. Panel data regression analysis is used to assess the relationship between independent and dependent variables by utilizing a combination of time series and cross-sectional data. The results of the analysis are presented through the coefficient of determination (R^2), the t-

test, and the F-test to assess the significance of the independent variables' influence on the dependent variable. The regression equations for the panel data are as follows:

Model 1:

$$PBV_{it} = \alpha + \beta 1GROWTH_{it} + \beta 2DER_{it} + \beta 3ROA_{it} + \epsilon_{it}$$

Model 2:

$$PBV_{it} = \alpha + \beta 1GROWTH_{it} + \beta 2DER_{it} + \beta 3ROA_{it} + \beta 4(BRISKxGROWTH)_{it} + \beta 5(BRISKxDER)_{it} + \beta 6(BRISxROA)_{it} + \epsilon_{it}$$

Notes:

PBV	= Firm Value
α	= Nilai Konstanta
GROWTH	= Company Growth
DER	= Leverage (Debt-to-Equity Ratio)
ROA	= Profitability (Return on Assets)
BRISKxGROWTH	= Business Risk and Company Growth
BRISKxDER	= Business Risk and Leverage
BRISxROA	= Business Risk and Profitability
β	= Variable Coefficient
ϵ	= Standard Error
i	= Company
t	= Year

Through this approach, it is hoped that the study will provide a deeper understanding of the impact of firm growth, profitability, and leverage on firm value, with business risk serving as a moderating variable within the industrial sector.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

The descriptive statistical analysis in this study revealed significant differences in the data. The results of the descriptive analysis include the minimum, maximum, mean, and standard deviation. The results of the descriptive statistical analysis are presented in Table 3 as follows:

Tabel 3
Descriptive Statistics

Variabel	N	Mean	Maximum	Minimum	Std. Dev.
PBV	85	1.150	7.795	0.209	1.272
GROWTH	85	0.040	0.631	-0.593	0.161
DER	85	1.165	10.521	0.062	1.857
ROA	85	0.042	0.364	-0.245	0.085
BRISK	85	0.069	0.475	-0.224	0.108

Source: EViews 12 SV output, 2026

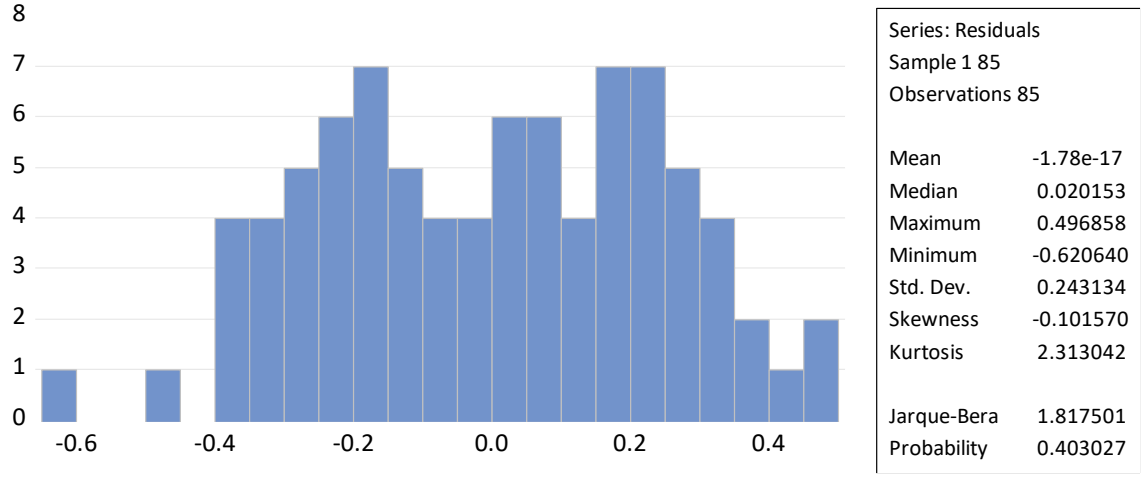
The descriptive statistics in Table 3 indicate substantial differences in the financial characteristics of the sampled industrial sector companies during the 2020–2024 observation period. The variation in firm value reflects differences in market valuation among the companies, while the variation in company growth indicates that the sample includes companies experiencing both expansion and contraction. Differences in leverage reflect variations in the companies' financing structures and reliance on debt, whereas differences in profitability indicate varying abilities to generate returns from assets, including companies experiencing negative profitability. The variation in business risk

indicates that the sampled companies also faced different levels of operational uncertainty. These variations provide an appropriate basis for further examining the effects of firm growth, leverage, and profitability on firm value and the moderating role of business risk.

Testing Classical Assumptions

The researcher tested the classical assumptions, which included a normality test of the residuals using the Jarque-Bera method, a multicollinearity test using the Variance Inflation Factor (VIF) method, a heteroscedasticity test using the Breusch-Pagan-Godfrey method, and an autocorrelation test using the Durbin-Watson method. In this study, the researcher eliminated 25 outliers, resulting in a final dataset of 85 observations. The researcher also transformed the data using logarithms (log) to address issues in the data, particularly to improve normality and variance stability. The results of the classical assumption tests are presented as follows:

Figure 2. Normality Test of Residuals – Jarque-Bera



Source: EViews 12 SV output, (2026)

The results of the normality test show a probability value of 0.403027, which is greater than the significance level of >0.05. Therefore, it can be concluded that the residual data are normally distributed (Desyana et al., 2023).

Tabel 4. Multicollinearity Test – Variance Inflation Factors (VIF)

Variabel	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.017486	23.40066	NA
GROWTH	0.004391	9.015477	1.153852
DER	0.003751	1.255767	1.054938
ROA	0.009151	28.48762	3.077311
BRISK	0.009140	23.20238	2.987193
GROWTHXBRISK	0.002039	21.87926	2.350634
DERXBRISK	0.002813	13.24671	2.426976
ROAXBRISK	0.002461	32.56431	3.628146

Source: EViews 12 SV output, (2026)

Based on the results of the multicollinearity test using the Variance Inflation Factor (VIF), it was found that all independent variables had a VIF value < 10. This indicates that there is no high correlation among the independent variables; therefore, it can be concluded that the regression model does not suffer from multicollinearity (Desyana et al., 2023)

Tabel 5. Heteroskedasticity Test – Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

F-statistic	0.919745	Prob. F(7,77)	0.4961
Obs*R-squared	6.558728	Prob. Chi-Square(7)	0.4762

Source: EViews 12 SV output, (2026)

Based on the results of the heteroscedasticity test using the Breusch-Pagan-Godfrey method, it was found that the probability value (Prob. F) was 0.4961 and the Chi-Square probability value was 0.4762, both of which were greater than the significance level of 0.05. Thus, it can be concluded that there is no issue of heteroscedasticity in the research model (Desyana et al., 2023)

Tabel 6. Autocorrelation Test – Durbin-Watson stat

F-statistic	11.58821	Durrbin -Watson stat	0.721653
Prob(F-statistic)	0.000000	dL (n=85; k=7 α=5%)	1.60
		dU (n=85; k=7 α=5%)	1.70

Source: EViews 12 SV output, (2026)

Based on the results of the panel regression (Table 6), the Durbin-Watson statistic was found to be 0.721653. With a sample size (n) of 85 and the number of independent variables (k) equal to 7 at a 5% significance level, the lower limit (dL) was found to be 1.60 and the upper limit (dU) was found to be 1.70. Since the DW value of 0.721653 is below the dL value (0.721653 < 1.60), it can be concluded that there is an indication of positive autocorrelation in the regression model (Desyana et al., 2023).

Tabel 7. Chow Test – Fixed Effects Tests Model (FEM)

Effects Test	Statistic	d.f.	Prob.
Cross-section F	10.171051	(16,61)	0.0000
Cross-section Chi-square	110.465709	16	0.0000

Source: EViews 12 SV output, 2026

The results of the Chow test were used to select the most appropriate model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM). The test results showed a cross-sectional chi-square probability value of 0.0000 < 0.05, so H0 was rejected and H1 was accepted. Therefore, the Fixed Effects Model (FEM) was selected (Putra & Jonnardi, 2025).

Tabel 8. Hausman Test – Random Effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	12.901065	7	0.0746

Source: EViews 12 SV output, (2026)

The Hausman test shows that the probability value of the cross-sectional chi-square statistic is 0.0746 > 0.05, so H_0 is accepted and H_1 is rejected; therefore, the Random Effects Model (REM) is selected. The results of the Chow and Husman tests indicate differences in model selection; therefore, the next step is to conduct a Lagrange Multiplier test to identify the most appropriate model (Putra & Jonnardi, 2025).

Tabel 9. Lagrange Multiplier Test – Random Effect Model (REM)

	Cross-section	Test Hypothesis Time	Both
Breusch-Pagan	42.66636 (0.0000)	0.026647 (0.8703)	42.69301 (0.0000)

Source: EViews 12 SV output, (2026)

The Lagrange Multiplier test showed that the Breusch-Pagan probability value was 0.0000 < 0.05, so H_0 was rejected and H_1 was accepted. Thus, the Random Effects Model (REM) was selected for use in subsequent tests (Putra & Jonnardi, 2025).

Hypothesis Testing

An analysis of the coefficient of determination and hypothesis testing using the F-test and t-test were conducted to understand the effect of independent variables on the dependent variable, both directly and through moderating variables. The following table presents the statistical values for the t-test, F-test, and coefficient of determination.

Tabel 10. Hypothesis Test Results

Cross-section common				
R-Squared			0.513020	
Prob(F-statistic)			0.00000	
Variabel	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
Constanta	0.800382	0.124253	6.441532	0.0000
GROWTH	0.129319	0.069325	1.865403	0.0659
DER	-0.925300	0.519666	-1.780566	0.0789
ROA	0.111210	0.105001	1.059129	0.2929
BRISK	0.214363	0.099931	2.145119	0.0351
GROWTHXBRISK	0.559791	0.472567	1.184576	0.2398
DERXBRISK	0.977460	0.464541	2.104140	0.0386
ROAXBRISK	-1.398874	0.661782	-2.113800	0.0378

Source: EViews 12 SV output, (2026)

Based on the results of the hypothesis testing in the table above, the R-squared value obtained is R^2 with a value of 0.513020. This indicates that the independent variables used in the study explain 51.30% of the variation in the dependent variable, while the remaining 48.70% is explained by other variables outside the research model.

The F-test results show a Prob(F-statistic) value of 0.0000 < 0.05, so it can be concluded that the independent variables simultaneously have a significant effect on the dependent variable. Thus, the research model is deemed appropriate for use.

Based on Table 10, the following panel data regression analysis equation is obtained:

Model 1:

$$\mathbf{PBV_{it} = 0.800382_{it} + 0.129319GROWTH_{it} - 0.925300DER_{it} + 0.111210ROA_{it} + 0.214363BRISK_{it}}$$

Model 2:

$$\mathbf{PBV_{it} = 0.800382_{it} + 0.129319GROWTH_{it} - 0.925300DER_{it} + 0.111210ROA_{it} + 0.214363BRISK_{it} + 0.559791BRISKxGROWTH_{it} + 0.977460BRISKxDER_{it} - 1.398874BRISKxROA_{it}}$$

The conclusions from the hypothesis testing results are presented in Table 11 as follows:

Table 11. A summary of the study is presented in Table 10 as follows:

	Hypotheses	Coefficient	Sig.	Result
H1	Company growth has a positive effect on firm value	0.129319	0.0659	Rejected
H2	Leverage has a negative but insignificant effect on firm value	-0.925300	0.0789	Rejected
H3	Profitability has a positive effect on firm value	0.111210	0.2929	Rejected
H4	Business risk moderates the effect of company growth on firm value	0.559791	0.2398	Rejected
H5	Business risk moderates the effect of	0.977460	0.0386	Accepted

	leverage on firm value			
H6	Business risk moderates the effect of profitability on firm value	-1.398874	0.0378	Accepted

DISCUSSION

Company Growth Has a Positive but Statistically Insignificant Effect on Firm Value

The test results show that the company growth variable has a coefficient of 0.129319 with a p-value of 0.0650 > 0.05. This indicates that company growth has a positive but not statistically significant effect on firm value; therefore, H1 is rejected. The positive coefficient indicates that higher company growth tends to be associated with higher firm value, but the effect is not statistically significant. This finding are consistent with the study by Larasati & Said (2024), who found that company growth does not have a significant effect on firm value. The study by Trini et al., (2026) also shows that sales growth does not significantly increase corporate value. However, the results of this study contradict those of Mutifa & Prasetio (2024) who found that firm growth has a positive and significant effect on firm value. The differences in findings may be related to differences in industry characteristics, firm characteristics, and observation periods. Based on signaling theory, company growth can provide a positive signal regarding a firm's future prospects. However, the insignificant result in this study indicates that the positive growth experienced by the sampled companies was not sufficiently strong to produce a statistically significant change in firm value during the 2020–2024 observation period.

Leverage Has a Negative but Statistically Insignificant Effect on Firm Value

The test results show that the leverage variable has a coefficient of -0.925300 with a p-value of 0.0789 > 0.05. This indicates that leverage has a negative but statistically insignificant effect on firm value; therefore, H2 is rejected. The negative coefficient indicates that an increase in leverage tends to be associated with a decrease in firm value, although the effect is not statistically significant. This finding is consistent with Salsabillah et al., (2025) and Larasati & Said, (2024) who found that leverage does not have a significant effect on firm value. However, this finding differs from Rahman, (2026), who found that leverage has a significant effect on firm value. The insignificant result indicates that changes in leverage were not sufficiently strong to significantly affect firm value during the observation period. From the perspective of signaling theory, higher leverage may provide a negative signal because it reflects greater financial obligations and risk. However, the statistical results show that this negative relationship was not significant in the sampled companies during 2020–2024.

Profitability Has a Positive but Statistically Insignificant Effect on Firm Value

The test results show that the profitability variable has a coefficient of 0.111210 with a p-value of 0.2929 > 0.05. This indicates that profitability has a positive but statistically insignificant effect on firm value; therefore, H3 is rejected. The positive coefficient indicates that higher profitability tends to be associated with higher firm value, but the effect is not statistically significant. This finding is consistent with Ningsih et al., (2025), who found that profitability does not have a significant effect on firm value. However, this finding differs from Noviera et al., (2024) and Trini et al., (2026), who found that profitability has a significant positive effect on firm value. The differences may be related to differences in firm characteristics, industry conditions, and observation periods. Based on signaling theory, higher profitability can provide a positive signal regarding a company's ability to generate profits. However, the insignificant result indicates that profitability was not sufficiently strong to significantly influence firm value in the sampled companies during the

observation period.

Business Risk Does Not Significantly Moderate the Effect of Firm Growth on Firm Value

The test results show that the interaction between business risk and firm growth has a coefficient of 0.559791 with a p-value of 0.2398 > 0.05. This indicates that business risk does not significantly moderate the effect of firm growth on firm value; therefore, H4 is rejected. Although the interaction coefficient is positive, the insignificant p-value indicates that the interaction between business risk and firm growth does not significantly affect firm value. This finding is consistent with Putra and Jonnardi (2025), who found that business risk does not moderate the effect of firm growth on firm value. However, this finding differs from Febriana et al., (2026), who found that business risk can strengthen the relationship between firm growth and firm value. The insignificant moderating effect indicates that variations in business risk among the sampled companies were not sufficient to significantly change the relationship between firm growth and firm value during the observation period. Thus, the results do not provide sufficient statistical evidence that business risk changes the effect of firm growth on firm value.

Business Risk Significantly Moderates the Effect of Leverage on Firm Value

The test results show that the interaction between business risk and leverage has a coefficient of 0.977460 with a p-value of 0.0386 < 0.05. This indicates that business risk significantly moderates the effect of leverage on firm value; therefore, H5 is accepted. The positive interaction coefficient indicates that business risk strengthens the relationship between leverage and firm value. This finding is consistent with Rahmi & Swandari, (2021) and Putra & Jonnardi, (2025), who found that business risk strengthens the relationship between leverage and firm value. The significant interaction indicates that the effect of leverage on firm value varies according to the level of business risk faced by the company. Therefore, business risk is an important factor to consider when examining the relationship between leverage and firm value.

Business Risk Significantly Moderates the Effect of Profitability on Firm Value

The test results show that the interaction between business risk and profitability has a coefficient of -1.398874 with a p-value of 0.0378 < 0.05. This indicates that business risk significantly moderates the effect of profitability on firm value; therefore, H6 is accepted. The negative interaction coefficient indicates that business risk weakens the relationship between profitability and firm value. This finding is consistent with Hutami et al., (2021), who found that business risk can influence the relationship between profitability and firm value. However, this finding differs from Putra & Jonnardi, (2025), who found that business risk does not moderate the effect of profitability on firm value. The significant negative interaction indicates that the positive relationship between profitability and firm value becomes weaker as business risk increases. This result suggests that the effect of profitability on firm value depends on the level of business risk faced by the company.

CONCLUSION

This study examines the effects of firm growth, leverage, and profitability on firm value, with business risk as a moderating variable, among industrial sector companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The results indicate that firm growth and profitability have positive but statistically insignificant effects on firm value, while leverage has a negative but statistically insignificant effect. Business risk does

not significantly moderate the effect of firm growth on firm value but significantly moderates the effects of leverage and profitability on firm value. The moderating effect of business risk strengthens the relationship between leverage and firm value but weakens the relationship between profitability and firm value.

REFERENCES

Brigham, E. F., & Houston, J. F. (2019). *Fundamentals Of Financial Management.*

Desyana, G., Gowira, D., & Jennifer, M. (2023). Pengaruh Leverage, Ukuran Perusahaan, Pertumbuhan Laba, Dan Profitabilitas Terhadap Kualitas Laba: Studi Pada Perusahaan Basic Materials Yang Terdaftar Di Bursa Efek Indonesia Tahun 2017-2021. 5(3), 1139–1152 https://doi.org/10.24036/jea.v5i3.908

Febriana, Setiawan, M., & Purwati, M. I. (2026). Pengaruh Leverage, Profitabilitas, Dan Pertumbuhan Perusahaan Terhadap Nilai Perusahaan Sektor Properti Di Bei (2021–2024). 6, 2063–2081 10.58578/arzusin.v6i3.9768

Fuadi, A., Yulianti, V., Fitria, A., & Anggraeni, T. (2022). Pengaruh Risiko Bisnis , Pertumbuhan Penjualan Dan Umur Perusahaan Terhadap Nilai Perusahaan. 10, 114–123

Hutami, D. M., Kholid, M. N., Salsabilla, S., & Indonesia, U. I. (2021). Choosing A Career As A Public Accountant : Does Calling Matter ? 2018 https://doi.org/10.23969/jrak.v14i2.5576

Larasati, S. D., & Said, H. S. (2024). Pengaruh Profitabilitas , Leverage , Struktur Modal , Dan Pertumbuhan Perus- Ahaan Terhadap Nilai Perusahaan (Studi Kasus Perusahaan Sub-Sektor Otomotif & Komponennya Yang Terin- Deks Di Bursa Efek Indonesia Periode 2016-2022). 11(1), 754–763 https://doi.org/10.54783/jser.v6i2.536

Lesmana, A. T., Rasyid, A., Zakaria, Z., Noch, M. Y., & Pasolo, F. (2025). Determinasi Ukuran Perusahaan Dan Profitabilitas Terhadap Nilai Perusahaan Melalui Struktur Modal. Advances In Management & Financial Reporting, 3(3), 259–279. https://doi.org/10.60079/amfr.v3i3.565

Mutifa, M. R. N., & Prasetio, J. E. (2024). Pengaruh Pertumbuhan Penjualan , Pertumbuhan Perusahaan , Ukuran Perusahaan , Dan Inflasi Terhadap Nilai Perusahaan. 4(April), 37–49. https://doi.org/10.46821/equity.v4i2.477

Ningsih, Lestari, R. . W. D., & Robin. (2025). Strategi Nilai Perusahaan Di Tengah Risiko Bisnis: Peran Moderasi Risiko Terhadap Gcg, Csr, Kinerja Keuangan, Dan Ukuran Perusahaan. Jurnal Pendidikan Akuntansi, 13(2), 101–108 https://ejournal.unesa.ac.id/index.php/jpak/article/view/72885

Noviera, F., Astuti, C. D., & Oktaviani, A. A. (2024). Strategi Keuangan Dan Pertumbuhan: Dampak Struktur Modal, Profitabilitas, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. Jurnal Akuntansi Trisakti, 11 (September), 377–394 http://dx.doi.org/10.25105/jat.v11i2.21157

Pangestika, D. A., & Sunarto. (2025). Pengaruh Leverage, Profitabilitas, Ukuran Perusahaan, Dan Struktur Modal Terhadap Nilai Perusaaan Di Sektor Industri Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2021-2024. 8, 306–312 https://doi.org/10.31539/n2efxq26

Putra, F. F., & Jonnardi, J. (2025). Pengaruh Pertumbuhan Perusahaan, Leverage, Dan Profitabilitas Terhadap Nilai Perusahaan Dengan Risiko Bisnis Sebagai Variabel Moderasi. Jurnal Kontemporer Akuntansi, 5 (1), 149–159. https://journal.untar.ac.id/index.php/jka/article/view/33796

Rahman, A. (2026). Pengaruh Leverage, Profitabilitas, Pertumbuhan Aset Terhadap Nilai Perusahaan. 2025, 1–6 https://ejournal.ibbi.ac.id/index.php/SB/index

Rahmawati, N., Mawaddah, D., & Putri, R. (2024). Rahmawati Et Al., (2024). Jurnal Ilmiah Penelitian Mahasiswa, 2(6), 57–67.

Rahmi, M. H., & Swandari, F. (2021). Pengaruh Risiko Bisnis Dan Ukuran Perusahaan Terhadap Struktur Modal Dan Nilai Perusahaan. 5 (1) https://doi.org/10.35130/jrimk.v5i1.151

Salsabillah, A., Gultom, S. A., & Napitupulu, I. H. (2025). Pengaruh Profitabilitas, Leverage, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Pada Perusahaan Sektor Energi Yang Terdaftar Di Bursa Efek Indonesia. 8, 296–307 https://doi.org/10.57093/metansi.v8i2.410

Streb, J. M. (2006). Job Market Signals And Signs. August.

Trini, K. I., Widjaja, D. Lndrajati, & Hidajat, N. C. (2026). The Impact Of Corporate Social Responsibility Disclosure, Profitability, Leverage, Liquidity, And Sales Growth On Firm Value: Pengaruh Csr Disclosure, Profitability, Leverage, Liquidity, Dan Sales Growth Terhadap Firm Value Kellen. 11(1) https://doi.org/10.21070/acopen.11.2026.13063

Yunanto, A., & Nodi, A. N. M. (2025). Pengaruh Profitabilitas (Roa), (Roe), Dan Leverage (Der) Terhadap Harga Saham Perusahaan Pertambangan Yang Terdaftar Di Bei 2019-2023. Jurnal Mutiara Ilmu Akuntansi, 3, 60–72 https://doi.org/10.55606/jumia.v3i2.3745