

Analysis of Financial Performance and Management Policies in Enhancing Firm Value

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Abstract— Purpose. This study examines whether financial performance and financial management policies—funding, investment, and dividend policy—affect firm value in Indonesia's technology sector during 2020–2024. The focus on tech issuers allows us to test whether market valuation in a high-growth, intangible-intensive context follows traditional accounting signals. Methodology. We employ a quantitative, correlational design using panel data of 90 firm-year observations from 18 IDX-listed technology companies (2020–2024). Secondary data are drawn from audited financial statements and the IDX database. Firm value and explanatory constructs are operationalized with standard proxies used in the literature (e.g., market-based value measures; profitability, leverage, investment intensity, and dividend payout). Hypotheses are tested with multiple linear regression (OLS) in SPSS. Novelty. Unlike prior Indonesian evidence that is dominated by mixed-sector samples, this study provides a sector-specific test for technology issuers—where intangibles and growth options may weaken the pricing of traditional performance metrics—while jointly evaluating three policy levers (funding, investment, dividends) alongside performance. Results. The estimations show no significant effect of financial performance on firm value and no significant effect of investment decisions. In contrast, funding decisions and dividend policy exhibit significant positive effects on firm value. These findings suggest that, for Indonesian tech firms, capital structure quality and cash-return policy are more salient to investors than short-term accounting performance or the sheer scale of investment outlays.

Keywords— Financial Performance, Management Policies, Investment Decisions, Funding Decisions, Dividend Policies.

I. INTRODUCTION

Digital transformation has become a key engine of economic growth: various estimates place the share of the digital economy at around 15% of global GDP (1), a figure that continues to rise as activities migrate to digital platforms, cloud computing, and artificial intelligence (AI). This shift simultaneously accelerates productivity while generating new risks of inequality if access to technology, data infrastructure, and semiconductors remains concentrated in high-income countries. In Indonesia, digital adoption is occurring on a mass scale: internet penetration in 2024 reached approximately 79.5% of the population (2), supporting the uptake of app-based services and the expansion of online markets. At the capital-market level, this acceleration is reflected in the growing number of technology issuers on the Indonesia Stock Exchange (IDX): from roughly a dozen issuers in 2020 to 40 companies in 2025 (3), with 36 of them still actively traded. However, of the 18 technology firms that conducted initial public offerings (IPOs) during 2020–2024, around 10 were trading below their IPO price by the end of 2024, illustrating

how valuations in this sector are highly sensitive to the transition from a growth-oriented strategy to a focus on profitability and firm value.

Firm value reflects investors' assessment of a company's success as embodied in its share price (4). One of the key determinants of firm value is financial performance (5). Financial performance define as a process of evaluating how effectively a company generates profit and maintains a certain cash position (6). Through financial performance, stakeholders can assess the company's financial progress based on its available resources. Financial performance also reflects the extent to which the firm implements policies related to the appropriate and efficient use of funds (7). Previous studies (5), (8) have found that financial performance positively influences firm value. However, other research reports that financial performance does not significantly affect firm value (9), (10), indicating that the empirical evidence remains inconclusive.

In addition, financial management policy is an important factor influencing firm value, as it shapes corporate decisions and strengthens investor confidence (11). A sound financial management policy can provide transparent outcomes in terms of market prices and reliable financial statements for investors. Financial management as the process involving planning, organizing, directing, and controlling economic activities such as the procurement and utilization of company funds. Financial managers act as policymakers making key financial decisions connecting the company to financial markets (12). Prior research suggests a positive influence of funding and investment decisions on firm value, while dividend policy may have no significant effect.

This study examines firm value in the technology sector. The technology sector is chosen because the current era of digitalization allows economic and social activities to be carried out using advanced technologies anytime and anywhere, and the progress of human civilization can be observed through technological advancement. In mid-to-late 2020, several large technology stocks experienced price declines due to investor concerns over Covid-19. Furthermore, from late 2021 to the present, the technology sector has again faced declining stock prices amid fears of rising inflation and interest rates, as well as increasing awareness of growth-related risks such as higher shipping and logistics costs (13). These conditions motivate this research, as financial performance and financial management policies are expected to play a crucial role in ensuring the sustainability of technology firms.

The novelty of this research lies in its focus on technology companies listed on the Indonesia Stock Exchange (IDX) during and after the pandemic period. To date, studies examining the joint effects of financial performance and financial management policies on firm value specifically within the technology sector remain limited. This study aims to contribute to the accounting literature by linking accounting systems, the use of accounting information, and financial reporting to internal and external corporate decision-making, particularly decisions intended to enhance firm value. The findings of this research are expected to serve as a reference for technology companies in formulating financial performance targets and financial management policies to increase firm value, especially in the context of the recent sharp decline in technology stock prices and its potential impact on firm value.

II. THEORITICAL FRAMEWORK

Company value (or firm value) refers to the economic worth of a company as recognized by capital markets, reflecting investors' expectations about future cash flows, risk, and growth opportunities (14). It goes beyond the book value reported in financial statements and is primarily represented by market-based valuations, including the company's share price and the aggregate value of its equity and debt instruments. Common proxies include Tobin's Q, which is the ratio of the market value of the firm to the replacement or book value of its assets, and Price to Book Value (PBV), which compares market price per share to book value per share. Other measures include market capitalization and closing share price on specific dates. These proxies aim to capture how investors assess the firm's performance, market prospects, and risk profile (15).

Theoretical frameworks explaining firm value draw from key financial and corporate governance theories. Modigliani–Miller's capital structure theory emphasizes that firm value is fundamentally determined by the earning power and risk of its assets, with financing decisions influencing value via tax shields and costs of financial distress. Agency theory suggests that conflicts between managers and shareholders create agency costs, but appropriate governance mechanisms and ownership structures help mitigate these costs, thereby boosting firm value. Signaling theory highlights how corporate policies—such as dividend payments, capital structure choices, and disclosure—serve as signals of firm quality and future performance to markets, influencing investor valuation accordingly. Recent empirical studies utilize these theories to explain relationships between firm-specific factors (e.g., leverage, dividend policy, governance quality, corporate social responsibility) and market-based firm value (14).

Financial performance is one of the key determinants considered by investors before committing funds to a company. Financial performance is the outcome achieved by financial managers in carrying out their duties to manage corporate assets appropriately over a given period (16). When financial managers perform their responsibilities effectively, investors interpret this as an indication of the company's

profitability, whether stable or increasing. Financial performance represents the work performance in the financial field achieved by a company, as reflected in its financial statements, focusing on efficiency, technological advancement, and balance in distribution. It provides a picture of the company's financial condition and success in maintaining stability through proper financial practices (17).

Financial management policies are policies concerning corporate actions related to obtaining the necessary funds at minimum financing cost and using those funds as efficiently as possible (18). Financial management policies govern the circulation of company finances arising from funding decisions (19), and also include raising and using funds appropriately to maximize shareholder wealth (46). Financial management encompasses the processes of securing, utilising, and overseeing corporate funds to support the attainment of a company's primary objectives (18)

Investment decisions is a key function of financial management, involve allocating funds sourced internally or externally into various investments, with the aim of obtaining returns that exceed the cost of capital and supporting future company growth (20). Investment decisions define as continuous investments undertaken to earn dividends in the future and associates them with the processes of planning, setting objectives, determining funds, and applying specific criteria for selecting long-term assets (21).

Financing decisions involve selecting among alternative sources of funds such as internal finance, bank debt, trade credit, and equity that a firm will use to support its activities (22). Making funding decisions requires careful consideration and analysis to ensure that appropriate sources of finance are selected to support business development. Financing decisions involve choosing among alternative funding sources (internal funds, bank debt, trade credit, equity, grants, etc.) and determining the mix that will best support firm investment and performance (22).

Dividend policy is the firm's decision on how much of current earnings should be distributed to shareholders as dividends and how much should be retained for reinvestment in future growth (23). When a company decides to distribute dividends, retained earnings and internal funds decrease. Conversely, if the company chooses to retain earnings, it strengthens its internal financing capacity over time.

Financial performance is expected to influence company value. Financial performance has a positive impact on company value (5). Strong financial performance can enhance company value and attract investors to provide capital. This finding is consistent (5), who reports that financial performance positively affects company value. Thus, the first hypothesis is formulated as follows:

H1: Financial performance has a positive effect on company value.

Corporate financial policy — comprising investment decisions, financing (capital-structure) choices, and dividend policy — influences firm value: when these policies are applied prudently (e.g., profitable investments, an appropriate mix of debt/equity, and a coherent dividend strategy), they tend to improve profitability, market valuation and investor

confidence, thereby increasing firm value (25). This view is supported by (6), who find that financial management policies positively affect company value. Accordingly, the second hypothesis is stated as follows:

H2: Financial management policies have a positive effect on company value.

The first component of financial management policy is the investment decision. Investment decisions involve allocating funds to generate income in the future (27). According to (28), sound investment decisions generate income that exceeds the associated costs, thereby increasing company value. This relationship is also supported by (28), (27) who finds that investment decisions positively influence company value. Thus, the following hypothesis is proposed:

H2a: Investment decisions have a positive effect on company value.

The second component of financial management policy is the funding decision. Funding decisions can influence company value when increases in debt are managed properly (28). If debt is used effectively, it can generate higher income, which in turn raises stock prices and company value. This is supported by (28), who reports a positive effect of funding decisions on company value. Therefore, the next hypothesis is formulated as follows:

H2b: Funding decisions have a positive effect on company value.

The third component of financial management policy is dividend policy. According to the “bird-in-the-hand” theory proposed by Myron Gordon and John Lintner, dividend policy affects market stock prices: higher dividend payments lead to higher stock prices, thereby increasing company value. This is consistent with (29); (30), (31), who finds that dividend policy positively influences company value. Thus, the following hypothesis is proposed:

H2c: Dividend policy has a positive effect on company value.

Based on the theoretical review and the hypotheses developed above, the research step can be illustrated as follows.

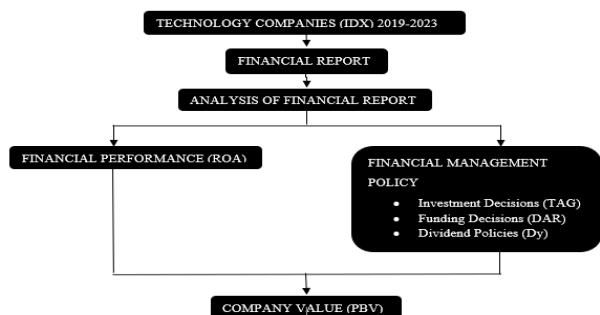


Figure 1. Research Step

III. RESEARCH METHOD

A correlational research type used in this research using a quantitative approach. The population for this study comprises technology companies registered on the IDX in the last four years from 2020 - 2025. The types of data is documentary and purposive sampling. Below are the research criteria:

TABLE 1. Company Criteria in Research

| | |
|----|---|
| 1. | Technology companies listed on IDX from 2020 until 2025 |
| 2. | Technological companies that have a financial report from 2020 until 2025 |
| 3. | Companies that have information about researched variable |

Based on these criteria, 18 companies were selected as the research sample. The sampling procedure involved, first, identifying technology companies listed on the Indonesia Stock Exchange (IDX) during 2020–2025 and, second, examining the availability and completeness of their financial statements for the 2020–2025 period. Companies that did not meet these criteria were excluded from the sample. Thus, 18 out of 36 technology companies listed on the IDX fulfilled the requirements and were included in the study, resulting in 90 firm-year observations. Company value in this study is proxied using the price-to-book value (PBV), as applied by (17). Financial performance is represented by return on assets (ROA), consistent with (32). Investment decisions are measured through investment intensity, calculated as capital expenditure relative to total assets (33). Funding decisions are reflected through the debt ratio, following (33). Meanwhile, dividend policy is captured using dividend per share (DPS) (34). Several tests were carried out to analyze the data, namely: (1) classical assumption testing and (2) multiple linear regression analysis. The classical assumption tests used in this study consist of the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

IV. RESULTS

TABLE 2. Normality Test

| | | Unstandardized Residual |
|--|----------------|-------------------------|
| N | | 90 |
| Normal Parameters ^{a,b} | Mean | .0000000 |
| | Std. Deviation | 1.34298603 |
| Most Extreme Differences | Absolute | .126 |
| | Positive | .126 |
| | Negative | -.089 |
| Test Statistic | | .126 |
| Asymp. Sig. (2-tailed) | | .078 ^c |
| a. Test distribution is Normal. | | |
| b. Calculated from data. | | |
| c. Lilliefors Significance Correction. | | |

Source: data processed in 2025

Asymp sig > 0,05 means the data is normally distributed. The one-sample Kolmogorov-Smirnov test in Table 2 shows that the value of Asymp.sig > 0,05 is 0,078, proving that the data are normally distributed.

TABLE 3. Multicollinearity Test

| Model | Unstandardized Coefficients | | Standardized Coefficients | | t | Sig. | Collinearity statistics | |
|-----------------------|-----------------------------|------------|---------------------------|--|-------|------|-------------------------|-------|
| | B | Std. Error | Beta | | | | Tolerance | VIF |
| 1. (Constant) | 4.186 | .461 | | | 9.077 | .000 | | |
| Financial Performance | - | 2.505 | -.071 | | -.566 | .574 | .941 | 1.062 |
| Investment Decisions | 1.419 | | | | 1.396 | | | |
| Funding Decisions | -.659 | .472 | -.177 | | - | .171 | .932 | 1.073 |
| Dividend Policy | - | .444 | -.328 | | - | .013 | .940 | 1.064 |
| Investment Decisions | 1.158 | | | | 2.605 | | | |
| Dividend Policy | - | .566 | -.603 | | -.000 | .000 | .962 | 1.039 |
| Company Value | 2.743 | | | | 4.847 | | | |

a. Dependent Variable: Company Value

Source: data processed in 2025

As shown in Table 3, the tolerance value is $> 0,10$, namely financial performance (0,941), investment decisions (0,932), funding decisions (0,940), dividend policy (0,962) and VIF values < 10 , i.e. financial performance (1,062), investment decisions (1,073), funding decisions (1,064), dividend policy (1,039). On this basis, it shows that the model is free from the symptoms of multicollinearity between the independent variables.

TABLE 4. Heteroscedasticity Test

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-----------------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| | Error | | | | |
| 1. (Constant) | 1.570 | .278 | | 5.643 | .000 |
| Financial Performance | .155 | 1.511 | .016 | .103 | .919 |
| Investment Decisions | -.477 | .285 | -.255 | -1.676 | .102 |
| Funding Decisions | -.441 | .268 | -.249 | -1.644 | .108 |
| Dividend Policy | -.673 | .341 | -.295 | -1.972 | .056 |

Source: data processed in 2025

Sig > 0.50 is free from heteroscedasticity.

Based on Table 4, the Asymp.sig value is $> 0,05$, i.e. financial performance (0,919), investment decisions (0,102), funding decisions (0,108), and dividend policy (0,056). Based on this, he showed that there is no evidence for heteroscedastic.

TABLE 5. Autocorrelation Test

| Model | R | R Square | Adjusted Square | Std. Error of the Estimate | Durbin-Watson |
|--|-------------------|----------|-----------------|----------------------------|---------------|
| 1. | .647 ^a | .419 | .359 | 1.41018 | 1.572 |
| a. Predictors: (Constant), Dividend Policy, Financial Performance, Funding Decisions, Investment Decisions | | | | | |
| b. Dependent Variable: Company Value | | | | | |

Source: data processed in 2025

From Table 5, the Durbin-Watson numbers are at the point $-2 < 1,572 < 2$. Based on this, this indicated that no autocorrelation was found in the research model.

TABLE 6. Multiple Regression Models

Table 6. Multiple Regression Models

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-----------------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| | Error | | | | |
| 1. (Constant) | 4.186 | .461 | | 9.077 | .000 |
| Financial Performance | -1.419 | 2.505 | -.071 | -.566 | .574 |
| Investment Decisions | -.659 | .472 | -.177 | -1.396 | .171 |
| Funding Decisions | -1.158 | .444 | -.328 | -2.605 | .013 |
| Dividend Policy | -2.743 | .566 | -.603 | -4.847 | .000 |

a. Dependent Variable: Company Value

Source: data processed in 2025

Based on Table 6, the value of company can be entered into the multiple regression equation as follows:

$$PBV = 4,186 + (-1,419) + (-0,659) + (-1,158) + (-2,743)$$

Here is an explanation of the regression equation above:

(1) The financial performance variable has a significant value

of $0,574 > 0,05$, which means there is no significant effect of the variable of financial performance with a regression coefficient of -1,419. (2) The investment decision variable has a significant value of $0,171 > 0,05$, which means that there is no significant effect found on the investment decision variable with a regression coefficient of -0,659. (3) The funding decision variable has a significant value of $0,013 < 0,05$ indicating a significant influence on the funding decision variable, with a regression coefficient of -1,158. (4) The dividend policy variable has a significant value of $0,000 < 0,05$, can be concluded that a significant influence is found on the funding decision variable, with a regression coefficient of -2,743.

TABLE 7. Statistical Test F

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---------------|----------------|----|-------------|-------|-------------------|
| 1. Regression | 55.829 | 4 | 13.957 | 7.019 | .000 ^b |
| Residual | 77.555 | 39 | 1.989 | | |
| Total | 133.385 | 43 | | | |

a. Dependent Variable: Company Value

b. Predictors: (Constant), Dividend Policy, Financial Performance, Funding Decisions, Investment Decisions

Source: data processed in 2025

As shown in Table 7, the calculated F value is 7,019 with a significance level of 0,000. This shows a significance probability of $< 0,05$ ($\alpha=5\%$), so the regression model results indicate that financial performance variables and financial management policies affect company value.

TABLE 8. Coefficient of Determination (R²)

| Model | R | R Square | Adjusted Square | Std. Error of the Estimate |
|--|-------------------|----------|-----------------|----------------------------|
| 1. | .647 ^a | .419 | .359 | 1.41018 |
| a. Predictors: (Constant), Dividend Policy, Financial Performance, Funding Decisions, Investment Decisions | | | | |

Source: data processed in 2025

From Table 8, the coefficient of determination indicates an adjusted R-squared value of 0,359 or 35,9%. Shows that 35,9% of company value can be interpreted by financial performance variables and financial management policies, while 64,1% is described by other causes outside the model.

TABLE 9. Hypothesis Test (t test)

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-----------------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| | Error | | | | |
| 1. (Constant) | 4.186 | .461 | | 9.077 | .000 |
| Financial Performance | -1.419 | 2.505 | -.071 | -.566 | .574 |
| Investment Decisions | -.659 | .472 | -.177 | -1.396 | .171 |
| Funding Decisions | -1.158 | .444 | -.328 | -2.605 | .013 |
| Dividend Policy | -2.743 | .566 | -.603 | -4.847 | .000 |

a. Dependent Variable: Company Value

Source: data processed in 2025

From Table 9, the value of financial performance is $0,574 > 0,05$ indicating that there is no influence between the financial performance variables and company value. The

investment decision value is $0,174 > 0,05$, so it indicating that the investment decision variable does not affect the value of the company. The value of the funding decision is $0,013 < 0,05$, showing that the funding decision variable has an effect on the value of the company. The value of the dividend policy is $0,000 < 0,05$, it can be concluded that the variable of the dividend policy affects the value of the company.

V. DISCUSSION

As reported in Table 9, the coefficient on financial performance is negative but statistically insignificant ($p = 0.574 > 0.05$). Therefore, we cannot infer a causal or systematic negative effect; rather, the evidence indicates no reliable relationship between financial performance and firm value in our sample. This aligns (35), (36), (37) and (38) who also find that conventional accounting measures (e.g., ROA, ROE, margins) do not robustly map into market-based firm value. In practice, several mechanisms can explain this null result: (i) in technology-intensive firms, investors often prioritize intangibles and growth options (user scale, retention, product pipeline, network effects) over short-run profits; (ii) accounting performance can be a noisy or lagging proxy for value when monetization is back-loaded or R&D is expensed; (iii) information asymmetry and earnings quality concerns may weaken the pricing of reported profits; and (iv) macro/market conditions (liquidity, risk sentiment, interest rates) and omitted firm characteristics (size, leverage, governance) can dominate the cross-sectional variation in valuation multiples. Taken together, the statistically insignificant p-value and these contextual factors support the interpretation that, in reality for this period and sector, higher (or lower) accounting profits are not a decisive determinant of firm value.

Table 9 shows that investment decisions have no statistically significant effect on firm value ($p = 0.171 > 0.05$), consistent with (40), (25), (42), meanwhile (43) revealed a negative but significant impact of investment decisions on company value. Although insignificant, the negative coefficient is economically plausible for technology firms: (i) large CAPEX/R&D can be read as overinvestment when payoffs are distant or uncertain; (ii) funding expansions via new equity dilutes existing shareholders and may pressure prices; (iii) many tech projects exhibit a J-curve—near-term cash outflows rise before monetization, lowering current free cash flow and raising perceived risk; (iv) expensing R&D depresses reported earnings, inviting higher discount rates; and (v) weak screening/governance can lead to value-destroying projects. In short, our evidence supports no effect in this sample, but the negative sign is consistent with how markets sometimes react to intangible-heavy, long-gestation investments in tech. Practically, firms should pair investment outlays with clear milestones, unit-economics disclosure, and funding plans to reduce asymmetry and help the market differentiate growth investments from overinvestment.

Table 9 shows that financing decisions have a positive and statistically significant effect on firm value ($p = 0.013 < 0.05$), consistent with (44), (26), (45). In the technology sector, this result is economically intuitive: an optimized capital structure

lowers the firm's weighted average cost of capital (e.g., prudent leverage that captures tax shields without triggering financial distress), which raises the present value of future cash flows. Well-timed debt financing (including revolving credit, term loans, or venture debt) can extend runway for product development and scale-up without immediate equity dilution, while clear use-of-proceeds disclosure and maturity matching (project cash flows ↔ debt tenors) reduce perceived risk and signal managerial discipline. Conversely, avoiding opportunistic or frequent equity issuance helps protect existing shareholders from dilution and supports valuation multiples—especially when paired with credible paths to profitability and free-cash-flow positivity. Financing choices that incorporate interest-rate hedging, covenant headroom, and a transparent liquidity policy also enhance investor confidence by lowering downside risk. In short, for tech firms—where intangible assets dominate and external financing is pivotal—credible, cost-efficient, and appropriately structured funding communicates execution capacity and reduces discount rates, thereby lifting firm value.

Table 9 indicates that dividend policy has a positive and statistically significant effect on firm value ($p = 0.000 < 0.05$), consistent with (29); (30); (31). In the technology sector, this result is economically sensible. First, a clear and credible payout policy (regular cash dividends or a disciplined buyback program) signals durable cash-flow generation and managerial confidence, reducing information asymmetry that is typically high in intangible-heavy firms. Second, committing to distribute excess cash disciplines capital allocation—mitigating overinvestment in low-return projects—and is often rewarded with higher valuation multiples. Third, predictable payouts broaden the investor base (e.g., income-oriented and quality-focused funds), deepening liquidity and supporting price. Importantly, value uplift is strongest when payouts are funded by recurring free cash flow and framed within a transparent policy (e.g., target payout range, priority vs. growth CAPEX/R&D, triggers for buybacks). For tech firms transitioning from “grow-at-all-costs” to profitable scale, articulating a path from reinvestment to returning cash helps anchor expectations, lowers the required return, and thereby raises firm value.

VI. CONCLUSION

Using 90 firm observations from 18 IDX technology firms (2020–2024), we find: (i) financial performance (e.g., ROA/ROE) shows no significant effect on firm value; (ii) investment decisions also show no significant effect; (iii) funding decisions have a significant positive effect; and (iv) dividend policy has a significant positive effect. In short, for Indonesian tech issuers, market valuation is driven less by current accounting performance or the scale of investment, and more by how firms finance themselves and how they return cash to shareholders.

Managerial & Policy Implications.

1. Capital structure discipline. Optimize leverage to reduce WACC (tax shields without distress risk), avoid unnecessary equity dilution, match debt tenors to cash-

flow timing, and maintain covenant headroom—these choices are value-relevant.

2. Cash return playbook. Where free cash flow allows, adopt a transparent payout/buyback framework (targets, triggers, priority vs. growth needs). Clear payout credibility broadens the investor base and supports multiples.
3. Communicate forward indicators. Because accounting performance is not priced strongly, complement financials with decision-useful, forward metrics (unit economics, ARR/MRR, cohort retention, product milestones, R&D roadmap) to help investors map investments to future cash flows.
4. Investment governance. Given the null effect of investment outlays, strengthen project screening (NPV/IRR hurdles, stage-gates), disclose milestones and post-audit results to distinguish value-accretive spending from overinvestment.
5. Regulator/market design. Findings support policies that enhance disclosure quality around funding uses and payout capacity (e.g., standardized FCF and capital-allocation statements) to reduce asymmetry in tech names.

Limitations & Avenues for Further Research.

- Measurement scope. Proxies may miss tech-specific value drivers (e.g., R&D capitalized vs. expensed, intangible asset value, user-based metrics). Future work can incorporate Tobin's Q vs. PBV, alternative profitability (gross profit, operating cash flow), and R&D/SG&A quality measures.
- Sample & period. The tech sector during 2020–2024 includes unusual macro/market conditions and evolving listing cohorts; results may not generalize to other periods or sectors. Extending the window and separating pre-/post-profitability subsamples could unpack dynamics.
- Endogeneity. Omitted variables (governance, risk, growth options) and reverse causality may bias OLS. Robustness with fixed effects, instrumental variables, lag structures, or propensity matching would strengthen causal claims.
- Heterogeneity. Tech is not monolithic. Splitting by subsector (software & IT services, data centers, e-commerce, hardware) and lifecycle stage may reveal where performance or investment becomes value-relevant.
- Event sensitivity. Major corporate actions (rights issues, M&A, lock-up expiries) can confound annual relationships; event-study or high-frequency approaches could isolate their valuation impact.

Overall, the evidence suggests investors in Indonesia's tech sector currently reward credible financing and payout discipline more than short-run accounting performance or topline investment intensity.

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