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The Effect of Cash Conversion Cycle, Sales Growth, and Financial Slack on Firm Value with Business Risk as a Moderating Variable

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ABSTRACT

This study aims to examine the effect of Cash Conversion Cycle, Sales Growth, and Financial Slack on Firm Value with Business Risk as a moderating variable in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2020–2024 period. Corporate value serves as a critical benchmark that demonstrates market participants' views on a company's operational efficiency and long-term potential. An empirical quantitative method was adopted, leveraging archival data gathered from published annual disclosures and financial statements. Through a selective sampling framework, a total dataset of 60 firm-year observations was compiled for evaluation. ypothesis testing was executed utilizing Moderated Regression Analysis (MRA). The empirical evidence demonstrates that sales growth significantly boosts corporate worth. Conversely, neither the duration of the cash conversion cycle nor the volume of financial slack exerts any meaningful impact on corporate valuation. Additionally, empirical results indicate that business risk fails to function as a moderating force across all tested relationships. These outcomes imply that when evaluating corporate worth, market players tend to prioritize expansion in revenue streams over operational working capital agility or cash reserves.

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1. INTRODUCTION

Firm Value is an important indicator that reflects the market's assessment of the company's condition and prospects. The company's high value shows investors' confidence in the management's ability to create sustainable performance and improve shareholder welfare. Therefore, companies need to implement the right financial strategy to increase investment attractiveness and maintain market confidence.

Factors that are suspected to affect Firm Value include Cash Conversion Cycle (CCC), Sales Growth, and Financial Slack. The Cash Conversion Cycle reflects the efficiency of working capital management, Sales Growth shows sales growth as an indicator of the company's development, while

Financial Slack describes the availability of financial resources that support the company's flexibility in the face of uncertainty.

However, previous research on the influence of these three variables on Firm Value still shows inconsistent results. This condition indicates that there are other factors that can affect the relationship, namely Business Risk. This study aims to analyze the influence of Cash Conversion Cycle, Sales Growth, and Financial Slack on Firm Value with Business Risk as a moderation variable in food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020–2024 period. The results of the research are expected to contribute to the development of financial management theory and become a consideration for investors and management in increasing the value of the company.

Signaling Theory

Signaling *Theory* provides an idea that corporate actions in sharing information with market participants aim to minimize *information asymmetry* and help assess the company's performance and prospects. Yoon et al. (2018) stated that information about performance provides a positive stimulus that ultimately increases the level of confidence of investors, while Patro et al. (2025) explain that relevant and quality information can reduce risk perception and increase company value. In this study, *Signaling Theory* is used as a basic foothold to explain that Cash Conversion Cycle, Sales Growth, Financial Slack, and Business Risk are information that can be signal indicators for investors when reading the company's financial condition and future potential, so that it has the potential to affect Firm Value.

Resource-Based View (RBV)

Resource-Based View (RBV) explains that a corporation's strategic competitiveness rests on its expertise in empowering assets that are of high value, difficult to find, heavy for duplication, and do not have a commensurate substitution (VRIN). Mailani et al. (2024) stated that asset ownership with these criteria is able to give birth to strong competitiveness in the long term. In this study, the RBV perspective is applied as a theoretical framework to dissect the relationship between Financial Slack and Firm Value, because *financial slack* is a strategic financial resource that provides flexibility for companies to support investments and face uncertainty. Mao et al. (2023) stated that *financial slack* functions as a reserve of financial resources that support strategic decision-making so that it has the potential to increase the value of the company.

Firm Value

Firm *Value* reflects how market participants measure the condition of issuers based on their performance achievements and development potential. When this figure creeps up, the optimism of investors on the competence of management in contributing profits to shareholders will also be more solid. In line with that, Gunarianto et al. (2023) argue that this indicator is a reflection of the investor's point of view as reflected in the stock market value. In this study, Firm Value is used as a bound variable that is applied using the Tobin's Q ratio, because it is able to represent the market valuation of the company's overall assets and is widely used in research on the value of the Company. Pandin et al. (2025)

The mathematical formulation to calculate *Tobin's Q* in this research is described as follows:

$$Tobin's\ Q\ =\ Total\ Assets\ MVE\ +\ Debt\ /\ Total\ Assets$$

Description:

MVE (Market Value of Equity) = closing share price × number of outstanding shares
Debt = total liabilities of the company
Total Assets = total assets of the company

Cash Conversion Cycle (CCC)

The Cash Conversion Cycle (CCC) describes the time span spent by a corporation converting operating funds into cash back and is used to measure the efficiency of working capital management.

The lower the Cash Conversion Cycle, the more agile the corporate management will be in controlling the liquidity turnover and working capital. Amelia (2019) stated that the Cash Conversion Cycle is a crucial parameter when measuring how effective daily cash flow management is. In this study, the Cash Conversion Cycle is used as an independent variable and is calculated based on Days Inventory Outstanding (DIO), Days Sales Outstanding (DSO), and Days Payable Outstanding (DPO) to describe the efficiency of working capital management that has the potential to affect Firm Value.

The mathematical formulation to calculate the value of *the Cash Conversion Cycle* in this research is explained below:

$$CCC = DIO + DSO - DPOCCC = \ DIO \ + \ DSO \ - \ DPOCCC = DIO + DSO - DPO$$

Description:

DIO (Days Inventory Outstanding) = (Inventory ÷ Cost of Goods Sold) × 365

DSO (Days Sales Outstanding) = (Accounts Receivable ÷ Sales) × 365

DPO (Days Payable Outstanding) = (Accounts Payable ÷ Cost of Goods Sold) × 365

The lower the value of the Cash Conversion Cycle, the sooner the funds used in operational activities can return to cash and be reused by the company to support its business activities.

Sales Growth

Sales Growth describes the change in a company's sales from one period to the next and is an indicator of the company's business development and prospects. The steady upward trend shows the effectiveness of management in hoisting turnover and widening market reach. Gunarianto et al. (2023) stated that Sales Growth is an indicator of growth opportunities that contribute to increasing company value. In this study, Sales Growth is used to position sales growth as an independent variable by comparing the total sales of the current period with the previous period. Positive results indicate an expansion in turnover, while negative results indicate a decline in sales activities. The Sales Growth formula used is as follows:

$$Sales\ Growth = Sales_t - Sales_{t-1} \ / \ Sales_{t-1}$$

Description:

Sales t = Total sales for the current period

Sales (t-1) = Total sales of the previous period

Financial Slack

Financial Slack describes the availability of financial resources beyond operational needs that provides flexibility for companies to support investments and deal with uncertainty. Based on the Resource-Based View (RBV), the financial *slack* is seen as a crucial asset that can give birth to strategic competitiveness if organized correctly. Dharmawan and Angela (2026) stated that the availability of reserve funds plays a role in supporting various policies and strategic agendas of corporations. In this study, the independent variable used is *Financial Slack* with a measurement indicator in the form of a cash holding *ratio to* represent the level of financial leeway of the company.

The financial slack formula used is as follows:

$$Financial\ Slack = Cash\ and\ Cash\ Equivalents \ / \ Total\ Assets$$

Description:

Cash and Cash Equivalents = Cash and cash equivalents of the company

Total Assets = Total assets of the company

The higher the value of financial slack, the greater the financial flexibility the company has in supporting the company's operational activities and future growth strategy.

Business Risk

Business Risk refers to the level of uncertainty in a company's operational activities that can affect its ability to generate profits. According to Suharti et al. (2023), Business Risk reflects operational risks that affect the stability of a company's performance. In this study, Business Risk is positioned as a *moderating variable* that is projected to have the capacity to intervene in both accelerating and mitigating the impact of the Cash Conversion Cycle, Sales Growth, and Financial Slack on Firm Value. Business

Risk measurement is carried out using *earnings volatility*, which is the standard deviation of Earnings Before Interest and Taxes (EBIT).
The Business Risk formula used is as follows:

$$Business\ Risk = \sigma EBIT$$

Description:

σ EBIT = standar deviasi Earnings Before Interest and Taxes (EBIT)

The higher the standard value of EBIT deviation, the higher the level of business risk that the company has because it shows greater fluctuations in operating profit.

The Effect of the Cash Conversion Cycle on Firm Value

The Cash Conversion Cycle (CCC) describes the efficiency of a company in managing working capital and, based on Signaling Theory, can be captured as a stimulus or positive signal by investors regarding the issuer's ability to create effective fund turnover. The shorter the Cash Conversion Cycle, the more optimal the operational efficiency of working capital, which in turn increases the company's value. However, the results of research on the influence of the Cash Conversion Cycle on Firm Value are still mixed. Amelia (2019) states that the Cash Conversion Cycle is related to the value of the company, although some studies show insignificant results. On the basis of these arguments, the theoretical conjectures or hypotheses in this research are formulated as follows:
H1: Cash Conversion Cycle affects Firm Value.

The Effect of Sales Growth on Firm Value

Sales Growth describes how great a company is in boosting their sales turnover and, based on Signaling Theory, when associated with *Signaling Theory*, it becomes a code or positive signal for investors regarding the future development of the business. A steady increase in turnover is a great opportunity to boost the confidence of investors as well as increase the value of the business itself. However, the results of research on the influence of Sales Growth on Firm Value are still mixed. Gunarianto et al. (2023) state that sales growth contributes to an increase in company value, although some studies show different results. Based on the premise of this thought, the hypothesis formulation in this study is determined as follows:
H2: Sales Growth affects Firm Value.

The Effect of Financial Slack on Firm Value

Financial Slack describes the availability of financial resources beyond operational needs that provides flexibility for companies to deal with uncertainty and capitalize on investment opportunities. Based on the Resource-Based View (RBV), effectively managed financial resources can be a competitive advantage and increase the value of the company. Even so, the results of previous studies on the effect of *Financial Slack* on company value are still different. Dharmawan and Angela (2026) stated that financial slack supports the creation of company value, but excess funds also have the potential to cause inefficiencies if not used optimally. Therefore, this study compiles provisional conjectures or hypotheses as follows:
H3: Financial Slack affects Firm Value.

Business Risk Moderates the Effect of the Cash Conversion Cycle on Firm Value

The Cash Conversion Cycle (CCC) reflects the efficiency of working capital management and, based on Signaling Theory, can be a clue or signal for investors to see how smart the company is in managing the assets they have. However, the influence of the Cash Conversion Cycle on Firm Value is allegedly influenced by Business Risk, as different levels of risk can affect investors' response to such information. Suharti et al. (2023) stated that Business Risk reflects operational uncertainty that can strengthen or weaken the relationship between the cash conversion cycle and the company's value. between the Cash Conversion Cycle and Firm Value. Therefore, the provisional conclusions or hypotheses proposed in this research are:

H4: Business Risk moderates the influence of the Cash Conversion Cycle on Firm Value.

Business Risk Moderates the Influence of Sales Growth on Firm Value

Sales Growth shows how capable a company is in increasing their sales figures and if you look at it from the *signaling theory*, this can be good news for investors about business opportunities to continue to grow in the future. However, the effect of Sales Growth on Firm Value is suspected to be influenced by Business Risk, as differences in risk levels can affect investors' response to sales growth information. Gunarianto et al. (2023) stated that an increase in sales turnover plays a role in boosting the value of a business, so Business Risk is suspected to be able to strengthen or weaken the relationship. Therefore, the initial assumptions or hypotheses proposed in this study are:

H5: Business Risk moderates the influence of Sales Growth on Firm Value.

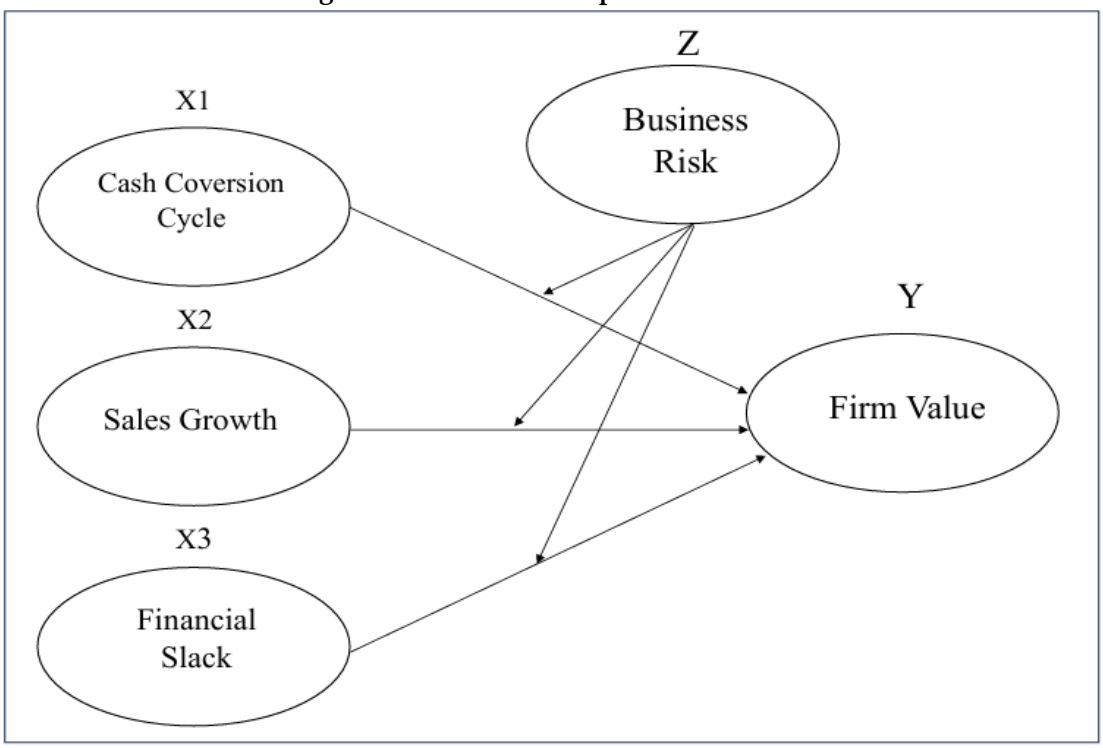
Business Risk Moderates the Influence of Financial Slack on Firm Value

Financial Slack shows that companies have pure funds that make them more flexible when they want to invest or grow their business. Based on the Resource-Based View (RBV), financial slack is a strategic resource that can increase the value of a company, but its influence is allegedly influenced by Business Risk. Dharmawan and Angela (2026) stated that financial slack supports company flexibility, while Suharti et al. (2023) explained that Business Risk reflects operational uncertainty that can affect investor valuations. Therefore, business risk is expected to increase or even minimize the effect of Financial Slack on Firm Value, until finally this research raises temporary conjectures or hypotheses as follows:

H6: Business Risk moderates the influence of Financial Slack on Firm Value.

Based on the theory used and the results of previous research, this study examines how the effects of *Cash Conversion Cycle*, *Sales Growth*, and *Financial Slack* in affecting *Firm Value* mediated by *Business Risk*. Then, an overview of the chart or map of the relationship between variables can be seen in Figure 1 below.

Figure 1. Research Conceptual Framework



2. METHODS

Types of Research

This research uses a quantitative method with an associative type to analyze the influence of Cash Conversion Cycle, Sales Growth, and Financial Slack on Firm Value with Business as an intermediate variable. The data source uses secondary data from financial statements and annual reports of food and beverage issuers on the Indonesia Stock Exchange (IDX) from 2020 to 2024, which are processed through statistical tests to see how the relationship between variables is.

Population and Research Sample

The population coverage in this study includes all food and beverage issuers that are actively listed on the Indonesia Stock Exchange (IDX) from 2020 to 2024. Then for the selection of the sample itself, it was selected using *a purposive sampling* technique based on certain criteria that had been set. Here are some of the criteria or conditions used to choose the sample:

1. Food and beverage companies that are active and listed on the IDX throughout 2020–2024.
2. Always release complete and complete annual financial statements during the research period.
3. Have the complete data needed to calculate all operational variables.
4. The company's shares were not delisted or delisted from the stock exchange during the observation period.

Data Types and Sources

This research uses quantitative data in the form of secondary data where the data is obtained from third parties, aka sourced from data that has been available and officially released to the public. This information was collected from financial report files as well as *annual reports belonging to* food and beverage issuers listed on the Indonesia Stock Exchange (IDX) throughout the period 2020 to 2024. All of this data is obtained through the IDX's official website or the official website of each company.

Variable Operational Definition

The research variables are used to explain the relationships between the variables analyzed in the study. This study uses three independent variables, namely Cash Conversion Cycle, Sales Growth, and Financial Slack, one dependent variable, namely Firm Value, and Business Risk as the moderation variable. Cash Conversion Cycle describes the efficiency of working capital management, Sales Growth shows how good the company is at boosting their sales figures, Financial Slack reflects the availability of financial resources beyond operational needs, Firm Value represents investors' assessment of the company, while Business Risk is suspected to be the link between independent variables and company value. After this, each variable will be discussed in more detail through the indicators and calculation formulas used in this research.

Table 1. Variable Operational Definition

Variabel	Operational Definition	Measurement	Scale
Firm Value (Y)	*Firm Value* is basically the investor's view of the success or failure of a business, which can be seen directly from the rise and fall of stock prices in the market and how the company's work performance.	$Tobin's\ Q = \frac{Total\ Assets\ MVE + Debt}{Total\ Assets}$	Ratio
Cash	The Cash Conversion Cycle	$CCC = DIO + DSO - DPOCCC =$	Ratio

Conversion Cycle (X1)	shows the length of time it takes for a company to convert investments in working capital into cash through the company's operational activities.	$DIO + DSO - DPOCCC = DIO + DSO - DPO$	
Sales Growth (X2)	Sales Growth is info about how much a company's sales go up or grow from one time to the next.	$Sales\ Growth = Sales_t - Sales_{t-1} / Sales_{t-1}$	Ratio
Financial Slack (X3)	Financial Slack is the availability of financial resources that a company has outside of normal operational needs that can be used to support the company's activities.	$Financial\ Slack = Cash\ and\ Cash\ Equivalents / Total\ Assets$	Ratio
Business Risk (Z)	Business Risk is the level of uncertainty faced by companies in carrying out their operational activities.	$Business\ Risk = \sigma EBIT$	Racing

Data Collection Techniques

The method of collecting data in this research uses a documentation method by searching and collecting financial statements and annual reports of food and beverage issuers listed on the IDX from 2020 to 2024. The information is taken from the IDX's official website and the website of each company, which will later be selected and processed to measure the variables of Cash Conversion Cycle, Sales Growth, Financial Slack, Business Risk, and Firm Value as the basis for testing the research hypothesis.

Data Analysis Techniques

The data analysis process in this research is carried out using a quantitative method whose purpose is to test the influence of Cash Conversion Cycle, *Sales Growth* and *Financial Slack* on *Firm Value* and use *Business Risk* as a variable. The figures obtained from the company's financial statements are processed based on the measurement formula of each variable, then dissected through a descriptive statistical method to obtain an overview of the data. This picture is seen through the smallest number, the largest number, the mean (*mean*), and the standard deviation. After that, the test is continued to the linear regression analysis stage which is used to test the effects of free variables, as well as a moderation test to see the role of *Business Risk* in influencing the relationship between free and bound variables. The hypothesis test refers to the level of significance of statistical results as a reference for accepting or rejecting initial conjectures and drawing research conclusions.

3. FINDINGS AND DISCUSSION

Descriptive Statistics

Table 2. Descriptive Statistical Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AND (Tobins_Q)	60	,7125	4,1150	1,655230	,7603226
X1 (CCC_Hari)	60	17,4515	210,0000	60,302558	44,8964541
X2 (SG)	60	-,3385	,5383	,102280	,1356704
X3 (FS)	60	,0218	,6520	,185588	,1411136
Z (BR)	60	,0165	,0310	,023687	,0028841
Valid N (listwise)	60				

Referring to Table 2, this research uses 60 observation data taken from food and beverage issuers on the Indonesia Stock Exchange (IDX) throughout 2020–2024. The Firm *Value* variable calculated using *the Tobin's Q* formula has the lowest value of 0.7125, the highest value of 4.1150, the average of 1.6552, and the standard deviation of 0.7603. Tobin*'s Q* average number that touches above this number indicates that the average sample company gets a good view or response from the capital market. The Cash Conversion Cycle (CCC) has a minimum value of 17.4515 days, a maximum of 210 days, an average of 60.3026 days, and a standard deviation of 44.8965 which indicates that each company has a very different way of managing their working capital.

The *Sales Growth* variable recorded the lowest number at -0.3385, the highest at 0.5383, the average at 0.1023, and the standard deviation at 0.1357. This data indicates that the average sales growth was 10.23% during the research period. Then, *Financial Slack* has a low value of 0.0218, a high of 0.6520, an average of 0.1856, and a standard deviation of 0.1411. This figure indicates that the majority of companies have a safe deposit of funds to finance their daily operations and business expansion. On the other hand, *Business Risk* recorded the lowest value of 0.0165, the highest value of 0.0310, the average of 0.0237, and the standard deviation of 0.0029. This indicates that the level of business risk among the sample companies tends to be similar or uniform during the observation period.

Classic Assumption Test

Normality Test

Table 3. Normality Test Results

Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Say.	Statistic	df	Say.
Unstandardized Residual	,117	60	,040	,953	60	,022

a. Lilliefors Significance Correction

If you look at Table 3, the significance of Kolmogorov-Smirnov is at the level of 0.040 and for Shapiro-Wilk it is at 0.022. Because the two values are less than 0.05, it means that the residual data in this research has not spread normally.

These results are still acceptable because the study uses 60 observations. The relatively large amount of data causes a violation of normality that does not affect the results of the model estimation. Therefore, this regression test is still very suitable to be used to prove the initial conjecture or hypothesis that has been formulated.

Multicollinearity Test

Table 4. Multicollinearity Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	LIVE
1	(Constant)	1,593	,104		15,262	,000		
	CCC_C	-,007	,004	-,413	-1,613	,113	,192	5,215
	SG_C	1,905	,726	,340	2,624	,011	,748	1,337
	FS_C	-,539	,833	-,100	-,647	,521	,525	1,904
	BR_C	36,398	43,366	,138	,839	,405	,464	2,156
	CCCBR_C	-,383	,872	-,105	-,440	,662	,220	4,541
	SGBR_C	-303,366	268,554	-,176	-1,130	,264	,517	1,935
	FSBR_C	-95,562	296,077	-,046	-,323	,748	,607	1,647

a. Dependent Variable: Y (Tobins_Q)

If you look at Table 4, each variable is proven to have a *Tolerance* value of more than 0.10 as well as a VIF number that is below 10. The *Tolerance* number itself plays in the range of 0.192 to 0.748, while the VIF value is in the range of 1.337 to 5.215.

The highest VIF value is found in the CCC_C variable of 5.215. The value is still below the limit used in multicollinearity testing. This indicates that there is no relationship that is too strong or colliding with each other between the independent variables and the interaction variables. Therefore, the regression model in this research is safe from the problem of multicollinearity and can be directly used for the next round of analysis.

Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results (Glejser)

Variabel	t	Say.
X1 (Cash Conversion Cycle)	-1,447	0,154
X2 (Sales Growth)	2,174	0,034
X3 (Financial Slack)	-0,289	0,774
Z (Business Risk)	0,473	0,638

The heteroscedasticity test in this research uses the Glejser method, where the safety requirement is that the significance value must be greater than 0.05. Based on Table 5, Cash Conversion Cycle (0.154), Financial Slack (0.774), and Business Risk (0.638) have a significance value above 0.05, so it is safe from heteroscedasticity problems. *Sales Growth* recorded a significance of 0.034 (less than 0.05), which means that there is an indication of heteroscedasticity. In conclusion, this model has not completely passed the assumption of homogeneity, so the regression results must be read and interpreted more carefully.

Moderated Regression Analysis (MRA)
Model Feasibility Test (F Test)

Table 6. F Test Results

ANOVA

Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	11,850	7	1,693	3,955	,002b
	Residual	22,257	52	,428		
	Total	34,107	59			

a. Dependent Variable: Y (Tobins_Q)
b. Predictors: (Constant), FSBR_C, FS_C, BR_C, SG_C, CCCBR_C, SGBR_C, CCC_C

Referring to the data presentation in Table 6, the number F is calculated at 3.955 which is accompanied by a significance level of 0.002. Since the significance value is less than 0.05, it means that the regression model used is considered feasible and suitable for testing hypotheses.

These results show that Cash Conversion Cycle, Sales Growth, Financial Slack, Business Risk, and interaction variables are simultaneously related to Firm Value.

Coefficient of Determination (Adjusted R^2)

Table 7. Determination Coefficient Results

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,589a	,347	,260	,6542320

a. Predictors: (Constant), FSBR_C, FS_C, BR_C, SG_C, CCCBR_C, SGBR_C, CCC_C
b. Dependent Variable: Y (Tobins_Q)

If you refer to Table 7, the Adjusted R Square number obtained is 0.260. This figure gives an idea that the variables Cash Conversion Cycle, Sales Growth, Financial Slack, Business Risk, and interaction variables are able to explain the Firm Value of 26.0%.

The remaining 74.0% were influenced by variables or other causes outside of this research modeling.

Hypothesis Test

Table 8. Hypothesis Testing Results

Hipotesis	Coeficin (β)	Say.	Verdict
H1: CCC → Firm Value	-0,413	0,113	Rejected
H2: Sales Growth → Firm Value	0,340	0,011	Accepted
H3: Financial Slack → Firm Value	-0,100	0,521	Rejected
H4: CCC × BR → Firm Value	-0,105	0,662	Rejected

H5: SG × BR → Firm Value	-0,176	0,264	Rejected
H6: FS × BR → Firm Value	-0,046	0,748	Rejected

Based on Table 8, *Sales Growth* recorded a significance figure of 0.011, so this variable is proven to have an impact on *Firm Value*. This indicates that the second hypothesis (H2) is successfully accepted.

Meanwhile, *Cash Conversion Cycle* and *Financial Slack* have a significance value above 0.05, so neither of them have any impact on *Firm Value*. As a result, H1 and H3 were officially rejected.

Then, all interaction variables also recorded a significance number above 0.05. These figures show that *Business Risk* fails to act as a mediator or moderate the relationship between *Cash Conversion Cycle*, *Sales Growth*, and *Financial Slack* to *Firm Value*. Thus, H4, H5, and H6 are rejected.

Discussion

The Effect of the Cash Conversion Cycle on Firm Value

H1 Rejected

From the results of the statistical test, it appears that *the Cash Conversion Cycle* (CCC) has no effect on *Firm Value*. This is evident from the significance number which touches 0.113 (greater than 0.05), automatically the first hypothesis (H1) is officially rejected. The findings of this research provide clues that the efficiency of the cash conversion cycle has not been an important focus or consideration for investors when assessing companies in the food and beverage subsector.

If it is associated with *Signaling Theory*, information about *the Cash Conversion Cycle* has not yet provided a code or signal that is strong enough to influence investors' perspective on the value of a business. The findings of this research are also similar to the study from Amelia (2019) which states that the cash conversion cycle does not have a significant impact on *Firm Value*.

The Effect of Sales Growth on Firm Value

H2 Accepted

From the test results, it appears that Sales Growth has a positive impact on Firm Value, this is evidenced by the significance figure at the level of 0.011 (below 0.05), so that the second hypothesis (H2) is successfully accepted. This result gives an indication that the increase in sales is one of the important aspects that boost business value, because it illustrates that when viewed from the perspective of *Signaling Theory*, the increase in sales is seen as a positive code or signal that is able to boost the confidence of shareholders regarding the future of the business. As a result, the faster the company's sales turnover develops, the higher and more positive the assessment given by investors to the business. The findings in this research are in line with the study by Gunarianto et al. (2023), where they also revealed that *Sales Growth* has been proven to have a positive impact on *Firm Value*, so that the higher the sales growth, the higher the investor assessment of the company.

The Effect of Financial Slack on Firm Value

H3 Rejected

From the results of statistical testing, it appears that *Financial Slack* has no effect on *Firm Value*. This is evidenced by its significance value at 0.521 (greater than 0.05), so that the third hypothesis (H3) is automatically officially rejected. The findings of this research provide clues that the abundance of financial sources does not guarantee that it will increase business value if it is not utilized to the maximum. Although *the Resource-Based View* (RBV) reviews that internal assets can create strong competitiveness, the facts in this study actually show that *Financial Slack* has not been looked at or become an important point that affects the way investors look when valuing companies. This result is also different from the study from Dharmawan and Angela (2026) who had found that *Financial Slack* actually has an impact on *Firm Value*.

Business Risk Moderates the Effect of the Cash Conversion Cycle on Firm Value
H4 Rejected

The test results indicate that the interaction between *the Cash Conversion Cycle* and *Business Risk* does not have an impact on *Firm Value* at all. This can be seen from the significance figure which is at the level of 0.662 (greater than 0.05), so that the fourth hypothesis (H4) is automatically officially rejected. The findings of this research provide clues that the level of business risk is not able to strengthen or weaken the effect of the *Cash Conversion Cycle* on the value of a business. This figure gives an idea that investors tend to see the efficiency of working capital management directly, regardless of the difference in the level of business risk faced by the company.

This result is also different from a study from Suharti et al. (2023) which had mentioned that *Business Risk* can act as an intermediary between financial management and company value. It is strongly suspected that this difference in results is triggered by differences in sample characteristics, the industrial sector taken, or the research observation period used.

Business Risk Moderates the Influence of Sales Growth on Firm Value
H5 Rejected

From the test results, it appears that the reciprocal relationship between Sales Growth and Business Risk has no effect on Firm Value, as evidenced by a significance number that touches 0.264 (greater than 0.05), so that it automatically makes the fifth hypothesis (H5) officially rejected. The findings of this research indicate that the level of business risk does not have the power to strengthen or weaken the influence of sales growth on the company's value.

The results indicate that investors continue to assess sales growth without being affected by the company's business risk level. This finding turns out to be different from research from Gunarianto et al. (2023) and Suharti et al. (2023) who review that Business Risk can actually be a mediator in the relationship between company performance and business value.

Business Risk Moderates the Influence of Financial Slack on Firm Value
H6 Rejected

From the test results, it appears that the interaction between *Financial Slack* and *Business Risk* has no effect on *Firm Value* at all. This is evidenced by its significance value which is at 0.748 (greater than 0.05), so that the sixth hypothesis (H6) is automatically officially rejected. These findings provide clues that the level of business risk is not able to strengthen or weaken the effect of *Financial Slack* on the value of a business. When referring to *the Resource-Based View* (RBV), *Financial Slack* is indeed an internal asset that can support increased business value if managed effectively. However, the facts in this research actually show that investors are more focused on how the company's ability to utilize existing funds, rather than just looking at how large the funds are available. This result is also different from the studies from Dharmawan and Angela (2026) and Suharti et al. (2023), which at the same time confirm that *Business Risk* does fail to act as an intermediate variable in relation to *Financial Slack* and *Firm Value*.

4. CONCLUSION

This research was conducted with the aim of dissecting the effects of *Cash Conversion Cycle*, *Sales Growth*, and *Financial Slack* on *Firm Value*, involving *Business Risk* as an intermediate factor. The object itself focuses on issuers in the food and beverage subsector listed on the Indonesia Stock Exchange from 2020 to 2024. From the research findings, it appears that only *Sales Growth* has been proven to have an impact on *Firm Value*. As a result, this increase in sales automatically becomes an important point that investors look at when monitoring the future of a business. On the other hand, *the Cash Conversion Cycle* and *Financial Slack* have not been proven to have an impact on the company's value at all. This study also shows that Business Risk is not able to moderate the influence of Cash Conversion Cycle, Sales Growth, and Financial Slack on Firm Value. The findings indicate that the level of business risk has not been able to change the relationship between the three independent variables and the company's value

to issuers in the food and beverage industry throughout the period of the research observation. This study itself has limitations because it only focuses on food and beverage companies listed on the Indonesia Stock Exchange from 2020 to 2024, and only explores the *variables of Cash Conversion Cycle*, *Sales Growth*, *Financial Slack*, and *Business Risk*. For future research, it is recommended to widen the reach of the industrial sector while extending the observation period, as well as including new variables such as profitability, *leverage*, company scale, and dividend policy. This step is important so that a much more complete and in-depth picture can be obtained about what aspects actually affect *Firm Value*.

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