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# Effect Of Environmental Social Governance Disclosure (Esg), Operating Cash Flow, And Intangible Assets On Firm Value Empirical Study In The Financial Sector In Indonesia

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**Abstract**

*This study aims to analyze the impact of Environmental, Social, and Governance (ESG) factors, operating cash flow, and intangible assets on firm value. A quantitative research approach was employed, utilizing regression analysis via EViews. The study relies on secondary data obtained from corporate annual and financial reports spanning the years 2020 to 2024. The results indicate that ESG, operating cash flow, and intangible assets collectively exert a significant influence on firm value. However, when analyzed individually, ESG does not significantly affect firm value, suggesting that ESG disclosure is not yet a primary consideration for investors when valuing a company. Operating cash flow also shows no significant impact on firm value, implying that a company's ability to generate cash from operations does not directly influence market perceptions of its value. Similarly, intangible assets do not significantly affect firm value, indicating that the presence of such assets has not yet exerted a sufficiently strong influence to enhance the company's value.*

**Keywords:** ***Environmental, Social, and Governance (ESG), operating cash flow, intangible assets, firm value***

## INTRODUCTION

A company with good firm value is a company with responsibility performance and profit, as well as good financial performance, and it also has a good return value. Firm value is an important aspect that companies need to pay attention to because it reflects how the company is viewed by stakeholders. Firm value is the value that is obtained to describe a company through its business activities within a certain period of time. The purpose of a company is to achieve public trust, where a large number of stakeholders can support the company's operations and provide the greatest possible profits while increasing firm value, which can be seen from the stock price in the capital market. Firm value attracts the attention of many stakeholders because it is used as a useful tool to



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influence investors' views of a company and to provide insight and a complete picture of the actual condition of a company. Increasing firm value indicates good development in the company because the greater the stock price value, the greater the firm value. Increasing firm value is the hope of shareholders; therefore, an increase in firm value indicates an improvement in the welfare of capital owners (Bambang et al., 2022).

In recent years, the financial sector in Indonesia, both conventional and Islamic banks, has faced pressure to improve transparency and social responsibility. This happens due to the growing public attention to environmental, social, and governance (ESG) issues, as well as demands that companies not only chase their financial profits, but also contribute to economic and human sustainability. It can be seen from the involvement of financial institutions such as Bank Syariah Indonesia (BSI), Bank Aceh Syariah, and even branches of Bank Rakyat Indonesia (BRI) in CSR programs and humanitarian aid for Palestine The company channelled humanitarian donations to Palestine through Mer-c-Indonesia (Fajri, 2023) & BAZNAS (National Amil Zakat Agency) (Hafielda, 2023), which are used as channels by many financial institutions and the public. (Arda, 2024) Thus it can be known that BAZNAS has disclosed having mobilized donations for Palestine worth Rp 318.9 billion up to Nov 2024,

The above phenomenon can affect firm value where ESG in the Financial Sector becomes a key factor in global investor valuation, including in the IDX ESG Leaders and SRI-KEHATI indices on the IDX. illustrating efforts to fulfill the Social pillar of ESG. Then Governance disclosure also becomes a primary focus of OJK to ensure accountability and transparency of financial institutions. However, the level of ESG disclosure among financial companies varies; some have implemented ESG reporting with high standards, while others have minimal disclosure. By leveraging ESG disclosure strategically, companies can gain credibility in terms of corporate social responsibility. Through this openness, companies demonstrate commitment to stakeholders while also preparing the groundwork for future value enhancement (Sutandijo, 2025).

Therefore, the company value, which is generally linked to stock price, is essentially investors' perception of management efficiency in using company resources. When stock prices rise, it means people are willing to pay more for the company's shares because they trust the company more. As it also increases shareholders' wealth, growth in company value is considered a major achievement aligned with the owner's goals (Sutandijo, 2025). Various factors affecting company value include ESG, operating cash flow and intangible asset. Based on the background of the phenomenon described above, the author is highly interested in conducting a deeper study with the title "The Influence of Environmental Social Governance Disclosure (ESG), Operating Cash Flow and Intangible Asset on Firm Value in the Indonesian Financial Sector."


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The formulation and objectives of this study are to determine whether ESG, operating cash flow, and intangible asset simultaneously affect firm value; to determine whether ESG individually affects firm value; to determine whether operating cash flow individually affects firm value; and whether intangible asset individually affects firm value? According to Brigham & Houston in (Salim & Apriwenni, 2023) Signaling theory is the theory that explains behavior when both parties (the company and individuals) have access to different information. As the signal sender, a party must choose how the signal is sent or transmitted to the receiver. Information is a very important element for investors and business actors, because information essentially lists notes or representations that are good for past, present, and future conditions of how a company operates and how market value and its effects.

Company value is investors' perception of the level of a company's success reflected in its stock price. The higher the stock price, the higher the company value and the prosperity of shareholders (Harmono, 2022).

According to (Busch et al., 2021) ESG is a framework used to measure the sustainability and ethical impact of an investment or business activity, including environmental, social, and governance factors.

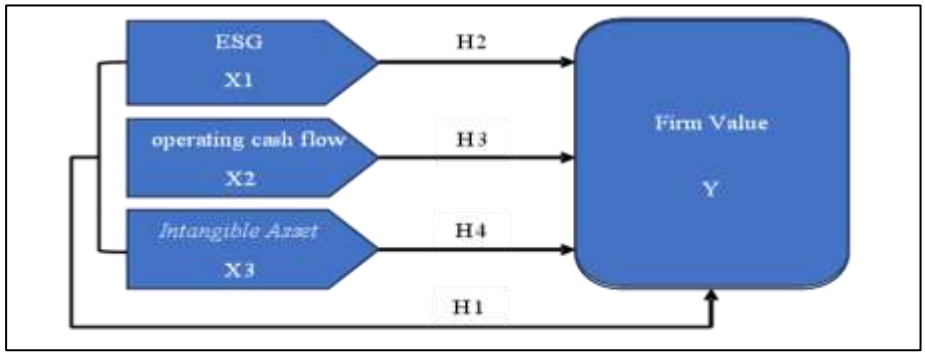
According to (Kartikahadi et al., 2023) it explains that cash flow information provides a basis for financial statement users to assess an entity's ability to generate cash and cash equivalents and the entity's needs in using those cash flows, in its essence, determining the success or failure of the company.

According to (Ewens et al., 2023) Intangible assets are viewed as knowledge-based capital derived from innovation, research and development (R&D), brands, and organizational capital that can create the company's economic value.

Based on the relationship between the independent variables and the dependent variable, they will be connected theoretically in the framework of thought. According to (Sugiyono, 2017) the theoretical framework is a synthesis of relevant theories and previous research results used to explain the relationships between the variables studied. In this study, the independent variables are ESG, operating cash flow, intagible asset and the dependent variable is firm value.


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Source: Data processed by the author, 2026

**Figure 2.1 Conceptual Framework**

## METHOD

In this study, a quantitative research type is used. Quantitative research according to (Sugiyono, 2019) is a systematic investigation to examine a phenomenon by collecting data that will later be used to test existing hypotheses. According to (Sugiyono, 2017), quantitative data are a research method based on positivism (concrete data); research data are in the form of numbers that will be measured using statistics as a calculation testing tool, related to the problem being studied to produce a conclusion.

According to (Sugiyono, 2019), it states that "Research variables are everything that has been determined by the researcher in any form so that it can be studied in order to obtain information about it, then draw conclusions from it".

Based on the relationship between one variable and another, the various variables in a study can be distinguished into: independent variables, dependent variables, moderator variables, intervening variables, and control variables. However, in this study, the variables used are independent variables and dependent variables. The independent variables in this study are Environmental Social and Governance (ESG) (X1), Operating Cash Flow (X2), and Intangible Asset (X3). The dependent variable is Firm Value (Y). The measurement of these research variables is explained as follows:

**Table 3.1 Operational Variables and Measurement**

| Variable | Indicator | Scale |
|---|---|---|
| Firm Value (Y) (Meifari, 2023) | $\text{Price to Book Value (PBV)} = \frac{\text{Stock Price}}{\text{Book Value of Share}}$ | Ratio |
| *Environmental, Social, and Governance* (ESG) ($X_1$) (Nugraha, 2024) | $ESG = \frac{\text{Value Of ESG Disclosure}}{\text{Total Maximum Disclosure}} \text{ x } 100\%$ | Ratio |



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| | | |
|---|---|---|
| Operating Cash Flow ($X_2$) (Bantali et al., 2024) | Operating Cash Flow = Net Profit + Non-Expenditure Cash + Change in Working Capital | Nominal |
| *Intangible Asset* ($X_3$) (Meifari, 2023) | Intangible Assets = LOG (Book Value of Intangible Assets) | Nominal |

This study will use the population of all companies in the financial sector totaling 105 companies listed on the IDX (BEI). This will focus on companies that disclose Environmental, Social, and Governance (ESG), operating cash flow, and intangible assets with the time period used being 2020-2024.

According to (Sugiyono, 2019), a sample is a part of the number and characteristics possessed by the population. The sample taken must be able to represent the population so that the research results can be generalized to that population. Technique the sampling used in this study is purposive sampling. According to (Sugiyono, 2019) purposive sampling technique is a data source sampling technique with certain considerations. Purposive sampling technique selects a group of subjects based on certain characteristics that are considered to have a link with the features or characteristics of the population to be studied. These characteristics are already known by the researcher, so the researcher only needs to link the sampling units based on certain criteria (Nugraha, 2024).

1. Companies that have complete company financial reports sourced from the Indonesia Stock Exchange (BEI) for 5 periods 2020-2024.
2. Companies that publish complete sustainability reports for 5 periods 2020-2024.
3. Companies that generate profit during the research period from 2020-2024.

In this study, the data collection technique uses the documentation method, which involves searching for and collecting data from various documents, such as annual reports (annual report), financial reports, and other documents relevant to the study. This data can be obtained directly from the BEI website or the website of companies listed on the BEI. In this study, the data analysis method used is quantitative data analysis, namely descriptive statistical analysis, regression model, classical assumption test, and hypothesis testing.

## RESEARCH RESULTS

### Research Description

In this study, it also uses panel data cross-section data derived from the number of companies that are the research sample, namely secondary data obtained from the BEI annual report data for the 2020-2024 period. The purpose of the study conducted is


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to analyze the extent to which the influence of Environmental Social and Governance (ESG), Operating Cash Flow and Intagible Asset on Firm Value both partially and simultaneously, in the financial sector in Indonesia. In the study conducted, which was taken from the financial sector listed on the BEI, it is necessary to know the population of 105 companies, so in selecting the sample, purposive sampling technique is used by considering certain characteristics and requirements that are in line with the research objectives. Therefore, the sample consists of the criteria characteristics of each variable tested by the researcher for the 2020-2024 period.

**Table 4.1 Research Criteria**

| No | Description | No Fulfilled | Fulfilled |
|---|---|---|---|
| 1 | Companies that have complete company financial reports 1 sourced from the Indonesia Stock Exchange (BEI) for 5 periods 2020 2024 | 9 | 96 |
| 2 | Companies that publish Sustainability Reports with 2 complete for 5 periods 2020-2024 | 75 | 21 |
| 3 | Companies that generate Profit for 5 periods 2020-2024. | 0 | 21 |

Source: Data Processed by the Author, 2025

Based on the data processing on the research criteria above, where in the first criterion 96 companies were fulfilled, namely the insurance subsector with 11 companies, the financing subsector with 11 companies, the banking subsector with 47 companies, and the securities subsector with 27 companies. In the second and third criteria, 21 companies were fulfilled, namely the insurance subsector with 1 company, the banking subsector with 19 companies, and the securities subsector with 1 company. Thus, it can be concluded that the number of research observation data used in the study conducted was 105 (21 companies x 5 years) data.

**Table 4.2 List of Fulfilled Samples**

| No | Nama Perusahaan | Sub Industri |
|---|---|---|
| 1 | Bank IBK Indonesia Tbk. | Banking |
| 2 | Bank Central Asia Tbk. | Banking |


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|---|---|---|
| 3 | Bank Negara Indonesia (Persero) | Banking |
| 4 | Bank Rakyat Indonesia (Persero) | Banking |
| 5 | Bank Tabungan Negara (Persero) | Banking |
| 6 | Bank Mandiri (Persero) Tbk. | Banking |
| 7 | Bank CIMB Niaga Tbk. | Banking |
| 8 | Bank Permata Tbk. | Banking |
| 9 | Bank SMBC Indonesia Tbk. | Banking |
| 10 | Bank Mega Tbk. | Banking |
| 11 | Saratoga Investama Sedaya Tbk. | Securities |
| 12 | Bank Syariah Indonesia Tbk. | Banking |
| 13 | Bank BTPN Syariah Tbk. | Banking |
| 14 | Bank Mayapada Internasional Tb | Banking |
| 15 | Bank Maybank Indonesia Tbk. | Banking |
| 16 | Bank Raya Indonesia Tbk. | Banking |
| 17 | Bank Artha Graha Internasional | Banking |
| 18 | Asuransi Tugu Pratama Indonesia | Insurance |
| 19 | Bank Pembangunan Daerah Jawa T | Banking |
| 20 | Bank KB Indonesia Tbk. | Banking |
| 21 | Bank Aladin Syariah Tbk. | Banking |

**Descriptive Statistics**

To provide an overview of the analysis from the following descriptive data, it will be explained in Table 4.3 as follows: Table 4.3 Results of Descriptive Statistics.

**Table 4.3 Results of Descriptive Statistics**

| | X1 | X2 | X3 | Y |
|---|---|---|---|---|
| Mean | 0.602095 | 78025.98 | 67165.53 | 1.660571 |
| Median | 0.590000 | 2041.035 | 630.0990 | 0.980000 |
| Maximum | 0.880000 | 5001553. | 5001553. | 6.200000 |
| Minimum | 0.250000 | -79558.28 | -52.04400 | 0.030000 |
| Std. Dev. | 0.150797 | 523682.8 | 513794.5 | 1.596919 |
| Observations | 105 | 105 | 105 | 105 |

Source: *Eviews Output Results (Data processed 2025)*

In table 4.3, for the Company Value variable (Y) the mean is 1.660571, the maximum 6.200000, and the minimum 0.030000. A standard deviation of 1.596919 means the values are below the mean, indicating that the company value data have relatively small differences and tend not to exhibit wide dispersion. For the ESG variable (X1) there is a mean value of 0.602095, with a maximum of 0.880000 and a minimum of 0.250000. The standard deviation 0.150797 is lower than the mean, indicating that ESG


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Disclosure data have a relatively small dispersion or tend to be homogeneous. For the Operating Cash Flow variable (X2) the mean is 78,025.98, the maximum 5,001,553, and the minimum-79,558.28. The negative minimum indicates that some companies experienced negative operating cash flow during the study period. A standard deviation of 523,682.8 higher than the mean suggests a high degree of variation or heterogeneity in operating cash flow data.

For the Operating Cash Flow variable (X2) the mean is 78,025.98, the maximum 5,001,553, and the minimum-79,558.28. The negative minimum indicates that some companies experienced negative operating cash flow during the study period. A standard deviation of 523,682.8 higher than the mean suggests a high degree of variation or heterogeneity in operating cash flow data.

Based on the results from the descriptive statistics analysis, it can be concluded that the ESG Disclosure and Company Value variables have relatively small data dispersion, while Operating Cash Flow and Intangible Asset have large data dispersion. This indicates a relatively high difference in operating cash flow and intangible asset across financial sector companies that are the sample.

**Regression Model Goodness of Fit Test**

In the regression model fit test, regression analysis with a panel data structure was conducted to understand whether there is an impact of the independent variables on the dependent variable. The Chow test results indicate the meaning from probability 0.0000 < 0.05, so the chosen and accepted model can be concluded as the fixed effect model (FEM). Then in the Hausman test the probability value is 0.0072 > 0.05, therefore the chosen model is the fixed effect model. Then because the Chow test and Hausman test both show that the chosen model is the Fixed Effect Model (FEM), the model testing stops here. That is, the most effective model is FEM.

**Table 4.6 Conclusions of the Regression Model Goodness-of-Fit Test**

| Test | Comparison | Result |
|---|---|---|
| Chow Test | CEM vs FEM | FEM |
| Hausman Test | FEM vs REM | FEM |

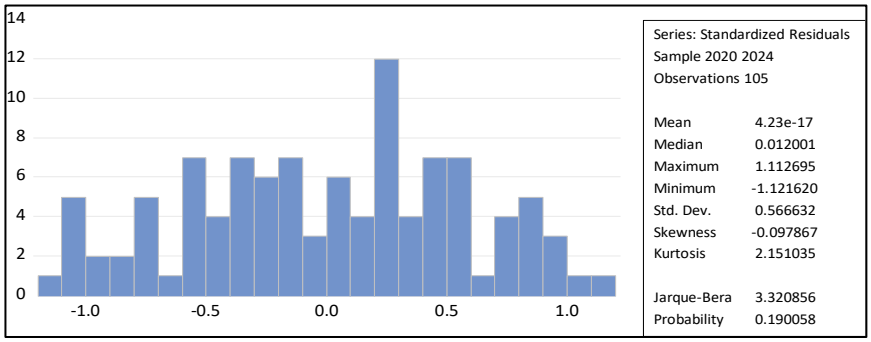

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**Classical Assumption Test**

**a. Normality Test**

**Table 4.7 Normality Test**




Source: *Eviews Output Results (Data processed 2025)*

Table 4.7 shows the Jarque–Bera Probability value of 0.190058 > 0.05, so it can be concluded that the data are normally distributed or the normality test assumption has been met.

**b. Multicollinearity Test**

To identify whether there is multicollinearity in this regression model, it is determined that if the VIF value < 0.85 then it can be concluded that the data do not show signs of multicollinearity or the multicollinearity test assumptions have been met. Conversely, if the VIF value > 0.85, then the data show signs of multicollinearity or the multicollinearity test assumptions are not met. Here are the results of the multicollinearity test:

**Table 4.8 Multicollinearity Test Results**

| | X1 | X2 | X3 |
|---|---|---|---|
| X1 | 1 | 0.13880883... | 0.07728711... |
| X2 | 0.13880883... | 1 | 0.64361574... |
| X3 | 0.07728711... | 0.64361574... | 1 |

Source: *Eviews Output Results (Data processed 2025)*

Based on Table 4.8, it can be seen that the values of X1, X2 and X3 < 0.85, so it can be concluded that the model Date: 12/11/25 Time: 18:52 used does not show signs of multicollinearity or the multicollinearity test assumptions have been met.


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**c. Heteroskedasticity Test**

**Table 4.9 Heteroskedasticity Test Results**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.228338 | 0.176744 | 1.291915 | 0.2001 |
| X1 | 0.201708 | 0.289589 | 0.696531 | 0.4881 |
| X2 | -6.93E-18 | 9.86E-17 | -0.070223 | 0.9442 |
| X3 | -2.35E-18 | 9.80E-17 | -0.024029 | 0.9809 |

Source: *Eviews Output Results (Data processed 2025)*

Based on Table 4.9, it is known that the prob values of X1, X2, and X3 are 0.4881, 0.9442 and 0.9809 > 0.05, so it can be concluded that there is no heteroskedasticity problem or that the heteroskedasticity test assumption has been satisfied.

**d. Autocorrelation Test**

The autocorrelation test is conducted by checking the Durbin-Watson (DW) value (Napitupulu, 2021)

**Table 4.10 Autocorrelation Test Results**

| | | | |
|---|---|---|---|
| R-squared | 0.866849 | Mean dependent var | 1.660571 |
| Adjusted R-squared | 0.829041 | S.D. dependent var | 1.596919 |
| S.E. of regression | 0.660281 | Akaike info criterion | 2.205330 |
| Sum squared resid | 35.31369 | Schwarz criterion | 2.811950 |
| Log likelihood | -91.77984 | Hannan-Quinn criter. | 2.451145 |
| F-statistic | 22.92749 | Durbin-Watson stat | 2.088053 |
| Prob(F-statistic) | 0.000000 | | |

*Source: Eviews Output Results (Data processed 2025)*

Based on Table 4.10, the autocorrelation analysis yielded a Durbin-Watson value of 2.088053. This value was compared against reference values from the Durbin-Watson table using a significance level of 0.05, with a dataset of 105 observations and 3 variables (k=3). The values obtained from the table were DL = 1.6237, 4-DL = 2.3763, DU = 1.7411, and 4-DU = 2.2589. The Durbin-Watson test result satisfies the condition DU < DW < 4-DU (1.7411 < 2.0880 < 2.2589); therefore, it can be concluded that there is no autocorrelation, meaning the data passed the autocorrelation test.

**Hypothesis Testipotesis**

Hypothesis testing is conducted to evaluate the validity of a statement based on statistical criteria and to reach a decision on whether to accept or reject that statement.


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The hypothesis testing process aims to support accurate decision-making regarding the proposed hypothesis (Napitupulu, 2021).

**a. f-Test**

**Table 4.11 f-test Results**

| | | | |
|---|---|---|---|
| R-squared | 0.866849 | Mean dependent var | 1.660571 |
| Adjusted R-squared | 0.829041 | S.D. dependent var | 1.596919 |
| S.E. of regression | 0.660281 | Akaike info criterion | 2.205330 |
| Sum squared resid | 35.31369 | Schwarz criterion | 2.811950 |
| Log likelihood | -91.77984 | Hannan-Quinn criter. | 2.451145 |
| F-statistic | 22.92749 | Durbin-Watson stat | 2.088053 |
| Prob(F-statistic) | 0.000000 | | |

*Source: Eviews Output Results (Data processed 2025)*

From Table 4.11, the F-statistic value 22.92749 with Prob. (F-Statistic) 0.000000 < 0.05 leads to the conclusion that Variable X has a significant simultaneous (joint) effect on Y, meaning H0 is rejected and H1 is accepted.

**b. t-Test**

**Table 4.12 t-test Results**

Dependent Variable: Y
Method: Panel Least Squares
Date: 12/11/25 Time: 19:09
Sample: 2020 2024
Periods included: 5
Cross-sections included: 21
Total panel (balanced) observations: 105

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 1.900404 | 0.311962 | 6.091787 | 0.0000 |
| X1 | -0.399060 | 0.511139 | -0.780728 | 0.4372 |
| X2 | -6.40E-18 | 1.74E-16 | -0.036777 | 0.9708 |
| X3 | 1.40E-17 | 1.73E-16 | 0.080845 | 0.9358 |

*Source: Eviews Output Results (Data processed 2025)*

Based on Table 4.12, Variable X1 has a t-statistic of -0.780728 and a probability (significance) value of 0.4372 (> 0.05); therefore, it is concluded that Variable X1 does not have a significant effect on Variable Y, meaning H0 is accepted and H1 is rejected. Furthermore, Variable X2 has a t-statistic of -0.036777 and a probability (significance) value of 0.9708 (> 0.05); thus, it is concluded that Variable X2 does not have a significant effect on Variable Y, meaning H0 is accepted and H1 is rejected. Finally, Variable X3 has a t-statistic of 0.080845 and a probability (significance) value of


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0.9358 (> 0.05); consequently, it is concluded that Variable X3 does not have a significant effect on Variable Y, meaning H0 is accepted and H1 is rejected.

**c. Determination Coefficient Test**

**Table 4.13 Determination Coefficient Test Results**

| | | | |
|---|---|---|---|
| R-squared | 0.866849 | Mean dependent var | 1.660571 |
| Adjusted R-squared | 0.829041 | S.D. dependent var | 1.596919 |
| S.E. of regression | 0.660281 | Akaike info criterion | 2.205330 |
| Sum squared resid | 35.31369 | Schwarz criterion | 2.811950 |
| Log likelihood | -91.77984 | Hannan-Quinn criter. | 2.451145 |
| F-statistic | 22.92749 | Durbin-Watson stat | 2.088053 |
| Prob(F-statistic) | 0.000000 | | |

*Source: Eviews Output Results (Data processed 2025)*

Based on Table 4.13, the Adjusted R-Square value is 0.829041; thus, it is concluded that the collective contribution of the independent variables to the dependent variable is 82.9%, while 17.1% is influenced by other variables within this study.

## DISCUSSION

Based on the evaluation results that have been carried out, this section will be elaborated in more detail regarding the discussion of each variable, as well as the influence among the independent variables namely Environmental Social and Governance (ESG), Operating Cash Flow & Intangible Asset on the dependent variable namely Firm Value.

### The Effect of ESG, Operating Cash Flow & Intangible Assets on Firm Value Simultaneously

From the results of the test presentation above, it can be concluded that H0 is rejected and H1 is accepted. Thus, it can be concluded that ESG, operating cash flow & intangible assets have a significant effect on firm value. This shows that firm value is not only influenced by financial factors, but also by sustainability and intellectual asset factors. In addition, firm value will increase if the company manages ESG sustainability to generate strong operating cash flow, and strengthen intangible assets because all three work synergistically to build market confidence, reduce risk, and create long-term competitive advantage. The results align with the study conducted by (Novrianti & Harry, 2024) showing that ESG affects firm value. Research on intangible assets also shows that companies with high intangible assets tend to have higher firm value because they can create a competitive advantage and increase investor confidence. However, this study's results do not align with (Sutandijo, 2025) finding that ESG does not affect firm


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value. In addition, several studies on operating cash flow indicate that operating cash flow does not always significantly influence firm value because investors also consider other factors such as profitability, risk, and economic conditions. Research related to intangible assets also shows that it does not always increase firm value if not managed effectively or if it has not yet been able to generate optimal economic benefits.

**The Effect of ESG on Firm Value**

From the results above, it can be concluded that ESG Disclosure does not have a significant effect on firm value. Thus it can be said that ESG disclosure may not necessarily be the main factor considered by investors in determining firm value, and a higher level of ESG disclosure does not automatically indicate better company performance; in the financial sector, ESG influence on firm value may take longer to become evident. Environmental, social, and governance programs may not directly yield a market value increase. Therefore investors may pay more attention to financial indicators than ESG disclosure levels. This aligns with signaling theory, where a company with a high ESG score should provide a positive signal to investors about good governance, sustainability, and low risk. However, when investors do not regard ESG as important information, the signal is not captured by the market. Consequently, ESG improvement is not responded to by changes in stock price or firm value. In this context, the company may have implemented various ESG programs as a form of sustainability responsibility. However, the implementation of ESG activities has not yet shown an apparent impact on market perceptions or stakeholder assessments. This occurs because investors in Indonesia tend to still prioritize financial information, such as profitability, leverage, and company growth, over non-financial indicators like ESG. ESG implementation in many companies remains administrative and compliance-oriented, thus not yet providing significant added value to financial performance or long-term prospects, so even if ESG is pursued, it has not yet been able to increase firm value. This study's results are in line with previous research (Sutandijo, 2025) which shows that ESG performance does not have a significant and negative effect on firm value. However, this study is not the same as previous research (Nugraha, 2024) which indicates that ESG performance and its components have a positive impact on firm value.

**Effect of Operating Cash Flows on Firm Value**

Results of data analysis show that operating cash flow does not have a significant effect on firm value. This indicates that changes in cash flow arising from operating activities are not yet able to explain changes in firm value significantly. This condition can occur because investors consider not only the company's ability to generate cash flow from operating activities but also other factors such as profitability, risk, company growth,


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capital structure, and prospects. In addition, the financial sector characteristics cause operating cash flow to have different characteristics from other sectors. These results align with previous research (Luayyi et al., 2022) which showed that operating cash flow does not positively affect firm value. However, they do not align with previous research (Muzaki & Widyawati, 2024) which showed that operating cash flow can have a positive effect on firm value because the higher the operating cash flow, the higher the firm value. Thus, operating cash flow in a company is one of the factors that is important in creating firm value. one factor that is important in creating firm value.

**Effect of Intangible Asset on Firm Value**

Results of data analysis show that Intangible Asset does not have a significant effect on firm value. This finding suggests that the magnitude of intangible assets owned by the company does not yet provide a significant impact on increasing firm value. This can occur because not all intangible assets directly provide economic benefits or improve company performance. In addition, investors may consider growth prospects, profitability, risk, and the company's ability to generate profits more than the magnitude of the intangible asset recorded in the financial statements. This aligns with previous research (Dewi et al., 2024) which showed that intangible assets do not positively affect firm value. However, it does not align with previous research by (Meifari, 2023) which stated that intangible assets positively affect firm value.

## CONCLUSION

### Summary

Based on the results of the study and discussion on the influence of ESG, operating cash flow, and intangible assets on firm value, the author can draw the following conclusions:

1. Environmental Social and Governance (ESG), operating cash flow, and intangible assets are proven to have a significant simultaneous effect on firm value.
2. Environmental Social and Governance (ESG) does not affect firm value.
3. Operating cash flow does not have a significant effect on firm value.
4. Intangible assets do not have a significant effect on firm value. This positively impacts the improvement of firm value.

### Recommendations

Based on the results of the study conducted, the author provides several recommendations as follows:

1. For Companies : Companies are expected to improve the quality of operating cash flow management and maximize the use of intangible assets to increase firm value.


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In addition, the implementation of Environmental, Social, and Governance (ESG) should not be merely administrative, but should be integrated into business strategy to provide real impacts on company performance.

2. For Investors : Investors are advised not to focus only on financial information, but also to start considering Environmental, Social, and Governance (ESG) and intangible assets as important indicators in assessing the company's sustainability and long-term potential.
3. For Further Researchers : Future researchers are expected to use other variables such as profitability, leverage, or good corporate governance, and to broaden other industry sectors and the research period so that the research results become more comprehensive and representative.
4. For the Government and Regulator : The government and regulators are expected to enhance socialization and regulations related to Environmental, Social, and Governance (ESG) so that its implementation is more optimal and can provide investor confidence in companies that apply sustainability principles.

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