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THE INFLUENCE OF FINANCIAL DISTRESS, EARNING MANAGEMENT AND SALES GROWTH ON FIRM VALUE
(Study on Textile & Garment Companies Listed on the IDX in 2019-2023)

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ABSTRACT

This study aims to obtain empirical evidence regarding the effect of financial distress, earning management, and sales growth on firm value. This research is a quantitative research with secondary data. The population of this study includes textile and garment companies listed on the IDX in 2019-2023. The sample was determined using purposive sampling method, so that 70 data were obtained as samples. This study uses multiple linear regression analysis techniques. The results showed that simultaneously or together the variables of financial distress, earning management, and sales growth had an effect on firm value. While partially showing financial distress has no effect on firm value. Earning management has a significant negative effect on firm value. Meanwhile, sales growth has no effect on firm value.

Keywords: Earning Management; Financial Distress; Firm Value; Sales Growth.

INTRODUCTION

Increasingly fierce competition between companies makes companies increasingly aggressively to improve company performance to be able to maintain their business continuity. Companies that are unable to compete to maintain their business continuity will be very easy to get rid of. One of the goals of the company is to generate profits for its business continuity. Profits are generated from sales, so companies are required to grow and develop through sales made. Sales that continue to grow can indicate that profits are also getting better (Inda Rosari & Subardjo, 2021) . This also applies to the manufacturing sector as one of the important sectors in Indonesia. The manufacturing industry is an important sector that contributes the most GDP to Indonesia.

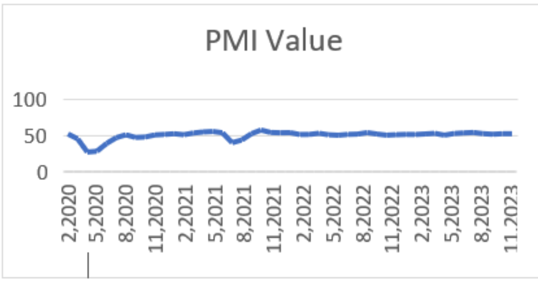

Figure 1 Source: S&P Global

In the graph above, it can be seen that there was a drastic decline in the Purchasing Manager's Index (PMI) in 2020, to be precise in April 2020 at 27.5. This PMI decline is the lowest since 2011. PMI is an indicator measuring the performance of manufacturing companies. One of the impacts of this decline in PMI is the loss of manufacturing companies and some companies have even gone bankrupt. Data from the Case Tracking Information System (SIPP), the total number of bankruptcy applications and postponement of debt payment obligations (PKPU) was recorded at 435 companies in 2019, this figure increased to 635 bankruptcy and PKPU applications in 2020, this data is based on five commercial courts in Indonesia (Emir, 2023) . Chris (2022) states that there are various factors that influence the decline in PMI, including the decline in market demand, especially for new orders, delayed delivery of goods, high raw material prices, and rampant imports. This PMI downturn is a big challenge for manufacturing companies. This is evident from the number of companies that have experienced financial distress due to not being able to maintain the continuity of their company's business.

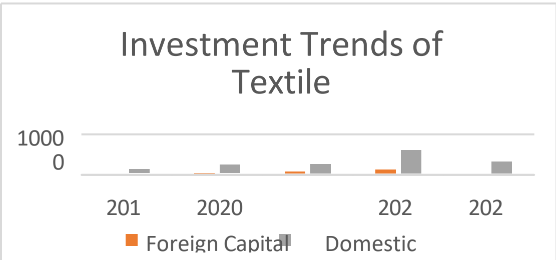

Figure 2
Source: Investment Coordinating Board

In the chart above, it can be seen that the investment trend in textile companies is still relatively good and even shows an increase in both foreign capital and domestic capital from 2019 to 2022. Although in 2023 the first quarter experienced a decline, the decline in domestic capital in 2023 showed a number that was still higher than 2019 to 2021. When an investor invests, the investor's expectation is to get a high return from the company. Investors invest with the main objective of obtaining future returns (Chalid et al., 2022) . The decline in PMI should affect the confidence of shareholders who will invest. However, in reality, the investment trend in textile and garment companies is still relatively good and has an increasing trend. This then relates to the trust and value of the company in the eyes of investors.

The high or low value of the company can be influenced by several factors. According to Bhimavarapu et al.(2023) there are two factors that affect the value of the company, namely financial distress and corporate disclosure. According to Heling & Lastanti (2024) influencing factors are financial distress, earning management and financial performance. In addition, other variables that can also affect firm value are leverage, capital structure and profitability. According to Widarno & Irawan (2021) the company value will decrease in the eyes of investors when the company experiences an unstable financial situation or financial difficulties. In research conducted by Harija (2023) and Saputra et al. (2021) Financial distress has a significant positive effect on firm value. Meanwhile, according to research by Bhimavarapu et al. (2023) and Chalid et al. (2022) Financial distress has a significant negative effect on firm value. According to Heling & Lastanti (2024) financial distress has no effect on firm value.

According to Chalid et al. (2022) earnings management practices are carried out by management to make financial performance look good in front of investors, earning management practices make the financial statements presented more stable, so that investor confidence in company performance remains high. In several studies that have been conducted, the results obtained, namely Holly et al. (2023) and Riswandi & Yuniati (2020) state that earning management has a positive and significant effect on firm value. Meanwhile, in research Lestari & Meini (2024) and also research Rajab et al. (2022) states that earning management has a negative and significant effect on firm value. On the other hand, research conducted by Heling & Lastanti (2024) earning management has no effect on firm value. According to Sinaga et al. (2019) the company's operational success can be reflected in sales growth. Sales growth can be interpreted as sales growth from year to year and can be used as a measure of how the company runs its operations. In research conducted by Khoeriyah (2020) and Bitasari et al. (2024) stated that sales growth has a significant positive effect on firm value. While Herdiani et al. (2021) and Margie & Melinda (2024) stated that sales growth has a significant negative effect on firm value. Research by Saputri & Mutmainah (2024) states that sales growth has no effect on firm value.

Based on the phenomenon and the research gap described, this study will examine “the influence of financial distress, earning management and sales growth on firm value". By combining the three factors that are indicated to affect firm value, it is hoped that this study can contribute to enriching financial literature regarding the effect of financial distress, earning management and sales growth on firm value, and can be a consideration for investors to be more thorough and detailed in seeing the value of a company.

Based on the background of the problems described, the researchers formulated the following problems; (1) does financial distress affect firm value? (2) does earning management affect firm value? (3) does sales growth affect firm value? The objectives of this study are (1) to empirically prove the effect of financial distress on firm value, (2) to empirically prove the effect of earning management on firm value, (3) to empirically prove the effect of sales growth on firm value.

LITERATURE REVIEW

Grand Theory

Signaling theory

In this study, the grand theory used is signaling theory. In this theory, Spence (1973) states that there is asymmetric information between information coming from management (well-informed) and information coming from shareholders (poo informed). A company will send signals to investors about its company's performance through financial reports. Investors will capture the signals given by the company through financial statements by looking at several components in the financial statements. The signal given can be a good signal / good news and can also be a bad signal / bad news. However, the company will try to continue to give good signals to investors to continue to gain the trust of investors. Based on the idea that management will provide information to investors or shareholders when they get good information related to the company such as increasing company value. Asymmetric information in this theory shows that the actual information received by investors is not the same as the information possessed by company managers, because company managers are the ones who control the company's information the most and have the authority to make policies on that information (D. P. Sari, 2022) .

Company Value

According to Harija (2023) company value is the company's achievement as a form of public trust in the company during the company's operation. Company value is a description of the company's success which comes from public trust in the company's performance from the beginning of the company's establishment until now (Rahmi, 2020) . Company value is a reflection of the company's performance seen from the stock price, company value can be influenced by internal and external factors which can then change the value of the company (Heling & Lastanti, 2024) .
Firm value is measured using Tobin's Q ratio: $Q = \frac{MVS+D}{TA}$

(Arianti, 2022)

Financial Distress

Financial distress is a condition when the company's operating cash flow is insufficient to pay obligations (Damayanti et al., 2023) . Financial distress occurs because the company cannot run the company properly which results in the company's ability to receive profits, and the company is unable to pay its obligations, both short-term and long-term obligations which results in the company experiencing liquidation which leads to bankruptcy (Ningsih, 2023) .

Financial Distress is measured using the Altman Z-score

Z = 1.2X1 + 1.4X2 + 3.3X3 + 0.6X4 + 0.999X5

X1 = $\frac{working\ capital}{total\ asset}$,

X2 = $\frac{retained\ earnings}{total\ asset}$,

X3= $\frac{earnings\ before\ income\ \&\ taxes}{total\ asset}$

X4 = $\frac{market\ value\ of\ equity}{total\ liabilities}$,

X5 = $\frac{sales}{total\ asset}$

(Altman I Edward, 1968)

Earning Management

According to Holly et al. (2023) earning management is a management strategy in reporting financial statements that can affect earnings. Earning management is a management action by managing information in financial reports so that the amount of profit is in accordance with the manager's wishes for personal or corporate interests (Sinatraz & Suhartono, 2021) . Earning management is a method used by management to manipulate financial statements so that they look good to investors in order to increase company value, but can make earnings in financial reports biased (Lestari & Meini, 2024) . Earning management is measured using discretionary accruals with the modified jones model.

Equation 1:

$$TACit = NIit - CFOit$$

Equation 2:

$$\frac{TA_{it}}{A_{it-1}} = B_1\left(\frac{1}{A_{it-1}}\right) + B_2\left(\frac{\Delta Rev_{it}}{A_{it-1}}\right) + B_3\left(\frac{PPE_{it}}{A_{it-1}}\right) + \varepsilon$$

Equation 3:

$$NDA_{it} = B_1\left(\frac{1}{A_{it-1}}\right) + B_2\left(\frac{\Delta Rev_{it} - \Delta Rec_{it}}{A_{it-1}}\right) + B_3\left(\frac{PPE_{it}}{A_{it-1}}\right)$$

Equation 4:

$$DA_{it} = \frac{TA_{it}}{A_{it-1}} - NDA_{it}$$

(Dechow, 1995)

Sales Growth

Sales growth illustrates the success of the company's operational performance in the past which then becomes a reference for the future (Fajriah et al., 2022) . According to Savitri (2023) sales growth can be used to evaluate company performance, by looking at sales growth from year to year, increasing sales growth can be used as a good signal by investors to invest in the hope of high profits in the future. Sales growth is a financial measurement that can improve the company's financial performance because when revenue increases, the company will increase production capacity which will affect sales growth (Aryati et al .., 2023)

Sales growth is measured by the formula:

$$\text{Sales growth} = \frac{\text{sales this year} - \text{last year sales x 100\%}}{\text{last year sales}}$$

(Khoeriyah, 2020)

The Effect of Financial Distress on Company Value

According to Fitriani & Huda (2020) Financial distress begins with the inability of management to manage their company which results in operating losses and net losses for the current year, which if this condition occurs continuously, has a high potential for bankruptcy. This decline in financial performance will have an impact on investor confidence to invest their money. Associated with signal theory, that companies will always try to give good signals to investors in order to attract investors' attention to invest, so that when the company gives a bad signal on the company's performance investors will catch the bad signal and then investors become not interested in investing in the company which also has an impact on decreasing the value of the company. The more the company experiences financial distress, the more the company value will decrease. Investors will analyze financial statements to determine whether to invest or not, one of which is financial distress analysis where when the company experiences financial distress most investors will not invest in the company because it is considered to provide losses (Kusumawati & Haryanto, 2022) According to signal theory investors will not be interested in companies experiencing financial difficulties which have an influence on firm value (Chalid et al., 2022) . Financial distress has a significant negative effect on firm value (Chalid et al., 2022) . According to Bhimavarapu et al. (2023) financial distress has a negative effect on firm value According to Parti, (2022) financial distress has a negative effect on firm value. Based on the explanation above, the hypothesis is formulated as follows:

H1: financial distress has a negative effect on firm value

The Effect of Financial Distress on Company Value

According to Fitriani & Huda (2020) Financial distress begins with the inability of management to manage their company which results in operating losses and net losses for the current year, which if this condition occurs continuously, has a high potential for bankruptcy. This decline in financial The Effect of Earning Management on Firm Value

Earning management is an accounting method that management chooses to achieve certain goals because management tries to show good performance to obtain maximum value or profit so that management applies accounting methods that provide better earnings information (Rachmadi et al., 2020) . This is related to signal theory which states that there are differences in information between company management and investors, because basically company management controls more information in the company and management has the authority to make policies that can increase company value. However, the company value that increases from the practice of earning management cannot last long and only in the short term, because with the practice of earning management the financial statements presented by the company become false and do not match the actual condition of the company. This will gradually be detected by investors which results in investor confidence in the company going down which will then reduce the value of the company because investors think the company has deceived investors with financial reports that do not match the company's performance. Investors will capture this information as a bad signal from the company, so the more often the company practices earning management will actually reduce the company's value. In research conducted by Chalid et al. (2022) states that earning management has a negative and significant effect on firm value. Research Lestari & Meini (2024) earning management has a negative and significant effect on firm value. Research Rajab et al. (2022) also states that earning management has a negative and significant effect on firm value. Based on the explanation above, the hypothesis is formulated as follows:

H2: Earning management has a negative effect on firm value

The Effect of Sales Growth on Firm Value

Sales growth is one measure of the success of the company's operational performance and also proves the growth of a company. According to Isnawati & Widjajanti (2019) sales growth is an index that can give an idea of how the company's development in a certain period shows the company's optimal performance and will have an impact on company value. Sales that are increasing every year allow the company to continue to develop its company and investors' expectations of obtaining high returns are also increasing (Yulimtinan & Atiningsih, 2021) . The more developed the company, the value of the company will also increase. Investor confidence in the company will also be higher. The link with the sales signal theory that continues to increase every year will signal to shareholders that the company is in good performance and sees the possibility of future company development making investors interested in funding through investment which causes the company's value to increase. Investors will look at the financial statements and see how sales growth from year to year. If the company's growth is good, it gives a signal to investors to invest in the company which makes the company's value increase due to investor confidence in the company (Arianti, 2022) . In research conducted by Khoeriyah, (2020) stated that sales growth has a significant positive effect on firm value. Sales growth has a positive and significant effect on firm value (Savitri, 2023) . According to Bitasari et al. (2024) sales growth has a positive and significant effect on firm value Based on the explanation above, the hypothesis is formulated as follows:

H3: Sales growth has a positive effect on firm value

RESEARCH METHODS

Population and Sample

The population of this study are textile and garment sub-sector companies listed on the IDX in 2019-2023. The total population is 25 companies. The sampling technique with purposive sampling, the criteria used are as follows; (1) Textile and garment companies that are consecutively listed on the Indonesia Stock Exchange for the 2019-2023 period, (2) Textile and garment companies that report complete financial statements and annual reports every year during 2019-2023,
(3) Textile and garment companies that are not delisted or relisted from the IDX during 2019-2023 (4) Textile and garment companies listed on the IDX that are not under suspension or have been suspended during the 2019-2023 research year.

Types and Sources of Data

The type of data used in this research is documentary data, in this study the data used is the financial statements published by textile and garment companies in 2019-2023 on the Indonesia Stock Exchange. The data source used in this study is secondary data, which comes from financial reports published by textile and garment companies on the official website of the Indonesia Stock Exchange www.idx.co.id in 2019-2023.

This study uses descriptive statistical analysis, classical assumption test, multiple linear regression, coefficient of determination analysis, F test, and t test.

RESULTS AND DISCUSSION

General Description of Research

This study aims to analyze the effect of financial distress, earning management, and sales growth on firm value. The population in this study were textile and garment companies listed on the Indonesia Stock Exchange in 2019- 2023. Meanwhile, the sample in this study was obtained using purposive sampling method which obtained 14 sample companies. The research was conducted for five years resulting in 70 data samples.

Table 1

Research Sample Criteria

No	Criteria	Amount of Data
1	Textile and garment companies that are consecutively listed on the Indonesia Stock	25

	Exchange for the period 2019-2023	
2	Textile and garment companies that report complete financial statements and annual reports every year during 2019- 2023	20
3	Textile and garment companies that are not delisted or relisted from the Indonesia Stock Exchange during 2019-2023	17
4	Textile and garment companies listed on the Indonesia Stock Exchange that are not under suspension or have been suspended during the 2019-2023 research year	14
Total Sample (5 years x 14 companies)		70
Outlier data		(20)
Final Number of Samples		50

Source: Processed secondary data, 2025

Descriptive Statistics

The descriptive statistical test results show the following data:

	N	*Minimum*	*Maximum*	*Mean*	*Std. Dev*
Financial Distress	50	-1,5283	8,6453	2,278752	2,0834589
Earning Management	50	-0,1458	0,4017	0,091388	0,1037012
Sales Growth	50	-0,4569	0,6547	0,059346	0,2800407
Firm Value	50	0,1903	2,1100	0,906140	0,3561028

Source: Processed secondary data, 2025

Based on table 4.2, it is known that the minimum value of the firm value variable (Y) as measured by Tobin's-Q is 0.1903, the maximum value is 2.1100. Meanwhile, the average value of the firm value variable is 0.906140. The standard deviation value of the firm value variable is 0, 3561028 < the average value. The minimum value of the financial distress variable (X1) as measured by Z- score is -1.5283, the maximum value is 8.6453. Meanwhile, the average value of the financial distress variable is 2.278752. The standard deviation value of the variable is 2.0834589 < the average value. The minimum value of the earning management variable (X2) measured using discretionary accruals is -0.1458, the maximum value is 0.4017. Meanwhile, the average value of the earning management variable is 0.091388. The standard deviation value of this variable amounted to 0, 1037012> average value. The minimum value of the sales growth variable (X3) is -0.4569, the maximum value is 0.6547. Meanwhile, the average value of the sales growth variable is 0.059346. The standard deviation value of the variable is 0.2800407> average value.

Classical Assumption Test Analysis
Normality Test Results

Table 3 Kolomogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		50
Normal Parameters[a,b]	Mean	0,0000000
	Std. Deviation	0,31785557
Most Extreme Differences	Absolute	0,099
	Positive	0,099
	Negative	-0,051
Test Statistic		0,099
Asymp. Sig. (2-tailed)		0,200[c,d]

Source: Processed secondary data, 2025

Based on table 4.3, the calculation results show that the normality test with Kolmogorov-smirnov testing shows the result that the significance value is 0.200> 0.05. Because the significance value is greater than the value of asym. Sig. 2 tailed, it can be concluded that the research data is normally distributed.

Multicollinearity Test Results

Table 4 Multicollinearity Test Results

Description	Collinearity Statistics		Description
	Tolerance	VIF	
Financial Distress	0,971	1,029	No Multicollinearity Occurs
Earning Management	0,834	1,199	No Multicollinearity Occurs
Sales Growth	0,812	1,231	No Multicollinearity Occurs

Source: Processed secondary data, 2025

Table 4.4 shows that the variables of financial distress, earning management and sales growth have a tolerance value> 0.1 and a Variance Inflation Factor (VIF) value < 10. Thus, it can be concluded that all variables are free from multicollinearity or no multicollinearity occurs.

Heteroscedasticity Test Results

Table 5 Glejser Test Results

Variable	Sig Value.
Financial Distress	0,133
Earning Management	0,954
Sales Growth	0,819

Source: Processed secondary data, 2025

From the test results, it can be seen that the variables of financial distress, earning management and sales growth have a significance value> 0.05, so it can be concluded that there are no symptoms of heteroscedasticity in this study.

Autocorrelation Test Results

Table 6 Durbin Watson Test Results

Value					Decision Making	Description
D	Dl	Du	4-dl	4-du		
2,140	1,4206	1,6739	2,5794	2,23261	du≤ d≤ 4-du	No Autocorrelation

Source: Processed secondary data, 2025

It is known that the number of samples (n) is 50, the number of independent variables (k) = 3 at $\alpha = 0.05$. The test results show that the value of du ≤ d ≤ 4-du (1.6739 ≤ 2.140 ≤ 2.3261), so it can be concluded that there is no autocorrelation problem in this study.

Multiple Linear Regression Analysis

Coefficient of Determination (Adjusted R-Square)

The following is a table of research determination coefficient test results:

Table 7 Adjusted R-Square Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,451[a]	0,203	0,151	0,3280567

Source: Processed secondary data, 2025

Based on table 4.7, it is known that the Adjusted R- Square value on the firm value variable which acts as the dependent variable is 0.151 or 15.1%. This shows that the ability of the independent variable to explain the dependent variable is measured at 15.1%, while the remaining 84.9% is explained by other variables not discussed in this study. So, it can be concluded that the ability of the influence of the independent variables selected in this study is smaller than the ability of other variables not used in the study.

F test

The following is a table of F test results (simultaneous test) research:

Table 8. F Test Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1,263	3	0,421	3,912	0,014[b]
	Residual	4,951	46	0,108		
	Total	6,214	49			

Source: Processed secondary data, 2025

The results of the F statistical test can be seen F count of 3.912 with a significance value of 0.014 <0.05. So it can be concluded that the variables of financial distress, earning management, and sales growth simultaneously or together have a significant effect on firm value.

t-test

The following is a table of hypothesis test results (t test) research:

Table 9 t-test Result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1,051	0,084		12,472	0,000
Financial Distress	0,012	0,023	0,072	0,542	0,590
Earning Management	-1,663	0,495	-0,484	-3,360	0,002
Sales Growth	-0,350	0,186	-0,275	-1,886	0,066

Source: Processed secondary data, 2025

Table 10 Summary of Hypothesis Testing Results

Hypothesis	Beta	T	Sig.	Test Results
H1: *Financial distress* has a negative effect on firm value	0,012	0,542	0,590	Rejected
H2: *Earning management* negatively affects firm value	-1,663	-3,360	0,002	Accepted
H3: *Sales growth* has a positive effect on firm value	-0,350	-1,886	0,066	Rejected

Source: Processed secondary data, 2025

Discussion

The Effect of Financial Distress on Company Value

Based on the results of testing the first hypothesis, it shows that the financial distress variable obtained a significance value of 0.590> 0.05 with a Beta value of 0.012, it can be concluded that H1 is rejected. These test results indicate that financial distress has no significant effect on firm value. This means that an increase or decrease in financial distress will not cause changes in firm value. Financial distress begins with the inability of management to manage their company which results in operating losses and net losses for the current year, which if this condition occurs continuously, there is a high potential for bankruptcy (Fitriani & Huda, 2020) . According to signal theory, investors will not be interested in companies experiencing financial difficulties that affect the value of the company (Chalid et al., 2022) . However, in some cases, financial distress has been anticipated by the market and reflected in stock prices, so it does not have an additional impact on firm value. This is in line with research conducted by Sari (2022) which shows that financial distress has a positive and insignificant effect on firm value. This is also in line with research by Aulia et al. (2022) and Adaria et al. (2022) which shows that financial distress has no effect on firm value.

The Effect of Earning Management on Company Value

Based on the results of testing the second hypothesis, it shows that the earning management variable obtained a significance value of 0.002 <0.05 with a Beta value of -1.663, it can be concluded that H2 is accepted. The test results show that earning management has a significant negative effect on firm value. This means that an increase in earning management will cause a decrease in firm value. Based on the results of the average discretionary accrual value of all companies showing a result of 0.09, it can be stated that the average company performs earning management. This is related to signal theory which states that there is a difference in information between company management and investors, because basically company management controls more information in the company and management has the authority to make policies that can increase company value. However, the company value that increases from the practice of earning management cannot last long and only in the short term, because with the practice of earning management the financial statements presented by the company become false and do not match the actual condition of the company. Earning management can increase company value in a certain period, but in the future earning management will actually continue to reduce company value (Sinatraz & Suhartono, 2021) . This is in line with research conducted by Chalid et al. (2022) which states that earning management has a negative and significant effect on firm value. Research Lestari & Meini (2024) also shows that earning management has a negative and significant effect on firm value.

The Effect of Sales Growth on Company Value

Based on the results of testing the first hypothesis, it shows that the sales growth variable obtained a significance value of 0.066> 0.05 with a Beta value of -0.350, it can be concluded that H3 is rejected. These test results indicate that sales growth has no significant effect on firm value. This means that an increase or decrease in sales growth does not affect firm value. In the descriptive statistical results, the average sales growth value is 0.06, it can be stated that the average company does experience sales growth, but it is still in a relatively low category because it is not yet at number 1. This is in line with the results of research Agustin & Wahyuni (2020) which shows that large sales growth is not always followed by an increase in firm value. This is because significant sales growth often requires additional funds to support operational costs. This large need for funds is usually met through debt. As a result, revenue from sales is often used to pay debt and interest obligations, so that the company's net profit does not experience a significant increase, which causes sales growth not to have a big impact on firm value (Saputri & Mutmainah, 2024) . In addition, the company's sales results in the form of receivables also cannot increase the company's value. Receivables that have not been recorded as company income cannot increase company value, because investors tend to see in terms of revenue and profits generated by the company (Rosalia et al., 2022) . This is also in line with research conducted by Rosari & Subardjo (2021) which shows that sales growth has no effect on firm value. Based on signal theory, sales growth that is not followed by an increase in net income provides a negative signal to investors (Yuniarti & Susetyo, 2023). Investors prioritize signals in the form of stable or increasing net income, so sales growth without a real impact on profitability does not contribute significantly to firm value.

CONCLUSIONS AND SUGGESTIONS

Conclusion

This study aims to analyze the effect of financial distress, earning management, and sales growth on firm value. The results showed that financial distress has no effect on firm value. Earning management has a significant negative effect on firm value. Meanwhile, sales growth has no effect on firm value.

Limitations

The limitation of this study is that the adjusted R- Square value is only 15.1%, meaning that the ability of the influence of the independent variables selected in this study is smaller than the ability of other variables not used in the study.

Suggestion

On the basis of the limitations described above, the suggestion that can be used for further research is that future research is expected to add other variables such as capital structure, leverage, and profitability. As well as conducting research in other sectors so that it is more diverse.

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