

ABSTRACT

This study aims to examine the effect of leverage, net cash flow, and firm size on firm value, with Sustainable Strategy Based on Economic Value Added (SSBEVA) as a mediating variable in companies listed on the ASEAN Exchange. In the modern business era, sustainability is not only a matter of regulatory compliance but also a business strategy that can enhance firm value. Therefore, this research attempts to integrate financial factors and sustainability strategies in determining firm value. This study employs Regression for Panel Dara using Stata 17 software to analyze data from 100 companies listed on the ASEAN Exchange from 2019 to 2023, excluding the financial and banking sectors. Data were obtained from annual financial reports, sustainability reports, and market databases such as Bloomberg and ASEAN Exchange. The results indicate that leverage, net cash flow, and firm size have a positive and significant impact on firm value. Furthermore, SSBEVA serves as a mediating variable in this relationship, suggesting that companies implementing value-added-based sustainability strategies are better positioned to enhance their firm value. The implications of this study emphasize that companies should optimize leverage utilization, manage cash flow effectively, and leverage economies of scale to support sustainability strategies, thereby creating long-term value for shareholders and other stakeholders. This research contributes to the development of Agency Theory in the context of companies in ASEAN. However, there are limitations regarding the geographical scope and the use of secondary data. Future research is recommended to expand the sample to a global level and employ a mixed-method approach to gain a more comprehensive understanding of sustainability dynamics.

Keywords: Leverage, Net Cash Flow, Firm Size, Firm Value, Sustainable Strategy Based on Economic Value Added (SSBEVA), ASEAN Exchange