

## CHAPTER V

### CONCLUSION AND IMPLICATION

#### A. Conclusion

Based on the analysis and discussion of the effect of Green Investment on firm value with profitability as a moderating variable, the following conclusions can be made:

1. The results of the first hypothesis test show that the Green Investment variable has no influence and is not significant to firm value. Therefore, the first hypothesis ( $H_1$ ), stating "Green Investment has a positive impact on firm value", is **rejected**.
2. The results of the second hypothesis test show that the profitability variable has a positive and significant effect on firm value. Therefore, the second hypothesis ( $H_2$ ), stating "Profitability has a positive impact on firm value", is **accepted**.
3. The results of the third hypothesis test show that the profitability variable positively and significantly influences the moderation of the relationship between Green Investment and firm value. Therefore, the third hypothesis ( $H_3$ ), stating "Profitability can strengthen the relationship of Green Investment and firm value", is **accepted**.

#### B. Implication

The results of this study can serve as a consideration for investors to view profitability as a key indicator in assessing investment prospects, given

its significant impact on firm value. Good profitability not only reflects a company's ability to generate profit but also shows how effectively management handles company resources. Therefore, this study supports the signaling theory.

Additionally, in agency theory, profitability helps align the interests of management and shareholders in pursuing Green Investments. Company management is advised to maintain profitability when making Green Investments and develop strategies that are efficient and focused on long-term value. Meanwhile, regulators should design policies that support companies in integrating environmental aspects without compromising profitability.

### **C. Research Limitation**

This study has several limitations that need to be addressed and developed in future research. These limitations are expected to serve as input and references for future studies on similar topics. Some of the limitations in this study include:

1. Future research can be developed by adding other variables that could enrich the study, so it is hoped that subsequent research can provide a more comprehensive overview.
2. In the food and beverage companies listed on the Indonesia Stock Exchange, most have not yet been registered as participants in the PROPER program. Therefore, future research is expected to expand the scope of the study to include other sectors.

3. This study focuses on the period from 2021 to 2023. However, future research is encouraged to extend the research period to enhance the generalizability of the findings.

