ABSTRACT

This study aims to examine the effect of integrated reporting on firm value and the moderating role of financial risk and business risk. Integrated reporting in Indonesia remains voluntary, with only 71 of 936 listed firms (about 7.6 percent) adopting it in 2023. Based on signaling theory, its effectiveness is presumed to depend on a firm's risk profile, yet both risks have not been tested together among adopting firms across sectors on the Indonesia Stock Exchange.

This quantitative study uses secondary data from integrated reports and Refinitiv Eikon. Purposive sampling yielded 23 firms over 2021 to 2025 (115 observations). Integrated reporting is measured through content analysis on a 0 to 5 scale across the eight IIRC content elements, firm value by Tobin's Q, financial risk by the debt to asset ratio, and business risk by the degree of operating leverage. The analysis applies Moderated Regression Analysis with a Fixed Effect Model in EViews 13, controlling for firm size, profitability, and sales growth.

The results show that integrated reporting has no significant effect on firm value (p = 0.1380). Financial risk (p = 0.1135) and business risk (p = 0.8122) also do not moderate this relationship, so all three hypotheses are rejected. These findings are suggestive of the narrow variation in integrated reporting scores across firms and the low disclosure of the business model element (30.09 percent). Firm size has a significant negative effect on firm value in all models. Disclosure quality alone is not sufficient to drive market appreciation of firm value.

Keywords: integrated reporting, firm value, financial risk, business risk, signaling theory

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