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INFLUENCE OF CASH FLOW AND WORKING CAPITAL ON PROFITABILITY AND STOCK PRICES IN CONSUMER GOODS INDUSTRY

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ABSTRACT

In the era of globalization and increasingly intense business competition, companies in various industrial sectors are required to manage their resources efficiently to achieve desired financial goals. The objective of a company is to maximize profits for its survival. Sales are one of the main operational activities of a company and a primary source of revenue. The fluctuating nature of stock prices requires an investor to understand the factors influencing their changes. Factors affecting stock price changes include financial statements and financial ratios.This study uses secondary data, namely the financial statements of Consumer Goods Industry companies in the Food and Beverages sub-sector listed on the Indonesia Stock Exchange (IDX) from 2020-2023. The sampling technique used is purposive sampling, resulting in a total sample of 14 companies. The data analysis technique used in this study is multiple linear regression analysis, preceded by classical assumption tests including normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. The results of the model fit test show that cash flow and working capital are suitable as explanatory variables for profitability.The hypothesis testing results indicate that cash flow has a positive but not significant effect on profitability, meaning that if cash flow increases, profitability tends to increase. Working capital has a negative but not significant effect on profitability, meaning that if working capital decreases, profitability will increase. The market stock price significantly moderates the relationship between cash flow and profitability, but it does not significantly moderate the relationship between working capital and profitability.

KEYWORDS *Cash Flow, Working Capital, Profitability, Market Stock Price*

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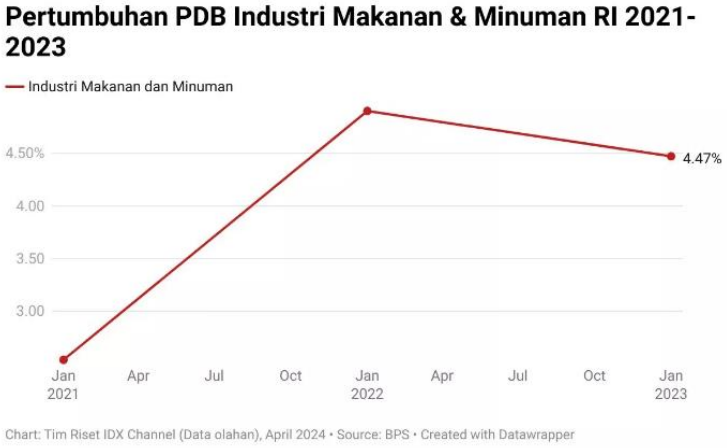
INTRODUCTION

Indonesia's economy is largely driven by increased household consumption, and one of the rapidly growing industries is the food and beverage industry. Sales growth is fueled by rising personal incomes and increased spending on food and beverages, particularly from the growing number of middle-class consumers. Lifestyle changes in urban centers of Indonesia largely follow established market trends, with office workers having less time or inclination to cook but demanding healthier food options**.**

In 2022, the PDB of the food and beverage industry grew by 4.90 percent, contributing 38.35 percent, the largest share to the PRB of the non-oil and gas processing industry. The food and beverage industry in Indonesia also experienced an increase from 2020 to 2021 by 2.54 percent, reaching IDR 775.1 trillion.



According to Harahap (2008:257), "A cash flow statement is a report aimed at providing relevant information about a company's cash receipts and cash disbursements over a specific period." Meanwhile, cash flow, according to the Indonesian Institute of Accountants (2011:2.2), is "the inflow and outflow of cash or cash equivalents."

Working capital refers to the funds available to maintain the company's operations in the short term. The efficiency of a company's working capital usage over a certain period can be measured by calculating the working capital turnover ratio (Kasmir, 2019:300-314). When funds are invested in a company's capital and continue until those funds are converted into cash, this is known as the working capital turnover process.

Cash flow and working capital management have been recognized as key factors in a company's success. However, there is uncertainty and complexity in managing these two aspects. In the food and beverage industry, where competition is fierce and profit margins are often slim, a company's ability to efficiently manage cash flow and working capital can be a determining factor in its business sustainability.

According to Brigham and Houston, a company's profitability increases with the level of working capital turnover (Maulana & Nurwani, 2022). Working capital must turn over quickly so that investments in working capital can be recovered

promptly. This means there is a correlation between a company's working capital turnover rate and its profitability.

Profitability is the ability of a company to generate profits so that the working capital expended can be recouped within a specified time frame. This information can be used to assess the company's ability to meet its financial obligations. Profitability information can identify a company's ability to generate cash in the future. Profitability analysis is crucial in analyzing financial statements because profitability ratios indicate the company's ability to generate profits in relation to sales, total assets, and equity. The higher the company's profitability, the greater its efficiency in utilizing the company's facilities. Conversely, a decrease in sales can lower the company's profitability.

The higher the profitability value of a company, the better the results and the greater the potential for increased future profits (Hutagaol & Hutabarat, 2021).The capital market is an institution that mobilizes public funds by providing a means or place to bring together buyers and sellers. For investors, this activity is an investment aimed at increasing their wealth. There are many investment options, one of which is investing in the capital market. For investors, the capital market is a place to channel their funds in the form of stocks.

Stocks are one of the most commonly used investment alternatives in the capital market by investors because the profits obtained are higher, and the funds required for investment are not as large compared to bonds. According to Wardoyo et al. (2022), stocks are one of the capital market instruments that attract investors because they offer attractive returns. Stocks can be defined as the characteristics of individual or unilateral capital participation in an industry or a limited liability company.

RESEARCH METHOD

Sample and Data Collection

The research method employed in this study is quantitative, utilizing both descriptive and verificative approaches. According to Sugiyono (2022:8), "quantitative method can be defined as a research method based on positivist philosophy, used to study a specific population or sample, data collection using research instruments, quantitative/statistical data analysis, aimed at describing and testing predefined hypotheses**.**

The data source for this research is secondary data in the form of annual financial reports (Annual Reports) from companies in the Consumer Goods Subsector Food and Beverages listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023. These reports were obtained through the official website of the Indonesia Stock Exchange at www.idx.co.id.

Population in this study consists of companies in the Consumer Goods Subsector Food and Beverages listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023. The criteria used for selecting the sample are: (1) Companies in the Consumer Goods Subsector Food and Beverages listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023, (2) Companies in the Consumer Goods Subsector Food and Beverages listed on the Indonesia Stock Exchange (IDX) that have published financial reports for 4 consecutive years from 2020 to 2023, (3)

Companies in the Consumer Goods Subsector Food and Beverages with complete financial statements providing relevant information for measuring variables, (4) Sample companies' financial statements do not show negative balances or losses during 2020-2023, (5) Companies in the Consumer Goods Subsector Food and Beverages showing positive cash flow statements during the period from 2020 to 2023. The data source for this study is secondary data in the form of Annual Financial Reports obtained from the Indonesia Stock Exchange (IDX) via the IDX official website at www.idx.co.id for the years 2020 to 2023.

Table 1. Company List

No.	Kode	Nama Perusahaan Tercatat
1	ADES	Akasha Wira International Tbk.
2	AISA	Tiga Pilar Sejahtera Food Tbk.
3	CEKA	Wilmar Cahaya Indonesia Tbk.
4	DLTA	Delta Djakarta Tbk.
5	ICBP	Indofood CBP Sukses Makmur Tbk.
6	INDF	Indofood Sukses Makmur Tbk.
7	MLBI	Multi Bintang Indonesia Tbk.
8	MYOR	Mayora Indah Tbk.
9	PSDN	Prasidha Aneka Niaga Tbk.
10	ROTI	Nippon Indosari Corpindo Tbk.
11	SKBM	Sekar Bumi Tbk.
12	SKLT	Sekar Laut Tbk.
13	STTP	Siantar Top Tbk.
14	ULTJ	Ultrajaya Milk Industry & Trading Co. Tbk.

Source: Indonesian Stock Exchange at www.idx.co.id data processed

Operational Definition and Measurement of Variables

According to Sugiyono (2022:55), "operationalization of variables is an attribute or characteristic or value of a person, object, or activity that has certain variations defined by the researcher to be studied and then conclusions drawn from it." Therefore, this research contains 4 (four) variables consisting of 2 (two) independent variables, 1 (one) dependent variable, and 1 (one) moderating variable, explained as follows:

1. Independent Variables (X)

   Independent variables according to Sugiyono (2022:39) are "variables that influence or cause changes in the dependent (outcome) variable." The independent variables in this study are Cash Flow and Working Capital.

   The indicators used to measure cash flow in this study are::

$$\Delta \text{ Arus Kas} = \frac{\text{Arus Kas}_t - \text{Arus Kas}_{t-1}}{\text{Arus Kas}_{t-1}}$$

and the indicators used in measuring working capital are:

$$WCTA = \frac{\text{Aktiva Lancar} - \text{Hutang Lancar}}{\text{Total Aktiva}}$$

2. Dependent Variable (Y)

   The definition of a dependent variable according to Sugiyono (2022:39) is "a variable that is influenced or which is a consequence, because of the existence of an independent variable". The dependent variable in this research is Profitability (ROA)

   $$ROA = \frac{\text{Laba Bersih}}{\text{Total Aset}}$$

3. Moderating Variable (Z)

   According to Sugiyono (2022:39), "moderating variables are variables that influence (strengthen and weaken) the relationship between the independent and dependent variables". The moderating variable in this research is Stock Market Price.

Data Analysis Techniques

Panel data regression analysis is used in this research, assisted by Eviews 12 software program. In conducting panel data regression analysis, first, a model specification test is performed using three approaches to model estimation: Common Effect Model, Fixed Effect Model, and Random Effect Model, employing Chow Test, Hausman Test, and Lagrange Multiplier Test to obtain the appropriate regression model. Subsequently, classical assumption tests are conducted, including tests for normality, multicollinearity, heteroskedasticity, and autocorrelation.

RESULT AND DISCUSSION

Descriptive Statistical Analysis

According to Sugiyono (2022:147), "descriptive statistics are statistics used to analyze data by describing or portraying the collected data as it is, without intending to draw conclusions that apply generally or generalize."
The following are the results of descriptive statistical testing for each variable:

Table 2 Descriptive Statistics Test Results

Variable	X1	X2	Y	Z
Min	-3.67	-0.42	-11.45	170.00
Max	7.14	0.78	94.36	10800.00
Mean	0.15	0.23	11.81	3789.38
Stdev	1.41	0.31	15.23	3605.81

Source: Processed Eviews 12 data

Based on the table above, it is known that:

1. The minimum value of ROA is -11.45, while the maximum value is 94.36. The average (mean) ROA is 11.81 with a standard deviation of 15.23.
2. The minimum value of Δ Cash Flow is -3.67, the maximum value is 7.14, the average is 0.15, and the standard deviation is 1.41.
3. The minimum value of WCTA is -0.42, the maximum value is 0.78, the average is 0.23, and the standard deviation is 0.31.

Regression Model Selection

Chow Test (CEM vs FEM)

According to Napitupulu et al. (2021:135), the Chow test is a test used to choose the best approach between the Common Effect Model (CEM) and Fixed Effect Model (FEM) in estimating panel data. The decision criteria are as follows: If the probability value of Cross-section F > the significance value of 0.05, then H0 is accepted, indicating that the most appropriate model to use is the Common Effect Model (CEM). If the probability value of Cross-section F < the significance value of 0.05, then H0 is rejected, indicating that the most appropriate model to use is the Fixed Effect Model (FEM).

Table 3. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.720155	(13,39)	0.7327
Cross-section Chi-square	12.048576	13	0.5237

Source: Processed Eviews 12 data

Based on the table of results from the Chow test with Redundant Fixed Effect Tests, a prob value can be obtained. Cross-section Chi-square is 0.5237 or greater than α = 5% (0.5237 > 0.05). These results show that the appropriate model to use in testing the hypothesis is the common effect model.

Hausman Test

According to Napitupulu, et., al (2021:136), the Hausman test is a test used to select the best approach using the Random Effect Model (REM) and Fixed Effect Model (FEM) approaches in estimating panel data. The basis for decision making is as follows: - If the probability value for a random cross-section is > a significant value of 0.05 then H0 is accepted, so the most appropriate model to use is the Random Effect Model (REM). - If the probability value for a random cross-section is <0.05 significant value then H0 is rejected, so the most appropriate model to use is the Fixed Effect Model (FEM).

Table 4. Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.138423	3	0.2469

** WARNING: estimated cross-section random effects variance is zero.

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
X1	-0.097954	0.742810	0.894036	0.3739
X2	-44.036340	-6.332857	409.305412	0.0624
Z	0.007779	0.000224	0.000291	0.6579

Source: Processed Eviews 12 data

Based on the results of the Hausman Test in the table above, it is known that the probability value is 0.6579 > 0.05, so the estimation model used is the Random Effect Model (REM).

Lagrange Multiplier Test

According to Napitupulu et al. (2021), this test is one of the methods used to determine whether the model used is in accordance with the classical assumptions of regression, such as homoscedasticity and the absence of autocorrelation.

Table 5. Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	2.316212 (0.1280)	0.143403 (0.7049)	2.459615 (0.1168)
Honda	-1.521911 (0.9360)	-0.378686 (0.6475)	-1.343925 (0.9105)
King-Wu	-1.521911 (0.9360)	-0.378686 (0.6475)	-1.000350 (0.8414)
Standardized Honda	-1.083926 (0.8608)	-0.065013 (0.5259)	-4.613007 (1.0000)
Standardized King-Wu	-1.083926 (0.8608)	-0.065013 (0.5259)	-3.667381 (0.9999)
Gourieroux, et al.	--	--	0.000000 (1.0000)

Source: Processed Eviews 12 data

Based on the results of the Lagrange Multiplier for Random Effect Tests, the prob value can be obtained. Both is 0.1168 or greater than $\alpha = 5\%$ (0.1168 > 0.05). These results show that the appropriate model to use in testing the hypothesis is the Common Effect Model.

The CEM panel data regression results can be seen in the table below:

Table 6. Common Effect Model Test Results

Dependent Variable: X1
Method: Panel Least Squares
Date: 07/01/24 Time: 19:25
Sample: 2020 2023
Periods included: 4
Cross-sections included: 14
Total panel (balanced) observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_Z	0.000134	1.68E-05	7.975179	0.0000
X2	-0.026705	0.566163	-0.047169	0.9626
X2_Z	6.04E-05	0.000169	0.358130	0.7218
Y	0.008432	0.008439	0.999241	0.3225
Z	1.32E-06	4.61E-05	0.028700	0.9772
C	-0.272296	0.231737	-1.175020	0.2456

Root MSE	0.878723	R-squared	0.603860
Mean dependent var	0.150938	Adjusted R-squared	0.564246
S.D. dependent var	1.408771	S.E. of regression	0.929953
Akaike info criterion	2.793592	Sum squared resid	43.24065
Schwarz criterion	3.010594	Log likelihood	-72.22058
Hannan-Quinn criter.	2.877723	F-statistic	15.24359
Durbin-Watson stat	1.157825	Prob(F-statistic)	0.000000

Source: Processed Eviews 12 data

Classic assumption test

According to Ghozali (2021:155), "before conducting multiple linear regression, it is required to test assumptions in order to obtain the best results." Classical assumption tests are prerequisites for panel data regression analysis before testing hypotheses proposed in research, such as testing before classic assumptions that include Normality Tests, Multicollinearity Tests, Heteroskedasticity Tests, and Autocorrelation Tests. However, not all classical assumptions need to be conducted on every regression model using Ordinary Least Square (OLS) method (Basuki and Pratowo, 2017:297).

Normality test

According to Napitupulu, et.al (2021:140), to test whether the data is normally distributed or not, it can be done using the Jarque-Bera (J-B) test. The basis for decision making is as follows:

a. If the Jarque-bera probability is > 0.05, then H0 is accepted, meaning the residual has a normal distribution.
b. If the Jarque-bera probability is <0.05, then H0 is rejected, meaning the residual does not have a normal distribution.

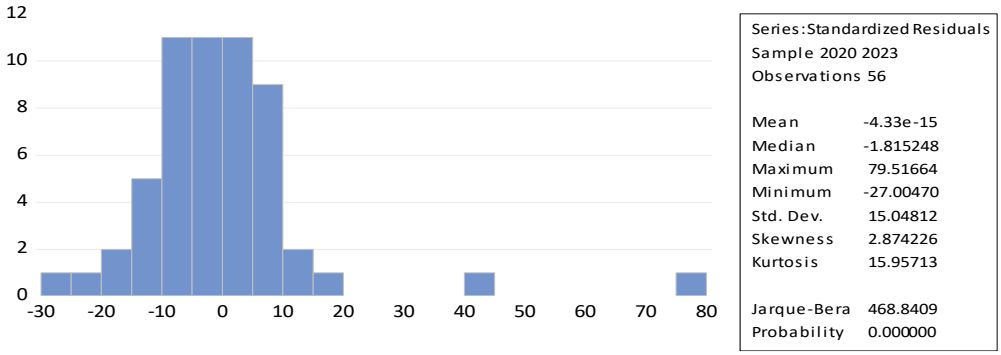


Figure 1. Normalitas Test Results

Source: Processed Eviews 12 data

Based on the above figure, the probability value of the statistical data is 0.000000. Because this probability value (0.000000) is less than the significance level of 0.05, it indicates that the normality assumption is not met.

Multicollinearity Test

In a good regression model, there should be no correlation among the independent variables. According to Napitupulu et al. (2021:141), the decision criteria are:If the correlation value between each pair of independent variables < 0.85, then H0 is accepted, indicating no multicollinearity issue. If the correlation value between each pair of independent variables > 0.85, then H0 is rejected, indicating multicollinearity issue.

Table 7. Multicollinearity Test Results

	X1	X2
X1	1.000000	-0.065551
X2	-0.065551	1.000000

Source: Processed Eviews 12 data

The correlation coefficient x1 and x2 is -0.06551 < 0.85, so it is concluded that it is free from multicollinearity or passes the multicollinearity test.

Heteroscedasticity Test

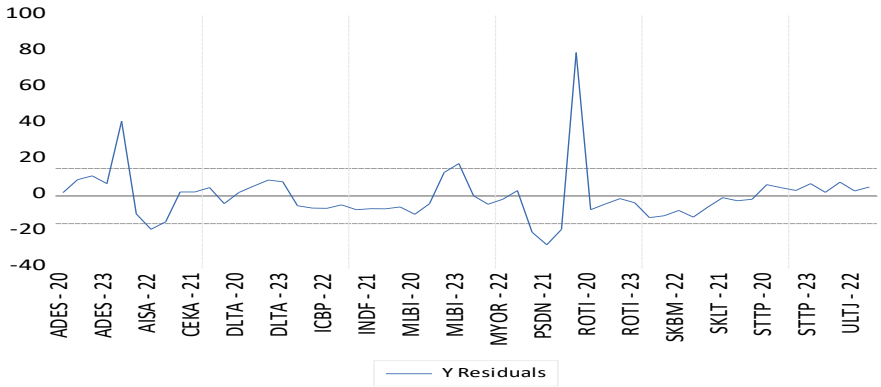


Figure 2. Heteroscedasticity Test Results

Source: Processed Eviews 12 data

From the residual graph it can be seen that the residual value is between 100 and -40, that is, it does not exceed the limits of 500 and -500 (100 <500 and -40 > -500) meaning that the residual variance is the same therefore there are no symptoms of heteroscedacity or passing the heteroscedasticity test (napitupulu et al 2021 ; 143)

Autocorrelation Test

Table 8. Autocorrelation Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 07/01/24 Time: 18:57
Sample: 2020 2023
Periods included: 4
Cross-sections included: 14
Total panel (balanced) observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	0.910596	1.470412	0.619280	0.5384
X2	-6.192884	6.771871	-0.914501	0.3646
C	13.12034	2.605646	5.035349	0.0000

Root MSE	14.91315	R-squared	0.023935
Mean dependent var	11.81244	Adjusted R-squared	-0.012898
S.D. dependent var	15.23150	S.E. of regression	15.32941
Akaike info criterion	8.349507	Sum squared resid	12454.52
Schwarz criterion	8.458008	Log likelihood	-230.7862
Hannan-Quinn criter.	8.391573	F-statistic	0.649826
Durbin-Watson stat	1.383665	Prob(F-statistic)	0.526246

Source: Processed Eviews 12 data

Assumptions regarding independence of residuals (non-autocorrelation) can be tested using the Durbin-Watson test. The statistic from the Durbin-Watson test ranges between 0 and 4. Statistic values less than 1 or greater than 3 indicate the presence of autocorrelation.

Based on the results above, the statistic value of the Durbin-Watson test is 1.383665. Because this value falls between 1 and 3 (1 < 1.383665 < 3), the assumption of non-autocorrelation is fulfilled. In other words, there is no significant autocorrelation issue in the residuals.

Analysis of the Coefficient of Determination

Table 9. Determination Coefficient Analysis Test Results

Dependent Variable: X1
Method: Panel Least Squares
Date: 07/01/24 Time: 19:25
Sample: 2020 2023
Periods included: 4
Cross-sections included: 14
Total panel (balanced) observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_Z	0.000134	1.68E-05	7.975179	0.0000
X2	-0.026705	0.566163	-0.047169	0.9626
X2_Z	6.04E-05	0.000169	0.358130	0.7218
Y	0.008432	0.008439	0.999241	0.3225
Z	1.32E-06	4.61E-05	0.028700	0.9772
C	-0.272296	0.231737	-1.175020	0.2456

Root MSE	0.878723	R-squared	0.603860
Mean dependent var	0.150938	Adjusted R-squared	0.564246
S.D. dependent var	1.408771	S.E. of regression	0.929953
Akaike info criterion	2.793592	Sum squared resid	43.24065
Schwarz criterion	3.010594	Log likelihood	-72.22058
Hannan-Quinn criter.	2.877723	F-statistic	15.24359
Durbin-Watson stat	1.157825	Prob(F-statistic)	0.000000

Source: Processed Eviews 12 data

Based on the table above, the coefficient of determination or R-squared value is 0.603860. This value can be interpreted as Cash Flow and Working Capital influencing profitability by 60.38%, while the remaining percentage is influenced by other factors.

Hypothesis Testing

According to Sugiyono (2022:63), a hypothesis is a "temporary answer to the research problem formulation." Meanwhile, according to Jaya (2021:45), a hypothesis is a "temporary assumption that needs to be tested for its truth."

The hypotheses used in this study relate to whether there is an influence of independent variables on the dependent variable. The null hypothesis (H0) and alternative hypothesis (Ha) indicate the presence of influence between the independent variables and the dependent variable. The hypothesis testing design aims to test the influence of independent variables (X) with Cash Flow (X1), Working Capital (X2) on Profitability (Y) as the dependent variable, and Stock Market Price (Z) as the moderating variable.

Test of Simultaneous Significance (F-test)

The F-test is used to test whether there is a significant influence of independent variables collectively on the dependent variable, with the model's feasibility tested at a 5% significance level (α). If the significant value of the F-test < 0.05, then the model used in the study is considered feasible and can be used for further analysis, and vice versa (Ghozali, 2021:148).

Table 10. Simultaneous Effect Significance Test Results (F TEST)

R-squared	0.603860
Adjusted R-squared	0.564246
S.E. of regression	0.929953
Sum squared resid	43.24065
Log likelihood	-72.22058
F-statistic	15.24359
Prob(F-statistic)	0.000000

Source: Processed Eviews 12 data

Based on the table above, the Prob (F-statistic) value is 0.000000, which is less than 0.05. Therefore, it can be concluded that all independent variables collectively have a significant effect on the dependent variable.

Panel Data Regression Equation and Partial Significance Test (t-test)

According to Ghozali (2021:148), "the t-test is used to test the individual influence of each independent variable used in the study on the dependent variable."

a. If the calculated t-value > the critical t-value, then H1 is accepted or H0 is rejected (indicating that an independent variable individually affects the dependent variable). Therefore, there is an influence of Cash Flow and Working Capital on Profitability.
b. If the calculated t-value < the critical t-value, then H0 is accepted or H1 is rejected (indicating that an independent variable individually does not affect the dependent variable). Therefore, there is no influence of Cash Flow and Working Capital on Profitability.

The regression equation is as follows:

$$Y = 13.1203368049 + 0.910596453367*X1 - 6.19288434016*X2$$

Table 11. Results of Partial Influence Significance Test (t Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	0.910596	1.470412	0.619280	0.5384
X2	-6.192884	6.771871	-0.914501	0.3646
C	13.12034	2.605646	5.035349	0.0000

Source: Processed Eviews 12 data
X1 = Δ Cash Flow
X2 = WCTA

a) It is known that Δ Cash Flow has a positive effect on ROA with a coefficient value of 0.910596, but it is not significant because the probability value (Prob) is 0.5384, which is greater than 0.05.
b) It is known that WCTA has a negative effect on ROA with a coefficient value of -6.192884, but it is not significant because the probability value (Prob) is 0.3646, which is greater than 0.05.

Moderation Testing

Table 12 . Moderating Variable Test Results

Dependent Variable: X1
Method: Panel Least Squares
Date: 07/01/24 Time: 19:25
Sample: 2020 2023
Periods included: 4
Cross-sections included: 14
Total panel (balanced) observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_Z	0.000134	1.68E-05	7.975179	0.0000
X2	-0.026705	0.566163	-0.047169	0.9626
X2_Z	6.04E-05	0.000169	0.358130	0.7218
Y	0.008432	0.008439	0.999241	0.3225
Z	1.32E-06	4.61E-05	0.028700	0.9772
C	-0.272296	0.231737	-1.175020	0.2456

Root MSE	0.878723	R-squared	0.603860
Mean dependent var	0.150938	Adjusted R-squared	0.564246
S.D. dependent var	1.408771	S.E. of regression	0.929953
Akaike info criterion	2.793592	Sum squared resid	43.24065
Schwarz criterion	3.010594	Log likelihood	-72.22058
Hannan-Quinn criter.	2.877723	F-statistic	15.24359
Durbin-Watson stat	1.157825	Prob(F-statistic)	0.000000

Source: Processed Eviews 12 data

X1 = 0.000133660745684*X1_Z - 0.0267052646132*X2 + 6.04493449377e-05*X2_Z + 0.00843217030023*Y + 1.32210399739e-06*Z - 0.27229564496

a) Stock Market Price is significant as a moderator between Δ Cash Flow and ROA with a probability value (Prob) of 0.0000, which is less than 0.05.
b) Stock Market Price is not significant as a moderator between WCTA and ROA with a probability value (Prob) of 0.7218, which is greater than 0.05.

CONCLUSION

The conclusions from this research can be summarized as follows:

1. Cash Flow has a positive but non-significant impact on profitability, indicating that an increase in cash flow tends to increase profitability.
2. Working Capital has a negative but non-significant impact on profitability, meaning that a decrease in working capital leads to an increase in profitability.
3. Stock Market Price significantly moderates the relationship between cash flow and profitability, suggesting that stock market price plays a significant role in influencing how cash flow affects profitability.
4. Stock Market Price does not significantly moderate the relationship between working capital and profitability.

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