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# Integrated Reporting And Market Valuation Of Firms In Digital Era

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**ABSTRACT**
The study integrated reporting and market valuation of firms in the digital era, recognized the transformative role of technology in shaping corporate communication and investor perception. The research is motivated by the increasing demand for transparency, accountability, and the inclusion of non-financial information in reporting frameworks, alongside the global shift towards digitalization. Drawing on signaling theory, the study positions digital integrated reporting as a mechanism through which firms convey credibility, reduce information asymmetry, and highlight intangible assets such as intellectual capital and sustainability practices. Empirical reviews from diverse contexts—including Nigeria, Indonesia, Malaysia, Egypt, and South Africa—demonstrate that digital disclosures embedded in integrated reports significantly influence investor decisions and firm value, though the extent of this impact varies based on disclosure quality, governance mechanisms, and institutional environments. The paper highlights both the opportunities and challenges of digital integrated reporting in shaping market valuation, emphasizing that its effectiveness lies in the credibility, comparability, and forward-looking nature of disclosures. The study provides practical implications for managers, investors, regulators, and policymakers by showing how digitalized reporting frameworks not only enhance transparency but also act as strategic tools for sustaining investor trust and corporate legitimacy in technology-driven markets.
**Keywords:** Integrated Reporting, Market Valuation, Digital Era

## 1. INTRODUCTION

In recent decades, the world has witnessed a fundamental transformation in the way businesses communicate their performance and interact with stakeholders. Traditional financial statements, once seen as sufficient for assessing corporate health, now appear limited in capturing the full spectrum of value creation in a rapidly digitized global economy. Investors, regulators, and society increasingly demand richer narratives that explain not only financial results but also environmental, social, and governance (ESG) factors, intellectual capital, and long-term strategic prospects (Eccles & Krzus, 2010; De Villiers, Rinaldi & Unerman, 2014). The rise of integrated reporting (IR) emerged as a response to these demands. By combining financial and non-financial information into a single coherent communication, IR seeks to provide stakeholders with a holistic understanding of how firms create sustainable value over time (Samy & Deeb, 2019). Beyond the technical dimensions, IR symbolizes a cultural shift—away from short-term profit orientation and towards accountability, transparency, and forward-looking strategies.

Simultaneously, the digital era has reshaped corporate landscapes. The proliferation of big data, artificial intelligence, and blockchain technologies has transformed reporting from static documents into dynamic, interactive, and data-driven platforms (Aslanertik & Yardımcı, 2019). This transformation does not

merely digitize traditional formats but fundamentally redefines how value is presented and interpreted, enabling greater precision and accessibility in corporate disclosures (Adelowotan, 2024). The convergence of digitalization and integrated reporting has created a new paradigm often described as digital integrated reporting. Here, digital tools enhance the credibility, timeliness, and analytical richness of IR, allowing stakeholders to assess corporate performance in real time (Ulupui et al., 2023). Firms that adopt digital IR are believed to achieve improved stakeholder trust, stronger investor relations, and ultimately better market valuations (Machmuddah et al., 2021).

Market valuation itself has evolved in meaning within this context. In the past, valuation heavily emphasized tangible assets and profitability ratios. Today, the market increasingly rewards firms that demonstrate sustainable strategies, strong ESG practices, and intellectual capital management (Chowdhury, 2020; John & Rajuroy, 2020). Integrated reporting, especially when digitally enabled, provides a structured means of conveying these intangible sources of value to the market. Empirical studies reinforce this relationship. Ningdiyah, Asyik, and Fidiana (2024) found that digital IR strengthens the influence of financial performance on firm value, suggesting that digitalization enhances the communicative power of integrated reports. Similarly, Utomo, Machmuddah, and Hapsari (2021) demonstrated that disclosure of digital IR elements significantly improves firm valuation across Indonesian and Singaporean contexts. Such findings imply that the digital dimension of IR is not an optional enhancement but a vital driver of valuation outcomes. Industry 4.0 further accelerates this shift. Smart technologies, automation, and interconnected systems create massive amounts of corporate data that, if properly integrated into reporting, can serve as strategic assets for valuation (Al-Abboudy & Al-Hindawi, 2025). Firms adopting Industry 4.0 technologies in their reporting processes are likely to gain competitive advantage by presenting forward-looking, data-driven narratives that align with investors' demand for clarity in uncertain environments. At the same time, institutional settings shape how IR translates into valuation. Ali et al. (2023) explored the role of institutional ownership in Malaysia, finding that investor structures influence the extent to which integrated reporting affects firm performance. This underscores the contextual nature of IR's value relevance, highlighting the need to examine its effectiveness across different economies and sectors.

Moreover, integrated reporting in the digital age links closely with corporate governance and business models. Studies reveal that digital IR fosters alignment between business models, strategy, and technology adoption, thereby signaling long-term viability to capital markets (De Nicola et al., 2024; Antoro, Supriyadi & Harddian, 2024). Such alignment strengthens firms' legitimacy, reduces information asymmetry, and ultimately contributes to higher valuation multiples. Yet, despite these promises, challenges remain. Digital IR requires significant investments in systems, human capital, and governance structures. Many firms, especially in emerging economies, struggle with inadequate digital infrastructure, limited expertise, and regulatory uncertainties (Hichri & Alqatan, 2024). Consequently, while some firms benefit from valuation premiums through IR adoption, others remain trapped in partial disclosures that fail to convince investors.

The theoretical foundations also point to multiple interpretations of IR's role. From an agency perspective, IR reduces information asymmetry between managers and investors, mitigating monitoring costs. Signaling theory suggests that firms use IR to differentiate themselves in competitive markets, while legitimacy theory emphasizes its role in securing societal approval (De Villiers et al., 2014). In the digital era, these theories intersect, as IR simultaneously signals transparency, builds legitimacy, and addresses agency concerns in more technologically sophisticated ways. These dynamics illustrate that integrated reporting is no longer just a reporting innovation—it is a strategic tool deeply intertwined with digital transformation and market valuation. Firms that fail to embrace this shift risk being undervalued, misunderstood, or even excluded from global capital markets where digital transparency has become the norm (Jones et al., 2018). Therefore, the intersection of integrated reporting, digital transformation, and market valuation represents a compelling area of inquiry. While prior studies highlight positive links, gaps remain regarding how digital IR specifically shapes firm value in different contexts, industries, and economies. This evolving landscape calls for deeper exploration into whether, and to what extent,

integrated reporting in the digital era can reliably enhance market valuation. It is within this intersection that the present study situates itself.

## 2. LITERATURE REVIEW

### Integrated Reporting

Corporate reporting has always been a mirror reflecting how firms wish to be perceived by their stakeholders. In earlier decades, financial statements were seen as the ultimate tool for evaluating a firm's strength and profitability. Yet, as economies evolved and stakeholder expectations broadened, it became evident that numbers alone could not capture the full story of value creation. Issues such as environmental impact, social responsibility, governance practices, and long-term strategy demanded visibility beyond the income statement and balance sheet (De Villiers, Rinaldi & Unerman, 2014). Integrated Reporting (IR) emerged as a response to these limitations. Unlike traditional reporting, IR combines financial and non-financial information into a coherent and forward-looking narrative. It explains not only how an organization performed in the past, but also how it intends to sustain value in the future (Eccles & Krzus, 2010). This holistic approach moves reporting away from fragmented disclosures towards a unified communication framework. At its core, IR is guided by principles outlined by the International Integrated Reporting Council (IIRC). These principles emphasize connectivity of information, stakeholder relationships, materiality, and a future-oriented perspective (De Nicola et al., 2024). Rather than viewing financial, manufactured, intellectual, human, social, and natural capitals in isolation, IR links them together to explain how a firm operates within a complex ecosystem.

The concept has gained traction because it addresses one of the biggest challenges in corporate communication: information asymmetry. Investors often struggle to reconcile financial metrics with sustainability disclosures scattered across various reports. IR streamlines this by presenting an integrated picture that connects sustainability drivers directly to financial outcomes, thereby improving decision-making relevance (Samy & Deeb, 2019). Furthermore, integrated reporting aligns with theories such as agency and signaling theory. From an agency perspective, IR reduces monitoring costs by disclosing comprehensive performance data. From a signaling perspective, it helps firms distinguish themselves by showcasing superior governance, innovation, or sustainability practices (Hichri & Alqatan, 2024). These theoretical underpinnings highlight why IR resonates strongly in capital markets. The digital era has further expanded the scope of IR. Advances in data analytics, blockchain, and cloud technologies enable firms to present integrated reports with greater accuracy, interactivity, and timeliness (Ulupui et al., 2023). Rather than static annual documents, IR in digital form allows for real-time updates, visual dashboards, and machine-readable formats such as XBRL. This evolution enhances the credibility and accessibility of integrated disclosures (Adelowotan, 2024).

Empirical evidence supports IR's growing importance. Studies reveal that firms adopting integrated reporting practices tend to enjoy improved market valuation, enhanced investor trust, and stronger corporate legitimacy (Machmuddah et al., 2021; Ningdiyah, Asyik & Fidiana, 2024). By clearly linking strategy, performance, and prospects, IR reduces uncertainty and signals long-term value creation. Yet, adoption is not without challenges. Firms must invest in digital infrastructure, retrain staff, and redesign governance systems to fully embrace IR. In emerging markets, these challenges are compounded by weak regulatory frameworks and limited technological capacity (Ali et al., 2023). Despite these hurdles, the momentum behind IR continues to grow, driven by global investors' demand for transparency and sustainability-oriented reporting.

### Principles and Elements of Integrated Reporting

Integrated Reporting (IR) has been widely recognized as a transformative approach to corporate disclosure, moving beyond traditional financial statements to embrace a holistic view of value creation. Its foundation is built on guiding principles and content elements developed by the International Integrated Reporting Council (IIRC), which together provide a framework for preparing reports that capture financial and non-financial dimensions of performance (Eccles & Krzus, 2010; De Villiers, Rinaldi & Unerman, 2014). The principles of IR emphasize the quality of information and how it is

presented. A core principle is strategic focus and future orientation, which ensures that reports highlight how a firm's strategy and governance structures contribute to value creation over the short, medium, and long term (Samy & Deeb, 2019). This forward-looking dimension helps stakeholders assess not just past results but the sustainability of the firm's business model. Another principle is connectivity of information, which stresses that disclosures should not be presented in isolation. Instead, financial data, sustainability initiatives, and governance practices should be linked to show how various aspects of the business interact to create or erode value (De Nicola et al., 2024). This principle directly addresses the fragmentation seen in traditional reporting.

Equally important is the principle of stakeholder relationships, which acknowledges that firms exist within a network of relationships that shape their success. Integrated reports must therefore reflect how an organization understands, responds to, and creates value for its key stakeholders (Ali et al., 2023). This builds trust and demonstrates accountability to both financial and non-financial audiences. Other guiding principles include materiality, which ensures that only information relevant to stakeholders' decision-making is disclosed, and conciseness, reliability, and consistency, which highlight the need for reports to be understandable, accurate, and comparable across time (De Villiers et al., 2014). Collectively, these principles set the standard for high-quality reporting that resonates with investors and society alike. Complementing these principles are the elements of IR, which specify what should be included in the report. According to the IIRC framework, eight key content elements form the backbone of an integrated report: organizational overview and external environment, governance, business model, risks and opportunities, strategy and resource allocation, performance, outlook, and basis of preparation (Eccles & Krzus, 2010). Each element serves a unique purpose in narrating how the firm creates and sustains value.

The business model element is central because it demonstrates how inputs such as financial, human, and natural resources are transformed into outputs and outcomes that benefit stakeholders (Aslanertik & Yardımcı, 2019). The risks and opportunities element, on the other hand, highlights uncertainties that could affect long-term performance, thereby guiding investor expectations. Similarly, the outlook element provides a forward-looking perspective on how external trends—such as digitalization or climate change—may shape the firm's future. Together, the principles and elements of IR create a comprehensive structure for corporate reporting in the modern era. They encourage firms not only to disclose what they achieved, but also how and why those achievements matter in a broader societal and economic context. This holistic approach strengthens transparency, enhances comparability, and aligns closely with the needs of investors who seek to evaluate both financial returns and long-term sustainability (Ningdiyah, Asyik & Fidiana, 2024).

**Market Valuation**

In the world of business and finance, value is often a contested and evolving idea. For centuries, firms were assessed primarily through tangible assets—land, machinery, and financial capital. Yet, as economies grew more complex, it became clear that such traditional measures could not fully capture the worth of an enterprise. The rise of knowledge-based economies, global competition, and intangible drivers such as innovation and reputation has significantly broadened how value is perceived (Chowdhury, 2020). Market valuation is one of the most widely used lenses for assessing the worth of a firm. Unlike book value, which reflects accounting records, or intrinsic value, which is based on discounted future cash flows, market valuation emerges from the collective judgments of investors in financial markets. It is shaped not only by reported financial performance but also by market expectations, external environments, and strategic positioning (Samy & Deeb, 2019).

From a theoretical standpoint, market valuation reflects the interplay of efficiency and perception. The efficient market hypothesis suggests that share prices incorporate all available information, meaning that valuation mirrors collective knowledge at any given time. However, behavioral finance highlights the role of investor psychology, where emotions, biases, and speculation influence how firms are priced (De Villiers, Rinaldi & Unerman, 2014). Thus, market valuation is both a rational calculation and a social construct. The digital era has added new dimensions to this concept. Intangible assets such as intellectual property, data, and brand reputation now contribute significantly to firm value, even though they are not

always visible in financial statements (John & Rajuroy, 2020). For example, technology companies often trade at market valuations many times higher than their book value, reflecting investor recognition of their innovation capacity and digital dominance. Integrated reporting plays an important role in this context. By presenting financial and non-financial information in a unified manner, IR helps bridge the gap between tangible measures and intangible drivers of value. Studies show that firms adopting integrated reporting practices are more likely to be rewarded with higher market valuations, as investors perceive them as transparent, forward-looking, and strategically aligned with sustainability goals (Machmuddah et al., 2021; Ningdiyah, Asyik & Fidiana, 2024).

The determinants of market valuation are therefore multifaceted. They include profitability indicators such as earnings per share, growth potential, risk exposure, governance quality, and increasingly, environmental and social performance (Ali et al., 2023). In digital economies, factors like data governance, cyber resilience, and innovation pipelines also significantly shape how markets assign value to firms (Abdelhaq et al., 2025). Moreover, valuation differs across sectors and geographies. While industrial firms may be judged heavily on assets and efficiency, service-based or technology-driven firms are valued more on innovation capacity and intangible resources (Al-Abboudy & Al-Hindawi, 2025). This diversity demonstrates that market valuation is not a static metric but a dynamic reflection of what markets deem important in different contexts.

Empirical evidence suggests that market valuation increasingly rewards firms that align with long-term societal and environmental trends. For instance, those disclosing robust ESG strategies or adopting Industry 4.0 practices tend to secure valuation premiums, as investors see them as resilient and adaptive in uncertain times (Sukhari, 2023; Hichri & Alqatan, 2024). This reinforces the idea that market valuation extends beyond profitability to encompass reputation, adaptability, and sustainability. For the purpose of this study, market valuation is defined as the dynamic and market-driven assessment of a firm's worth, shaped by financial performance, intangible assets, governance quality, and sustainability practices, all interpreted through the lens of digital-era information flows and integrated reporting disclosures.

**Digital Era**

The progression of human civilization has always been marked by distinctive eras, each defined by innovations that reshaped societies and economies. Just as the Industrial Revolution introduced mechanization and mass production, the current age is characterized by the transformative power of digital technologies. This ongoing transformation, often referred to as the digital era, is not confined to technological advancement alone but extends into cultural, economic, and institutional domains (Castells, 2010). It reflects a profound restructuring of how individuals, organizations, and governments interact and create value. At the heart of the digital era lies the ubiquity of data and the technologies that process it. Unlike past epochs, information has become the central resource of production, comparable in importance to land, labor, and capital in earlier times (Schwab, 2016). The digitization of processes, services, and interactions has redefined competitiveness, with firms increasingly evaluated on their capacity to leverage digital tools to enhance efficiency, transparency, and stakeholder engagement.

The digital era is also deeply intertwined with globalization. Technology has collapsed geographical barriers, enabling real-time communication and seamless integration of markets across continents. Firms can now access wider pools of customers, resources, and investors, thereby increasing opportunities for growth and expansion (Friedman, 2016). However, this interconnectedness has also introduced vulnerabilities, such as cybersecurity threats and uneven access to digital infrastructure, highlighting the dual nature of digital advancement. From an organizational perspective, the digital age demands agility and innovation. Traditional business models that relied on physical interactions and linear value chains are giving way to platform-based, networked ecosystems where value is co-created by multiple actors (Yoo et al., 2012). Companies that fail to adapt risk obsolescence, while those that embrace digital transformation can achieve unprecedented scalability and market presence. Importantly, the digital era has reshaped the expectations of stakeholders. Investors, consumers, and regulators now require more timely, transparent, and multidimensional information. For firms, this has increased the importance of aligning corporate reporting practices with digital realities, ensuring that disclosures not only meet compliance

standards but also communicate strategic value creation in a rapidly evolving environment (Eccles & Krzus, 2018).

Socially, the digital era has democratized access to information and opportunities for participation. Citizens can voice opinions, mobilize support, and demand accountability with a reach that was unimaginable in previous decades (Tapscott, 2014). For corporations, this implies heightened scrutiny of business practices, as stakeholders use digital platforms to assess environmental, social, and governance (ESG) performance alongside financial outcomes. Nevertheless, the digital era is not without challenges. Digital divides between advanced and developing economies continue to exacerbate inequalities in productivity and opportunity (World Bank, 2020). Ethical concerns related to data privacy, artificial intelligence, and algorithmic biases also underscore the need for frameworks that balance innovation with responsibility. Navigating these challenges requires a careful blend of technological adoption and governance. In financial markets, digitalization has transformed valuation dynamics. Investors increasingly rely on digital signals, real-time analytics, and integrated disclosures to make informed decisions (Brynjolfsson & McAfee, 2017). This has raised the stakes for firms to align their reporting and communication with digital standards, as market confidence and valuation are closely tied to transparency and adaptability in the digital environment.

**Challenges and Opportunity of Integrated Reporting in Digital Space**

The integration of digital technologies into corporate reporting has redefined how firms communicate their performance and strategy. While integrated reporting (IR) is increasingly recognized as a tool for enhancing transparency and value relevance, its implementation in the digital space presents a mix of significant opportunities and complex challenges. Understanding both sides of this dynamic is crucial for firms seeking to harness digital transformation while meeting stakeholder expectations. One major opportunity lies in the ability of digital platforms to make reporting more interactive and accessible. Traditional annual reports were lengthy, static, and often difficult for non-specialists to interpret. Today, digital IR allows the use of dashboards, infographics, and real-time data updates, enabling stakeholders to engage with corporate information more effectively (Ulupui et al., 2023). This interactivity not only enhances transparency but also strengthens investor trust and stakeholder engagement.

Digital tools also improve the analytical depth of IR. With technologies such as artificial intelligence (AI) and big data analytics, firms can track performance across multiple capitals—financial, intellectual, social, and natural—with greater precision (Kurdy & Mir, 2024). For instance, firms can analyze ESG data streams in real time, linking sustainability practices directly to financial outcomes. This opportunity transforms IR from a compliance exercise into a strategic resource for decision-making. Another key opportunity is global comparability. Digital formats like the eXtensible Business Reporting Language (XBRL) make disclosures machine-readable, enabling analysts and regulators to compare firms across industries and regions more efficiently (Ulupui et al., 2023). As markets globalize, this standardization strengthens the credibility of IR and allows firms to attract international capital more easily. Yet, these opportunities are accompanied by substantial challenges. One of the foremost obstacles is the cost and complexity of implementing digital IR. Developing integrated systems that capture financial and non-financial data, ensuring accuracy, and maintaining cybersecurity requires substantial investment in technology and human capital (Adelowotan, 2024). For many firms, especially in emerging economies, this remains a prohibitive barrier.

Data reliability presents another challenge. While digital tools enable faster reporting, they also heighten the risks of information overload and inconsistent disclosures. Stakeholders may question the credibility of reports if firms lack robust assurance mechanisms for digital IR (De Nicola et al., 2024). This concern underscores the need for new auditing practices tailored to digital environments. Moreover, regulatory frameworks often lag behind technological advancements. In many jurisdictions, guidelines for IR remain voluntary or fragmented, creating uncertainty about compliance expectations (Ali et al., 2023). Without clear regulatory support, firms risk adopting inconsistent approaches that weaken the comparability and value relevance of IR across markets. Despite these challenges, the digital space offers firms a strategic

pathway to differentiate themselves. By embracing digital IR, organizations can position themselves as forward-looking, transparent, and sustainable. This not only strengthens stakeholder confidence but also contributes positively to market valuation, as investors increasingly reward firms that provide credible, digital-friendly disclosures (Ningdiyah, Asyik & Fidiana, 2024).

**Signaling Theory**

In competitive environments where information is unevenly distributed, decision-making often depends on the signals actors send to reduce uncertainty. This logic forms the foundation of signaling theory, which explores how one party with more information deliberately communicates cues to influence the perceptions and actions of less-informed parties (Spence, 1973). The theory emerged in labor economics but has since expanded into management, finance, and corporate reporting, reflecting its broad relevance in situations characterized by information asymmetry. The essence of signaling theory lies in the recognition that markets are rarely perfectly transparent. For instance, investors do not always have direct access to a firm's strategic intent, risk profile, or future prospects. To bridge this gap, firms provide signals—such as financial reports, dividends, or sustainability disclosures—that convey credibility and reduce information gaps (Connelly et al., 2011). These signals serve as mechanisms through which stakeholders can infer hidden qualities about the firm's performance or integrity.

Not all signals, however, are equally valuable. For a signal to be effective, it must be both observable and costly to imitate. If weak firms can easily mimic the actions of stronger ones, the signal loses its discriminatory power (Spence, 2002). For example, consistent dividend payouts or adoption of integrated reporting may carry weight precisely because they require resources and commitment that weaker firms may struggle to sustain. In corporate governance and reporting, signaling theory has gained traction as firms strive to reassure investors of their long-term viability. Voluntary disclosures such as environmental, social, and governance (ESG) reports, or integrated reports, often act as strategic signals of transparency and accountability (Morris, 1987). By making such disclosures, firms attempt to differentiate themselves from peers who may remain silent, thereby attracting investor confidence and potentially enhancing market valuation.

Moreover, signaling plays a critical role in financial markets where investor sentiment is highly sensitive. Positive signals, such as strong earnings announcements or sustainability certifications, can boost stock prices, while negative signals, like restatements of accounts, may trigger market penalties (Ross, 1977). In this way, the signaling process not only reduces uncertainty but also directly influences valuation outcomes. The digital era has further amplified the visibility and speed of signals. With information circulating globally in real time, firms must carefully design their signals to resonate with diverse stakeholders while ensuring credibility (Connelly et al., 2011). Misleading or inconsistent signals are more easily exposed in this environment, making authenticity and alignment with actual performance more critical than ever. Despite its strengths, signaling theory also has limitations. Stakeholders may misinterpret signals, or firms may engage in "signal jamming," deliberately obscuring information to maintain competitive advantage (Morris, 1987). This underscores the importance of regulatory oversight and standardized reporting frameworks to ensure that signals genuinely enhance, rather than distort, market efficiency.

## 3. Empirical Evidence

Several empirical studies directly link digital integrated reporting to firm valuation and show consistent positive associations. Ningdiyah, Asyik, and Fidiana (2024) provide recent evidence that digital features in integrated reports amplify the effect of financial performance on firm value, suggesting digital presentation improves information transmission. Machmuddah et al. (2021) examine Indonesian firms and report that digital information in integrated reports is associated with higher market valuation, especially where disclosures clarify future prospects. Utomo, Machmuddah, and Hapsari (2021) extend this line by comparing Indonesia and Singapore, finding that richer digital disclosures help reduce information asymmetry across investor types. Earlier empirical work from Egypt by Samy and Deeb

(2019) similarly found that integrated reporting adoption corresponded with improved market and performance metrics, indicating the value relevance of integrated narratives in diverse market settings.

Other empirical papers probe specific dimensions of digital IR — assurance, disclosure quality, and institutional context — and how these affect valuation. Sukhari (2023) analyzes the quality and scope of Industry 4.0 disclosures and shows that comprehensive business-model and 4IR reporting increases investor responsiveness. Ali et al. (2023) investigate institutional ownership and integrated reporting in Malaysia, demonstrating that ownership structures moderate the performance benefits of IR disclosures. Ulupui et al. (2023) study XBRL adoption and report positive effects on reporting accessibility and analyst use, which can indirectly boost valuation quality. Antoro, Supriyadi, and Harddian (2024) empirically link digital corporate governance and sustainability reporting to cash effective tax rates and firm value, highlighting governance as a transmission mechanism between digital disclosure and market outcomes.

A third cluster examines the interplay between digital transformation, business models, and the market's perception of intangible capital. Al-Abboudy and Al-Hindawi (2025) analyze Industry 4.0 applications and assert that firms integrating digital technologies into reporting capture higher valuation multiples because markets reward demonstrable digital strategy alignment. De Nicola et al. (2024) empirically connect digital technologies to business-model disclosures and show these linkages help investors better value future earnings potential. Hichri and Alqatan (2024) explore international firms and report that integrated reporting's value relevance increases when digital disclosure practices are standardized. Kurdy and Mir (2024) focus on intellectual capital: their empirical results suggest digital transformation improves reporting of intellectual resources, which investors increasingly incorporate into valuation judgments.

The final group highlights work on intangibles, data as capital, and reporting practice innovations that inform valuation in the digital era. John and Rajuroy (2020) empirically argue for treating data and digital intangible assets as capital items that should feed into enterprise valuation and investment decisions. Chowdhury (2020) offers a framework backed by empirical illustrations for valuing digital intangible assets and integrating them into accounting practice. Yuliantini et al. (2024) review digital marketing's influence on financial statement presentation and document cases where digital strategy disclosure affects investor expectations. Bankole and Lateefat (n.d.) provide industry-level evidence that cross-departmental systems integration improves reporting accuracy and analyst confidence, a practical path by which digitalization of reporting can translate into better market valuation.

## 4. CONCLUSION AND IMPLICATIONS

### Conclusion

The study concludes that integrated reporting in the digital era has become a strategic tool for enhancing market valuation by bridging information asymmetry and aligning corporate disclosures with stakeholder expectations. Evidence from prior empirical research shows that digitalized integrated reports improve transparency, strengthen investor confidence, and highlight intangible assets such as intellectual capital and digital strategies, all of which contribute to firm value. However, the impact is contingent upon the quality, credibility, and scope of disclosures, as well as institutional and governance contexts.

### Implications

The findings of this study carry several practical implications for managers, regulators, and investors. The implication was identified;

1. Adopt digital integrated reporting as a strategic tool to strengthen investor trust, showcase intangible assets, and enhance market valuation.
2. Develop and enforce policies that encourage digitalized reporting practices while ensuring standardization, comparability, and credibility.
3. Utilize the richer insights from digital integrated reports to make informed investment decisions and better assess firms' long-term value creation.

4. Promote digital transformation initiatives that support transparent corporate reporting and encourage firms to align with global best practices.

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