

## **ABSTRACT**

*Dividend policy is a decision of shareholders and company management to distribute dividends to shareholders. The purpose of this study is to test the factors that affect dividend policy, where in this study the free variables used are asset growth, free cash flow, and leverage.*

*The population in this study is Energy Sector Companies listed on the Indonesia Stock Exchange for the 2016-2020 Period with a total of 73 companies. The sample selection method is purposive sampling which produces 10 energy sector companies. The analysis methods used are descriptive analysis and panel data regression analysis.*

*The results showed that there was a simultaneous influence of variables of asset growth, free cash flow, and leverage on dividend policies on energy sector companies listed on the Indonesia Stock Exchange for the 2016-2020 period. Partial testing shows that asset growth negatively affects dividend policy, while free cash flow and leverage have no effect on dividend policy.*

*Based on the research that has been carried out, it is hoped that subsequent researchers will use other proxies for measuring leverage and dividend policy or use other variables that are not contained in the study. For companies, it is recommended to pay attention to managing company assets so that dividend distribution for shareholders can be more optimal and for investors to see the company's asset growth in investing in order to get better dividends.*

**Keyword :** *Asset growth, dividend policy, free cash flow, and leverage*