

ABSTRACT

One form of return to investors for the funds they have invested in company shares is through dividend distribution. Dividend policy is a decision regarding the distribution of company profits to shareholders in the form of dividends or keeping them as retained earnings to fund future investments. The amount of dividends distributed to investors depends on the company's decision set at the General Meeting of Shareholders (GMS). On the one hand, the distribution of dividends will fulfill investors' expectations of getting a return on their investment. However, on the other hand, the company must ensure that the dividend distribution does not disrupt its business continuity.

This study aims to determine simultaneously and partially the effect of free cash flow, investment opportunity set, managerial ownership, and institutional ownership on dividend policy in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2023.

This study uses secondary data obtained from the company's annual report published on the official website of the Indonesia Stock Exchange or the company's official website. The population in this study was food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2023. The research sample selection was carried out using purposive sampling technique and obtained as many as 10 companies from 95 research objects with a period of 5 years.

The results of this study indicate that there is a simultaneous influence of independent variables, namely free cash flow, investment opportunity set, managerial ownership, and institutional ownership on dividend policy in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2023. Partially, the investment opportunity set has a positive effect on dividend policy. Meanwhile, free cash flow, managerial ownership, and institutional ownership have no effect on dividend policy.

Future researchers are encouraged to use other research objects and independent variables that influence dividend policy. Investors are advised to pay attention to the value of their investment opportunity set, and companies are advised to be more cautious in making future investment decisions in order to avoid investment losses, thereby maintaining a stable and attractive dividend distribution for investors.

Keywords: Dividend Policy; Free Cashflow; Investment Opportunity Set; Institutional Ownership; Managerial Ownership