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Sequence of Manuscript

I. Title page
II. Abstract (150-250 words)
III. Keywords (3-5)
IV. Introduction
V. Literature Review
VI. Methodology
VII. Results and Discussion
VIII. Conclusion and Recommendations
IX. References (APA 7th Edition)
X. Appendices (if necessary)
XI. Author Biographies (optional)

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EFFECT OF CAPITAL STRUCTURE ON DIVIDEND PAYOUT RATIO OF LISTED PHARMACEUTICAL FIRMS IN NIGERIA

Lawal Opeyemi Taofik
ANAN University Kwall, Plateau State

ABSTRACT

This study examined the e ect of capital structure on dividend payout ratio of listed pharmaceutical ÿrms in Nigeria. The study adopted expost-facto research design and the four independent variables of the study were; Long term debt to total assets (LTTA); Short term debt to total assets (STTA); Total debt to total assets (TDTA) and Total debt to total Equity (TDTE) while the dependent variables is dividend payout ratio. The population and sample size of the study were both six because census sampling technique was used. The study was analysed using multiple regression technique of data analysis based on the nature of the study. The study found that all of the capital structures variables examined were statistically insigniÿcant, with the exception of the ratio of total debt to total equity which was signiÿcant statistically. The study recommended that listed pharmaceutical companies in Nigeria should raise their total debt to equity in light of the aforementioned ÿndings, as this would lead to a higher dividend payout ratio for these companies.

1.0 Introduction

It is generally believed that share price and dividends play a major role in the public's decision to make an investment because investors are always drawn to investments that typically yield the highest possible level of dividends as a return on their capital. Nwude and Anyalechi (2018) opined that a company's dividend and share price are based on how well it uses all of its resources to maximize profits and provide investors with a satisfactory return on their investment. Since resources are limited, they must be used carefully and effectively to provide returns higher than the cost of capital. In addition to capital gains resulting from price appreciation, shareholders prefer dividend payments that are made on a regular basis (Abu & Okpe, 2020). Bondholders and other investors anticipate receiving their agreed-upon interest payments at predetermined intervals. However, in order for management of organizations to payout sufficient dividends, they need good sources of funding such as long term debts, short term debts and equities which all constitute capital structure (Sunday et al., 2022;).

In the subject of corporate and modern finance, capital structure has long been a contentious issue because, Scholars have differing opinions and theories about what constitutes the ideal capital structure for minimizing a company's cost of capital and optimizing its value (Serwadda, 2019). Few studies, like Nwude & Anyalechi (2018), serwadda (2019), and Eniola et al. (2017), examined the impact of capital structure on financial performance, with a focus on return on equity and return on assets (ROA) as proxies for financial performance. The majority of studies in Nigeria on the topic of capital structure primarily investigated the determinants of capital structure. As a result previous empirical studies have always ignored the use of dividend payout ratio and this presents a gap to be filled by this study.

The pharmaceutical industry in Nigeria is a very crucial institution for the health and well-being of citizens that constitute workforce for any economy, and therefore requires continuous investments in the sector to keep up with Nigeria's rapidly growing population. This has acted as a motivation to examine the effect of capital structure on the dividend payout of listed pharmaceutical industry in Nigeria.

Therefore, the main objective of this study is to examine the effect of capital structure on dividend payout ratio of listed pharmaceutical firms in Nigeria over the period 2018 to 2022. The specific objectives of the study are to:

i. investigate the effect of short term debt to total asset on dividend pay-out ratio by listed pharmaceutical firms in Nigeria
ii. assess the effect of long term debt to total asset on dividend pay-out ratio by listed pharmaceutical firms in Nigeria.
iii. evaluate the effect of total debt to total asset on dividend pay-out ratio by listed pharmaceutical firms in Nigeria.
iv. evaluate effect of total debt to equity on dividend pay-out ratio by listed pharmaceutical firms in Nigeria.

In order to achieve the main objective of the study, the following null hypotheses were formulated:
HO_1: Long term debt to total asset has no significant effect on dividend pay-out ratio by listed pharmaceutical firms in Nigeria.
HO_2: Short term debt to total asset has no significant effect on dividend pay-out ratio by listed pharmaceutical firms in Nigeria.
HO_3: Total debt to total asset has no significant effect on dividend pay-out ratio by listed pharmaceutical firms in Nigeria.
HO_4:Total Equity has no size has no significant effect on dividend pay-out ratio by listed pharmaceutical firms in Nigeria.
This study shall be relevant to researchers, government, investors and the scope of the study covers the period 2018 to 2022.

2.0 Literature Review
This section covers the conceptual reviews of both dependent and independent variables of the study, empirical reviews and theoretical review.

2.1 Conceptual Reviews
Companies constantly aim to produce net income higher than total operating costs, which is then used to pay debt, buy back outstanding securities, acquire new assets, and distribute dividends to shareholders. A company's decision to transfer all or a portion of its net income to shareholders is referred to as a dividend (Ali, 2022). According to the study, dividend payout is the amount of a company's profits given to its shareholders as cash dividends. It is the sum of money distributed to shareholders on a per-share basis by a company (Sunday et al., 2022).

A company's dividend payout is sometimes stated as a proportion of its earnings or as a fixed sum per share. The board of directors usually decides whether to announce a dividend payout, and a number of variables, including the share price, growth strategy, and financial reserves of the firm, may have an impact on payout amount of dividend. A company can draw in more capital, improve its standing in the marketplace, and compensate shareholders for their investment by paying out larger dividends. In addition to its gearing and leverage, a company's dividend policy has a signaling effect and financing of internal growth and equity through retained earnings (Ishaku, 2015; Andiema & Atieno, 2016).

Additionally, it validates Gordon's (1963) bird-in-hand hypothesis, which explains why investors are highly interested in the organizational dividend policy because they want present dividends to match their socioeconomic demands. According to Ishaku et al. (2020), some academic research indicates that companies behave as though there is an ideal debt ratio. Depending on the investor class, increasing debt-to-equity ratios and dividend payouts may result in increased investor power. According to Aggarwal and Kyaw (2010), because multinational companys are big and diverse, they can afford to take on more debt. On the other hand, it was noted that these big companies have far lower debt ratios than smaller ones on careful analysis compared to their equity investments.

In order to ensure that optimal levels of these many funding sources may be achieved, firms seem to be faced with the challenge of balancing their loans and equity. According to Bossman et al. (2022), paying a dividend would harm the company's chances for growth and, as a result, lower its worth. Profitable investments would stagnate if there were not enough money after the cash dividend was paid, which would be detrimental to the company (Heba & Rabab, 2021). Conversely, if companies continuously decline to distribute dividends from profits, this sends out a negative signal to both current and potential investors, which causes the price of the company's securities to drop in response (Hasan et al., 2021; Thompson & Adasi Manu, 2020). Following the descriptive analytics, the overarching effect and significance of the link between dividend policy and share price is a puzzle (Heba & Rabab, 2021).

According to Marfo-Yiadom & Agyei, 2011 (2021), companies may still be lucrative even if they don't pay dividends. The argument is based on the idea that it is more practical for a firm to retain profits and reinvest them back into the company if it believes its current growth prospects are superior to rival investment options that shareholders may find elsewhere. These investments have an effect on the share prices of the firms, which ultimately increases the wealth of the owners. This may be typical of several of the listed, where a constant effort to grow and expand results in the constant reinvested gains that ought to have been paid as dividends to shareholders.

Since dividends are not tax deductible, they are not the same as interest paid on debt which in contrast to interest tax-deductible expense. Dividend payout is deducted from earnings after taxes (Nurhikmawaty et al., 2020) and this indicates that equity is more expensive than debt. The dividend payout ratio (DPR), which is calculated by dividing dividend per share by earnings per share, is used to measure dividend payout (Nurhikmawaty et al., 2020).

Financially speaking, capital structure refers to how a company finances its assets using a mix of debt and equity (Thompson & Adasi (2020). Additionally, research on capital structure began over 60 years ago with the publication of the first work by American economists Modigliani and Miller in 1958. They demonstrated how capital expenses have no bearing on capital structure when certain conditions are met, such as the presence of a perfect market, no taxes, and

no transaction costs. In other words, the amount of debt in a company's capital structure has no bearing on its worth. Usually, this theory is called irrelevant dividend theory, but this theory is not practically oriented it focuses on a lot of assumtions which are present In the real practical world.

They did, however, subsequently review the superfluous theory by providing evidence that the cost of capital affects capital structure and, consequently, the firm's value when the assumptions of no taxes or transaction costs are eliminated, Modigliani and Miller (1963) amended the irrelevant theory. They went on to say that borrowing has a tax benefit because the tax that is subtracted from interest creates tax shields, which lower borrowing costs and increase business performance (Miller, 1977). Due to this, the company must weigh the advantages of employing debt against its costs of servicing such debts.

The term "capital structure" describes the financial framework of the company, which is made up of the debt and equity that are utilized to fund the company (Awunyo & Bandu, 2012). Additionally, they contended that the word "capital structure" refers to a company's method of financing its assets through a mix of debt, equity, and hybrid securities. A company's capital structure is made up of the many securities that the company has issued to fund its activities. It has to do with how debt and equity are distributed on the liability of owners' equity side of a company's statement of financial position, and it frequently alludes to the use of debt as leverage in a company's capital structure (Awunyo & Bandu, 2012).

2.2 Empirical Studies Review

Akinola and Adebiyi (2021) evaluated how Nigerian banks' dividend payout was impacted by their debt-to-equity ratio. In order to investigate the relationship between debt-equity ratio and dividend payout ratio, the study used panel regression analysis using secondary data from the audited financial reports of chosen banks over a ten-year period (2011-2020). The findings showed that the debt-to-equity ratio and dividend payment ratio of Nigerian banks have a substantial negative correlation. This suggests that Nigerian banks that have high debt-to-equity ratios typically provide their shareholders less dividend payments. Additionally, the study discovered a significant correlation between dividend payout ratio and profitability, suggesting that banks with greater dividend payout ratios are more lucrative.

In addition, Bello at al., (2020) examine the relationship between capital structure and financial performance of deposit money banks in Nigeria. It used an ex-post facto research design and examines three variables related to capital structure: total debt to total asset (TD/TA), short term debt to total asset (STD/TA), and long term debt to asset (LTD/TA). Return on asset (ROA) was used as a proxy for financial performance. The study used a convenient sampling technique to source secondary data from the annual financial reports of five sampled deposit money banks in Nigeria, covering the years 2009 to 2018. Descriptive statistics, such as mean and standard deviation, and inferential statistics, such as Pearson correlation and regression analysis, were used to analyze the data. The analysis's findings indicate that STDTA (β= 0.936554, $p<0.05$) and TDTA (β= 0.310692, $p<0.05$) have a significant positive impact on ROA, while LTDTA (β= 0.08686, $p>0.05$) has an insignificant positive impact.

Also, in a study by Adeoye and Olojede (2019) on the effect of capital structure on the financial performance of quoted deposit money banks in Nigeria, and in order to accomplish the study's goal, a cross-sectional time series secondary data covering the years 2012–2018 was taken from the audited financial statements of ten (10) banks that are listed on the stock exchange floor. Multiple linear regressions, Pearson moment correlation, and descriptive statistics were applied. Capital structure and financial performance (ROA and ROE) have a negative link, according to the correlation results. The panel regression's results showed that, while debt to equity was significant, it had a negative impact on both return on equity and return on assets. Asset tangibility also had a significant impact on return on equity but a negligible impact on return on shareholder equity.

Moreover, Serwadda (2019) conducted additional study on the impact of capital structure on the performance of Ugandan banks during a ten-year period, from 2006 to 2015. The impact of capital structure on bank performance is ascertained through the use of panel regression models. The findings indicated that capital structure factors and bank performance are positively correlated. It's between total debt and net interest margin and long-term debt. Additionally, there is a positive correlation between return on assets and overall debt. The relationship between total debt and returns on equity remains unchanged. On the other hand, return on assets and short-term debt have a negative correlation.

Similarly, Nwude and Anyalechi (2018) investigated how Nigerian commercial banks' performance was affected by their capital structure. The study assessed the relationship between debt-to-equity ratios and the financing mix's impact on commercial banks' performance. The collected data were analyzed using granger causality analysis, correlation analysis, ordinary least squares regression analysis, fixed effect panel analysis, random effect panel analysis, and post-estimation tests such the Hausman test and restricted f-test of heterogeneity. The results indicate that the debt-to-equity ratio has a positive and substantial impact on return on equity, but debt financing has a negative and large impact on return on asset.

Additionally, a study on the impact of capital structure on the performance of Deposit Money Banks in Nigeria was carried out by Kachollom et al. (2017). Examining how capital structure affects Nigeria's Deposit Money Banks' financial performance was the main goal. The financial statements of Deposit Money Banks that are listed on the Nigerian Stock Exchange provided secondary data. Data from the financial statements of four banks was chosen as a sample and was collected during a ten-year period (2006 to 2015). The general least squares (GLS) regression model and the Pearson correlation coefficient were used in the study to examine how capital structure affected the performance of a few chosen banks. The performance variables used in the study were, ROA, ROE and ROCE. Findings from the study showed that capital structure has positive and significant effect on the financial performance of listed deposit money banks in Nigeria.

Similarly, Khan (2012) used a panel Pooled Ordinary Least Square regression to examine the association between capital structure decisions and the performance of 36 engineering firms in Pakistan that were listed on the Keysians Stock Exchange (KSE) between 2003 and 2009. Results indicated that the firm's performance as determined by the dividend payout ratio, gross profit margin (GM), and Tobin's Q is negative and significantly correlated with financial leverage as evaluated by short-term debt to total assets (STDTA) and total debt to total assets (TDTA).
Additionally, a study on effect of capital structure on the financial performance of companies listed on the Tehran Stock Exchange was conducted by Pouraghajan and Malekian (2012). They examined a sample of 400 firm-years from companies listed in 12 industrial groups on the Tehran Stock Exchange between 2006 and 2010 in order to achieve this goal. Two metrics that are used to assess a company's financial performance are the dividend payout ratio (DPO) and return on assets (ROA). The findings showed that there is a significant positive correlation between growth opportunities, asset turnover, firm size, and asset tangibility ratio and financial performance measures, and a significant negative correlation between debt ratio and financial performance of companies. Based on the foregoing empirical reviews, it can be seen that capital structure has mixed effects on the profitability of firms and thus calls for very good strategic management for optimal capital mix to enhance profitability.

2.3 Theoretical Reviews

Agency theory states that owners and management have different interests (Yuan, 2020). According to this theory, agency costs are mostly caused by conflicts of interest between the company's managers and shareholders. The agency cost is the sum of the monitoring costs incurred by the principal, the bonding costs incurred by the agent, and the residual loss. Lower agency expenses are associated with better performance and higher corporate values, all other things being equal. Separate ownership and management of a business increases the risk of agency conflicts (Lambert, 2001). They show that, regardless of who pays for it, stakeholders suffer the cost of monitoring because debt holders raise interest rates because they anticipate monitoring costs.

All other factors being equal, the higher the likely monitoring expenses, the higher the interest rate, and the lower the firm's value to its shareholders. It is widely acknowledged that it affects the microeconomic component of the profitability of manufacturing companies. The variance in profits over time among manufacturing enterprises in a certain nation would imply that internal characteristics or firm-specific factors are important determinants of their success. It is vital to identify these traits because doing so will help investors, clients, governments, and management. In summary, agency theory suggests that the capital structure of a firm is influenced by the need to balance the conflicting interests of managers, shareholders, and debt holders. The use of debt can serve as a mechanism to mitigate agency problems, but it also introduces its own set of agency costs and risks.

3.0 Methodology

This study used an ex-post-facto research design since the data are verifiable and cannot be altered after they have already happened. Secondary sources were used in the data collection process. Panel data from six (6) listed pharmaceutical manufacturing companies on the Nigerian Exchange Group (NGX) between 2018 and 2022 were used in the study. Since the entire population served as the sample size, the census sampling approach was employed to determine the sample size.
Using SPSS Version 23 software, a multiple regression analysis was conducted to determine the impact of the capital structure of short-term debt to total assets, long-term debt to total assets, total debt to total assets, and total debt to total equity as independent variables on the dividend payout ratio as the dependent variable. The functional relationship was given as follows.

DPOR = f(STTA, LTTA, TDTA,

TDTE).....(1)

With the aid of this equation, the study arrived at a model which is presented as follows in a testable form:
$DPORi_{,t} = \beta 0 + \beta 1STTAi_{,t} + \beta 2LTTAi_{,t} + \beta 3TDTAi_{,t} + \beta 4TDTEi_{,t} + Ui_{,}$.....(2)

Where, $\beta 0$ is the intercept while β_{1-4} is the coefficient of the independent variables

Table 1.
Variables Definition and Measurement

Variables	Nature	Measurement	Sources
Dividend payout rat (DPOR)	Dependent	Dividend/net profit	Khan (2012) ar Serwadda, (2019)
Long term debt to tot assets (LTTA)	Independent	Total debt / Equity	Khan (2012) ar Serwadda, (2019)
Short term debt to tot assets (STTA)	Independnt	Total debt / Tot Assets	Khan (2012) ar Serwadda, (2019)
Total debt to total asse (TDTA)	independent	Closing Annu Market Price	Khan (2012) ar Serwadda, (2019)
Total debt to total Equi (TDTE)	Independent	Dividend / Net Incom	Khan (2012) and Serwadda, (2019)

Researcher's Compilation 2024

The following diagnostic tests were conducted to enrich the analysis of data

i. Multicolinearity test, Variance Inflation Factor (VIF) and Tolerance values were conducted to ensure that some or all of the explanatory variables in a multiple regression analysis were not highly inter-correlated to cause multicolinearity problems in the data

4. Results and Discussion

Table 2 shows the summary statistics of the variables in terms of the mean, standard deviation, minimum and maximum values.

Table 2 . Descriptive statistics of variables

Variables	Obs	Minimum	Maximum	Mean	Std. Deviation
DPOR	30	.00	32.11	11.1640	10.19385
STTA	30	.12	.43	.2730	.08115
LTTA	30	.57	.82	.7233	.05331
TDTA	30	.78	.92	.8642	.03857
TDTE	30	.33	2.77	1.3936	.63162

Source: SPSS Version 23

With a minimum of 0 and a maximum of 32.11, DPOR's mean of 11.1640 and standard deviation value of 10.1938 indicate that the dividend payout ratio of Nigeria's listed pharmaceutical companies did not exhibit a significant dispersion since the difference between the mean and standard deviation was not much.

The short term debt to total assets (STTA) ratio has a minimum value of 0.12 and a maximum value of 43. Its mean is 0.2730, and its standard deviation is.08115. This is because some listed pharmaceutical firms in Nigeria had less short-term loans relative to their total assets than others, this implied a large dispersion in short-term indebtedness to total assets. In addition, the long-term debt to total assets ratio showed much dispersion with a mean value of 0.7233 and a standard deviation of 0.05331. This could be explained by the fact that Nigerian pharmaceutical companies with a public listing pay different dividend rates even though they are operating in the country as an industry.

Similarly, total debt to total assets had mean and standard deviation values of 0.8642 and 0.03856, respectively. This suggests that, on average, there were significant differences in the composition of total debt to total assets among Nigerian listed pharmaceutical firms due to the wide range of mean and standard deviation values. The largest ratio of total debt to total assets was 0.92, meaning that 92% of the capital structure of the companies was made up of debt financing. Considering total debt to total equity composition, there was a mean value of 1.393 with a standard deviation of 0.63162 indicating that there was a wide dispersion between total debt to total equity on the capital structure of various listed pharmaceutical firms in Nigeria.

Table 3 presents the correlation between the dependent and independent variables. It demonstrates that all of the independent variables (short-term debt to total assets, long-term debt to total assets, total debt to total equity, and total debt to total assets) have positive correlations with the dependent variable, dividend payout ratio (DPOR).

Table 3 Correlation Matrix of Dependent and Independent variables

Variables	DPOR	STTA	LTTA	TDTA	TDTE	VIF
DPOR	1.000					
STTA	.185	1.000				1.012
LTTA	.084	-.057	1.000			1.948
TDTA	.057	.043	.579	1.000		1.556
TDTE	.294	.036	-.470	-.158	1.000	1.317

Source: SPSS Version 23

This suggested that the dividend payment ratio of Nigerian listed pharmaceutical manufacturing companies will rise in tandem with the increase in these independent variables. While Emory (1982) thought that any correlation more than 0.80 was troublesome, Hussain, Islam, and Andrew (2006) proposed that multicollinearity might be an issue when the correlation between independent variables is 0.9 and above. Given that the highest correlation coefficient in the study is 0.579 between long-term debt to total assets and total debt to total assets, it is clear from the above table that the magnitude of the correlation among the explanatory variables generally indicated no severe multicollinearity problems.

A Variance Inflation Factor (VIF) test was used to assess whether or not there was a collinearity problem. The test's results showed that there was no collinearity because they varied from a minimum of 1.012 to a high of 1.948 and a mean of 1.4825. Even with a VIF of 5.00, collinearity cannot be proven (Neter, Kutner, Nachtsheim & Wasserman 1996).

Table 4 below displays the results of a multiple regression analysis using the dividend payout ratio (DPOR) as the dependent variable and the following independent variables: short term debt to total assets (STTA), long term debt to total assets, total debt to total assets (TDTA), and total debt to total equity (TDTE).

Table 4 Regression Results

Ind. Variables	Coefficients OLS	Standard Error OLS	T Statistics OLS	P-Values
Constants	-34.517	43.377	-.796	.434
STTA	24.268	22.751	1.067	.296
LTTA	67.123	48.043	1.397	.175
TDTA	-22.414	59.353	-.378	.709
TDTE	7.088	3.335	2.126	.044
No of Obs	30	30	30	30
R-Squared	0.190			
Adjusted R-Squared	0.160			
F-Statistic	2.464			
P-Value	0.002			

SourceSPSS Version 23

As can be seen from the statistically significant p-value of 0.002, the model was valid across all estimations. The explanatory variables were able to explain the change in the dividend payout ratio, as indicated by the R-squared of 19.0%. This suggested that, according to multiple regression analysis, the independent variables might account for 19.0% of the variations in the dependent variable. The model's fitness was further supported by the F-statistics of 2.48 and p-value of 0.002.

According to table 4 above, at the 5% level of significance, the short-term debt to total asset ratio had a positive coefficient of 24.268 and a p-value of 0.296. This implies that the dividend payout ratio rose together with the amount of short-term debt to total assets. Since the probability value of 0.296 is more than the 5% level of significance (0.296>5%), the study failed to reject the null hypothesis, which claimed that there is no significant effect of short-term debts to total assets on the dividend payout ratio of listed pharmaceutical firms in Nigeria. This finding supported the studies conducted by Khan (2012) Akinola and Adebiyi (2021) who documented that there is a positive and significant effect of short term debts to total assets on dividend payout ratio.

In addition, at the 5% level of significance, the long-term debt to total assets has a positive coefficient of 67.123 and a p-value of 0.175. The probability value of 0.179 was more than a 5% level of significance (0.179>5%), indicating that long-term debt to total

assets is significant and positively associated to dividend payment ratio of listed pharmaceutical companys in Nigeria. Based on these results, the study also failed to rejected the null hypothesis, which claimed that the dividend payout ratio of Nigerian listed pharmaceutical companies is not significantly impacted by the ratio of long-term debt to total assets. This result supported the findings of Khan (2012), Akinola, and Adebiyi (2021), who discovered that the dividend payout ratio was positively and significantly impacted by long-term debt relative to total assets of firms in their various studies.

Also, The multiple regressions predicted a negative and significant influence of total debt to total assets on dividend payout ratio of listed pharmaceutical firms with a negative coefficient and p-values of - -22.414 and 0.709 and, respectively, also taking into account the composition of total debt to total assets. This implies that the amount of dividend payout ratio grew in opposite direction with the total debt to total assets. Since the probability value of 0.709 is greater than the 5% level of significance (0.709>5%), the study failed to rejected the null hypothesis, which claimed that there is no significant influence of total debt to total assets on dividend payment ratio of listed pharmaceutical firms in Nigeria. This result conflicts with those of Khan (2012), Akinola, and Adebiyi (2021), who found a substantial and positive influence of the ratio of total debt to total assets on dividend payment ratio.

Furthermore, the results of the multiple regression analysis indicated that the dividend payout ratio of listed pharmaceutical firms increased at a significant rate in tandem with the total debt to equity, with a positive coefficient of 7.088 and a p-value of 0.044. Since a probability value of 0.044 was less than a 5% level of significance (0.044<5%), the study rejected the null hypothesis, which claimed that there is no significant influence of total debt to total equity on dividend payout ratio of listed pharmaceutical firms in Nigeria. The results corroborate those of Khan (2012), Akinola and Adebiyi (2021), and others who discovered a substantial and positive correlation between total debt and total equity and dividend payout ratio.

5 Conclusion and Recommendations

This study assessed the dividend payment ratio of Nigerian listed pharmaceutical companies from 2018 to 2022. Six listed pharmaceutical companies with operations in Nigeria were the study's sample. Based on the study's multiple regression, correlation matrix, and descriptive statistics, the conclusions have a clear policy impact on Pharmaceutical industry's dividend payout ratio. Based on the findings of the descriptive statistics, the study's conclusions indicated that the dividend payment ratio of pharmaceutical companies listed in Nigeria is extremely low.

The study also concluded that, at a 5% confidence level, all of the capital structures variables examined were statistically insignificant, with the exception of the ratio of total debt to total equity which was significant statistically. The implication of this is that dividend payout ratio of Nigerian listed pharmaceutical companies was positively and significantly impacted by the composition of total debt to total equity. The study recommended that listed pharmaceutical companies in Nigeria should raise their total debt to equity in light of the aforementioned findings, as this would lead to a higher dividend payout ratio for these companies.

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Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DPOR	30	.00	32.11	11.1640	10.19385
STTA	30	.12	.43	.2730	.08115
LTTA	30	.57	.82	.7233	.05331
TDTA	30	.78	.92	.8642	.03857
TDTE	30	.33	2.77	1.3936	.63162
Valid (listwise)	30				

Correlations

		DPOR	STTA	LTTA	TDTA	TDTE
Pearson Correlation	DPOR	1.000	.185	.084	.057	.294
	STTA	.185	1.000	-.057	.043	.036
	LTTA	.084	-.057	1.000	.579	-.470
	TDTA	.057	.043	.579	1.000	-.158
	TDTE	.294	.036	-.470	-.158	1.000
Sig. (1-tailed)	DPOR	.	.164	.329	.382	.057
	STTA	.164	.	.381	.411	.426
	LTTA	.329	.381	.	.000	.004
	TDTA	.382	.411	.000	.	.202
	TDTE	.057	.426	.004	.202	.
N	DPOR	30	30	30	30	30
	STTA	30	30	30	30	30
	LTTA	30	30	30	30	30
	TDTA	30	30	30	30	30
	TDTE	30	30	30	30	30

Model Summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.436[a]	.190	.160	9.88256	.190	2.464	4	25	.002

a. Predictors: (Constant), TDTE, STTA, TDTA, LTTA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	571.902	4	142.975	2.464	.002[b]
	Residual	2441.623	25	97.665		
	Total	3013.525	29			

a. Dependent Variable: DPOR

b. Predictors: (Constant), TDTE, STTA, TDTA, LTTA

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	-34.517	43.377		-.796	.434	-123.854	54.819					
STTA	24.268	22.751	.193	1.067	.296	-22.589	71.125	.185	.209	.192	.988	1.012
LTTA	67.123	48.043	.351	1.397	.175	-31.823	166.069	.084	.269	.252	.513	1.948
TDTA	-22.414	59.353	-.085	-.378	.709	-144.655	99.826	.057	-.075	-.068	.643	1.556
TDTE	7.088	3.335	.439	2.126	.044	.220	13.956	.294	.391	.383	.759	1.317

a. Dependent Variable: DPOR