

Abstract

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Factors that influence dividends policy in Egypt “An Empirical Study on the Egyptian Stock Market”

The objective of this research is to examine factors that affect firm's dividends payment in Egypt. There is a debate between researchers about the determinants of dividends policy and factors that may affect dividends decision. The researcher examined seven variables, which are profitability, investment opportunities, financial leverage, liquidity, ownership structure, firm size and industry type to test their effect on the dividend policy. Data collected from financial statements of 25 firms of EGX 30 represent 10 sectors. The statistical methods used to analyze the data are Descriptive statistics, Stepwise logistic regression, T-test and Anova test. The findings of the research showed that profitability and institutional ownership are positively related to dividends payment. Results also showed that financial leverage, liquidity, insider ownership, firm size and industry type have no effect on dividends payment. Results indicated that there are significant differences between firms adopt dividends payment versus firms do not adopt any dividends payment in terms of profitability, institutional ownership and investment opportunities.