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# Cash flow Practices and Dividend Policy of Listed Health Care Firms in Nigeria

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**ABSTRACT**

*The interplay between cash flow practices and dividend policy has posed a significant challenge for businesses seeking to strike a balance between meeting short-term financial obligations, sustaining operational efficiency, and rewarding shareholders through dividend payouts. The main objective of this study was to ascertain the effect of cash flow practices on dividend policy of listed healthcare firms in Nigeria. The research design adopted in this study was ex post facto, secondary data were used and the population of the study was 7 listed health care firms and the entire 7 companies were studied. The ordinary least square regression analysis was used in analyzing the data and the statistical package employed was E-views version 13. The result of the analysis revealed that free cash flow has no significant effect on dividend pay-out of listed healthcare firms in Nigeria; operating cash flow has a significant positive effect on dividend pay-out of listed healthcare firms; investing cash flowshas a significant positive effect on dividend pay-out of listed healthcare firms in Nigeria.Thus, it was concluded that cash flow practices have significant effect on dividend policy of listed healthcare firms in Nigeria. Based on these findings, it was therefore recommended among others that the management of listed healthcare firms should channel their free cash flows into sustainable investment opportunities rather than using them as sole determinants of dividend policy. It was also recommended that the management of health care firms should efficiently manage their operating cash flows to ensure a stable and predictable dividend payout to foster investors' confidence and satisfaction.*

***Keywords:*** *Cash flow practices, dividend policy, dividend payout, free cash flow yield, operating activities*

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## INTRODUCTION

Cash flow practices play a crucial role in shaping a company's dividend policy, which refers to the decisions regarding the distribution of profits to shareholders in the form of dividends. Effective cash flow management can directly impact a company's ability to pay dividends consistently and sustainably over time. Cash flow practices refer to the strategies, processes, and techniques that companies use to manage, monitor, and optimize the inflow and outflow of cash within their business operations. Effective cash flow management is essential for ensuring a company's financial stability, liquidity, and ability to meet its financial obligations (Putri & Santoso, 2022). According to Odoh and Okwo (2022), balancing the need for liquidity to support daily operations with the requirements for long-term investments and growth initiatives pose a significant challenge for healthcare firms in Nigeria, especially given the capital-intensive nature of the industry and the inherent uncertainties associated with health care delivery. Dividend policy is an inseparable part of the company's funding policy. The policy is directed at the choice of whether profits will be distributed to shareholders or used as additional capital to finance investment in the future (Adelegan, 2023). In dividend policy has two kinds such as managed and residual dividend policy. A managed dividend policy is one in which management attempts to achieve a specific pattern of dividend payments. Free cash flow, operating cash flow and investing cash flow are major determinants of dividend policy of any company. Free cash flow represents the cash generated by a company's operations that is not immediately needed for reinvestment in the business or for debt repayment. According to Prastowo (2020) this surplus cash provides the firm with the flexibility to distribute dividends to shareholders without relying on external financing or depleting its cash reserves. IAS 7 defines operating cash flows are the cash flows generated from the principal revenue producing activities of the entity and other activities of the entity that are not investing or financing activities. According to Hidayati and Ardianto (2020) operating cash flow is a life blood for every company and fundamental for the existence of the company in paying all obligations.

Against this backdrop of evolving market conditions, changing investor expectations, and sector-specific challenges, it is important to understand the effect of cash flow practices on dividend policies of companies especially the industrial goods firms in Nigeria as they are one of the major contributors to the Gross Domestic Product (GDP) of the country. Listed healthcare firms in Nigeria operate within a multifaceted economy characterized by unique industry dynamics, including the provision of essential medical services, regulatory compliance requirements, technological advancements, and shifts in consumer demand patterns. As such, these companies face a complex set of considerations when it comes to managing their cash flows effectively and determining the optimal dividend policies that align with their business strategies and stakeholder expectations (Prastowo, 2020).

Against this backdrop, this study aimed to examine the effect of cash flow practices on dividend policy of listed healthcare firms in Nigeria. The interplay between cash flow practices and dividend policy poses significant challenge for businesses seeking to strike a balance between meeting short-term financial obligations, sustaining operational efficiency, and rewarding shareholders through dividend payouts. The overarching issue lies in optimizing cash flow allocation to maintain liquidity, support investment opportunities, fund growth initiatives, and ensure the sustainability of dividend payments while preserving shareholder value and investor's confidence (Chen & Dhiensiri, 2019). Managers of companies in developed economies use effective cash flow practices to enhance their cash flows in order to maximize shareholder wealth, but companies in developing countries like Nigeria still find it difficult to remain afloat because of poor cash flow practices that adversely affect dividend payout of these firms. The empirical review showed that there is still need for more research in the area of cash flow management practices and dividend policy because of gaps identified. It was found out that most of the related studies focused on other sectors of the economy. For instance, manufacturing sector (Modum et al., 2023; Odoh & Okwo, 2022); financial firms (Putri & Santoso, 2022; Alslehat & Ainimer, 2017), Small and medium scale enterprise (Egwu et al., 2021; Hamza et al., 2015; Dhruba, 2019), oil and gas (Tijjani & Sani, 2016) conglomerate firms (Liman &Mohammed, 2018). It was also observed other performance measures other than dividend policy were used, such as financial performance (Odo & Theophilus, 2021; Imhanzenobe & Adeyemi (2020) Obalemo et al., (2020) market value (Doğan & Kevser (2019). It was also noted that most of the studies did not use free cash flow as a measure of cash flow practices and such include the studies of Modum et al. (2023) and Odoh and Okwo (2022). Worst still these studies showed mixed results concerning the effect of cash flow practices and dividend policy of companies both in Nigeria and outside Nigeria. It was as a result of these gaps that this study was carried out to ascertain the effect of cash flow practices and dividend policy of listed healthcare firms in Nigeria.

**Cash flow practices**

Cash flow practices are the strategic processes of monitoring and improving the inflow and out flow of cash in and out of the organization. According to IAS 7 Cash flow are inflows and out flows of cash and cash equivalents (IAS Plus, 2018). Cash flow is usually considered as an important pointer of a firm's efficiency in terms of its operational practices. Cash inflows and outflows are the heartbeat of every business endavour. One of the main reasons that businesses fail is their inability to meet their financial obligations when they fall due as they have run out of cash. Knowing how to maintain a healthy cash flow is essential for a successful business entity. Inadequate cash flow data has caused problems for investors and analysts in assessing a company's performance. The large amount of profit figures displayed in the statement of profit or loss may is indicative of the liquidity disposition of the entity because of large accruals present in the profit statements. This makes companies to have difficulties in meeting up with dividends payment, income tax payment and interest payment in their business activities. A company must have enough cash to keep its business operating efficiently because cash is the fundamental input required to establish and operate a business (Akinloye, 2013). Cash flow practices, which is a critical evaluation of a company's cash inflow and expected outflow, is therefore essential to the sustainability and existence of the company.

**Dividend policy**

Dividend payment is one of the strategic decisions that has significant effect on investment choices and market value of any entity. This is because both management and investors take dividend decision very important. According to Agus (2021), dividend policy is a set of regulations established by a company to determine how much of its profits should be given to shareholders. The dividend policy determines whether all the profits made by a company are paid to shareholders as dividends or retained for expansion of the company (Uwa et al., 2024). In other words, profits made by the firm can be utilized dividend payment while also providing internal finance for the company's development. One of the indictors of dividend policy is Dividend Payout Ratio (DPR) that is the ratio between dividends paid to shareholders and earnings of the company (Utami & Inanga, 2021). Dividend payout refers to the distribution of a portion of a company's earnings to its shareholders, typically in the form of cash or additional shares of stock. Companies that consistently pay dividends are often viewed favorably by investors seeking stable returns and income from their investments. Cash flow practices play a substantial role in determining the dividend payment of firms.

**Free cash flows and dividend pay-out**

Free cash flows (FCF) are company’s cash or fund that can be distributed to creditors or shareholders that are not used as working capital or for investment in noncurrent assets (Dwiyanti & Rahadian, 2017; Musa, 2017). They are normally used to dividend payment or debt and sometimes can be used to buy back the company shares, or invest in capital projects. According to Prastowo (2020) this surplus cash provides the firm with the flexibility to distribute dividends to shareholders without relying on external financing or depleting its cash reserves. Companies that generate consistent and sustainable free cash flow are more likely to maintain or increase their dividend payouts over time. Sustainable free cash flow levels indicate that the company's operations are generating enough cash to cover dividend payments, signaling financial stability to shareholders. Studies by Chen and Dhiensiri (2019) and Arfan and Maywindlan (2013) confirmed a positive relationship between free cash flows and dividend payout of firms while Ansir (2021) found negative relationship and Odo and Theophilus (2021) did not find any relationship between these variables. Based on these mixed findings, this study hypothesized that;

*Ho1: Free cash flows do not have any significant effect on dividend pay-out of listed health Care firms in Nigeria.*

**Operating cash flows and dividend payout**

Operating cash flows are the cash flows generated from the principal revenue producing activities of the entity (IAS Plus, 2018). Operating cash flows reflect the cash generated from a company's core business operations. Operating activities section of the statement of cash flows is the most important section of the statement of cash flows because it shows whether, and to what extent companies can generate cash from the operations. It is this operating cash flows which must at the end pay for all cash out flows relating to other activities (IAS Plus, 2018). According to Prastowo (2020), cash flow from operating activities is a life blood for every company and fundamental for the existence of the company in paying all obligations. Operating cash flows are important in evaluating the ability of entities to manage and generate cash flows that fund the company's operations, pay off obligations in a timely manner, pay dividends, and make new investments or expansion (Utami & Inanga, 2021). A firm's ability to consistently generate strong and stable operating cash flows is a key indicator of its financial health and ability to sustain dividend payments over time (Modum et al., 2023). Companies with robust operating cash flows are better positioned to support regular dividend distributions to shareholders. Consistent dividend payouts supported by solid operating cash flows can enhance investor confidence and attract income-oriented investors to the company's stock. Afza and Mirza (2020) found a positive and significant relationship between operating cash flows and dividend payout behavior. Odoh and Okwo (2022) also found a positive relationship between operating cash flows and dividend policy of firms. On the other hand, Modum et al., (2023) found a non-significant relationship between operating cash flows and financial performance of the selected manufacturing firms. Thus, based on these mixed findings, this study hypothesized that;

*Ho2: Operating cash flows do not have any significant effect on dividend pay-out of listed health care firms in Nigeria.*

**Investing cash flows and dividend pay-out**

This has to do with inflows outflows and inflows of cash on acquisition and disposal of long-term assets and other investments not included in cash equivalent. Investing cash flows show the extent of new investments in assets which generates future profit and cash flows (Musa, 2017). To be classified as investing activities, expenses must result in an asset being recognized in the statement of financial position (Mmaduka et al., 2022). Investing cash flows also play a crucial role in influencing a firm's dividend payout decisions. A firm's capital investment decisions can directly impact its ability to allocate funds towards dividend payments (Musa, 2017). Higher levels of investing cash flows may lead to increased reinvestment in the business, which could potentially limit the amount of cash available for dividends. According to Uwah and Akpan (2019) companies with ample investing cash flows may have the flexibility to pursue growth strategies while still maintaining a competitive dividend payout to reward shareholders. Investing cash flows influence a company's dividend payout decisions by shaping its reinvestment strategies, growth trajectory, dividend sustainability, and investor perceptions. Empirical studies between investing cash flows and dividend policy generate mixed results. For instance, Akinloye(2013) and Musa (2017) found a positive relationship between investing cash flows and dividend policy of firm. Putri and Santoso (2022) on the other hand found negative effect of investing cash flows on dividend policy. Conversely, Sartono (2001); PutriandYulianto, (2020) found no relationship between cash flows from operating activities and dividend policy. Based on these mixed empirical findings, it was hypothesized;

*Ho3: Investing cash flows do not have any significant effect on dividend pay-out of listed health care firms in Nigeria.*

**Theoretical framework**

**Free cash flow Theory by Jensen (1986)**

The tenet of free cash flow theory is based on the principle that a company's value is determined by the cash flows it generates after accounting for all necessary operational and capital requirement. The free cash flow theory was proposed by Jensen (1986) who explained the free cash flow hypothesis as a solution to the agency problem. According to Uwa (2021), this theory suggests that companies tend to generate and retain more cash flows even when there are only little perceived growth opportunities. It suggests that managers of such firms, instead of distributing the excess cash as dividend to shareholders, may fall into cash abuse by investing in capital projects to the point of investing in projects with negative net present value (Ali & Yousaf, 2013; Kariuki et al., 2015). Shareholders try to prevent this by pressuring managers to adopt dividend policies that promote a high dividend payout ratio, thus forcing managers to make use of debt in financing capital investment expenditure. This theory also has it that, in times of high growth opportunity, the shares of the company become more attractive to investors and thus can be sold at a premium. Managers can raise more funds through shares subscription. However, shareholders tend to react by putting pressure on managers to increase dividend pay-outs so as reap the reward of their investment in time (Uwah & Akpan, 2019). This theory supports this study because it underscores the critical role of cash flows in determining the companies' value, financial strength, and the ability to make sustainable returns to shareholders.

**Review of empirical studies**

Modum et al. (2023) examined the effect of cash flow activities on the financial performance of manufacturing firms in Nigeria. Eighteen (16) firms were selected from the forty-three (43) firms listed on the Nigerian Stock Exchange (NSE) judgmentally. The Ex-Post facto research design was adopted, and secondary data were extracted from the selected firms' annual reports for eleven years (2011-2021). There were mixed results of significant and non-significant effect of cash flow activities on the financial performance of the selected manufacturing firms. Eduard and Zulfa (2023) examined the effect of capital structure, profitability and institutional ownership on dividend policy with free cash flow as the moderating variable. Simultaneously, capital structure, profitability and institutional ownership had no positive impact on dividend policy. Odoh and Okwo, (2022) examined the effect of cash management on the dividend policy of manufacturing firms in Nigeria. The sample consisted of six (6) consumer and industrial goods manufacturing firms quoted on the Nigeria Exchange Group during the period from 2011 to 2020. Findings from the study indicated that the effect of net cash flow and cash conversion cycle on the dividend per share of the firms are positive and statistically significant while the effect of cash ratio on dividend per share is positive, but not significant statistically. Putri and Santoso (2022) analyzed the influence net income, operating cash flow; company size on dividend policy in finance companies The results of research show that partially net income and operating cash flows have effect on dividend policy, while company size does not has effect on dividend policy.

Odo and Theophilus (2021) investigated the effect of cash flows on financial performance of food and beverage firms in Nigeria. The study revealed that cash flows from operating activities significantly affect profit for the year of food and beverage firms in Nigeria. Cash from financing activities has significant effect on profit for the year of food and beverage firms in Nigeria and cash from investment activities significantly affect profit for the year of food and beverage firms in Nigeria.

Ansir (2021) evaluated the impact of cash flow and dividend policies on firm value in Indonesian-listed manufacturing companies (BEI). The results showed a small effect of cash flow and dividend policies on firm valuation. Ningsih and Soesetio (2021) studied the effect of free cash flow on dividend policy with various

**Table 1:** Operationalization of variables.

| Variable | Measurement | Source | Apriority sign |
|---|---|---|---|
| Dividend pay- out (Dependent variable) | Ratio of dividend per share to earnings per share | Putri & Santoso, (2022) | |
| Free cash flow | (Operating cash flow minus capital expenditure) | Tijjani & Sani (2016) | + |
| Operating cash flow | Log of cash flows from operating activities | Odoh & Okwo, (2022) | + |
| Investing cash flow | Log of cash flows from investing activities | Odoh & Okwo | + |

measures of stock return and announcements for three days. Multiple regression analysis was used to evaluate the secondary data that were taken from the annual report and accounts of the chosen firms. Results showed that the firms' stock returns are highly impacted by free cash flow. Imhanzenobe and Adeyemi (2020) studied the effect of some financial decisions on sustainable cash flows and found that asset turnover has a positive and significant on sustainable cash flows while debt-to-equity ratio and dividend payout were both found to be negative and significant indicators of sustainable cash flows.

## METHODOLOGY

Ex-post facto research design was used in this stud and the data used were secondary. The population of this study consisted of 7 health care firms listed on the floor of Nigerian Exchange Group (NXG). Since, the population of the study was not too large and the whole of the population was studied, the technique employed census technique. Ordinary least square regression technique was used to analyze the data and the statistical software package employed was E-views version 13.

### Model specification

The model used in this work was adapted from the study of Putri & Santoso, (2022) and was modified to fit this study as presented below;

Dividend policy =f (cash management practices)

$$DIVP_{it} = a_0 + b_1FCFL_{It} + b_2OPCF_{it} + b_3INCFt_{it} + e_{it} \quad (1)$$

Where;
DIVP = Dividend pay-out
FCFL = Free cash flow
OPCF = Operating cash flow
INCF = Debt service coverage
$a_0$ = constant
$b_1$, b2,b3 = slope coefficient (to be determined in the study)
i = $i^{th}$ firm
t = time period
e = stochastic error

### Measurement of variables

The variables used in this study were measured as given in (Table 1).

## RESULTS AND DISCUSSION

Table 2, the average dividend payout (DIVP) of the pooled health care firms from 2013-2022 was 12%, the lowest payout was 2% and the highest was 26%. However, the standard deviation of 56% shows that dividend payout in the sector was on the high side. For free cash flow (FCFL), the average was approximately 12.8 billion naira, minimum was approximately 15 billion naira and maximum was approximately 45.8 billion naira. Operating cash flow of the pooled healthcare firms have a mean value of approximately 28.8 million naira with minimum and maximum values of approximately 20.1 million naira and 74.9 million naira respectively. Also, the mean of the investing cash flow of the pooled healthcare firms was approximately 16.5 million naira with minimum and maximum values of approximately 12.6 million and 43.1 million naira respectively.

From (Table 3) there is no association between dividend payout(DIVP) and free cash flow (-0.013576). Conversely, there is a positive and moderate correlation between operating cash flow (OPCF) and dividend payout (DIVP) (0.415091). Finally, there is a weak and positive association between investing cash flow and dividend payout (DIVP) (0.232702). Since the correlation coefficients are moderate, there is no room to suspect the presence of multicollinearity.

Table 4 above shows an F-statistic of 2.850158 with p-value of 0.027942 indicating that overall, the cash flow practices have significant effect on profitability of healthcare firms under study. The model gave an R-squared value of 0.348158 which means that 35% of the changes in the dependent variable can be explained by the independent variables of this study. However, the unexplained part is captured in the error term.

**Table 2:** Descriptive statistics.

| | DIVP | FCFL (N'B) | OPCF (N'B) | INCF (N'B) |
|---|---|---|---|---|
| Mean | 0.1170234 | 12.83967 | 28.84393 | 16.54920. |
| Median | 0.035991 | 30.00000 | 11.87600 | 15.30056 |
| Maximum | 0.264312 | 45.80000 | 74.94527. | 43.09243 |
| Minimum | 0.020907 | 15.00000 | 20.10000 | 12.60000 |
| Std. Dev. | 0.562481 | 310.2771 | 37.06007 | 191.3106 |
| Skewness | 7.603346 | 12.58201 | 2.534469 | 2.398816 |
| Kurtosis | 85.48086 | 164.0982 | 9.660038 | 8.656174 |
| Jarque-Bera | 52757.51 | 199393.9 | 525.3768 | 412.5719 |
| Probability | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| Sum | 12.64213 | 9511.140 | 35719082 | 1.90E+08 |
| Sum Sq. Dev. | 56.63282 | 17232667 | 2.46E+13 | 6.55E+14 |
| Observations | 70 | 70 | 70 | 70 |

Source: Author's computation (2024)

**Table 3:** Correlation analysis.

| | DIVP | FCFL | OPCF | INCF |
|---|---|---|---|---|
| DIVP | 1.000000 | | | |
| FCFL | 0.013576 | 1.000000 | | |
| OPCF | 0.415091 | 0.313765 | 1.000000 | |
| INCF | 0.232702 | -0.039899 | 0.362547 | 1.000000 |

**Table 4:** Regression analysis.

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.234672 | 0.078390 | 2.927838 | 0.0071 |
| FCFL | -0.389022 | 0.839306 | -0.180693 | 0.8568 |
| OPCF | 0.170631 | 0.093037 | 2.583814 | 0.0125 |
| INCF | 0.020983 | 24.73830 | 2.126166 | 0.0380 |
| R-squared | 0.348158 | Mean dependent var | | 0.638393 |
| Adjusted R-squared | 0.335012 | S.D. dependent var | | 0.283930 |
| S.E. of regression | 0.568359 | Akaike info criterion | | 1.273930 |
| Sum squared resid | 56.53069 | Schwarz criterion | | 1.363603 |
| Log likelihood | -151.1733 | Hannan-Quinn criter. | | 1.829303 |
| F-statistic | 2.850158 | Durbin-Watson stat | | 2.839373 |
| Prob(F-statistic) | 0.027942 | | | |

Source: Author's computation (2024)

## Free cash flows and dividend pay-out

The result from the regression output in (Table 4) shows that free cash flow (Coef. -0.38902; p-value = 0.8568) has no significant effect on dividend pay-out of listed healthcare firms in Nigeria. This implies that a unit increase in the free cash flow will not have any significant effect on the dividend pay-out of these firms. This might be due to various reasons such as the desire to reinvest surplus funds into the business, to save for future uncertainties, or to pursue potential acquisition opportunities. On the contrary Odoh and Okwo, (2022) noted that companies that generate consistent and sustainable free cash flow are more likely to maintain or increase their dividend payouts over time. The findings of this study support the work of Modum et al., (2023) whose findings revealed that free cash flows have significant effect on financial performance of manufacturing firms in Nigeria. On the contrary Ningsih and Soesetio (2021) found out in their study that firms' stock returns are highly impacted by free cash flow. Also, Tijjani and Sani (2016) found that free cash flow and earnings per share have positive effects on the dividend policy.

## Operating cash flows and dividend pay out

The result from the regression output in table 4 shows that operating cash flow (Coef. 0.170631; p-value = 0.0125) has a significant positive effect on dividend pay-out of listed healthcare firms in Nigeria. This implies that a unit increase in cash flows from operating activities will lead to significant improvement in the dividend decisions of these firms. The significant positive effect of operating cash flows on dividend payout indicates that firms with higher operational efficiency and profitability are more likely to reward shareholders with higher dividends. A firm's ability to consistently generate strong and stable operating cash flows is a key indicator of its financial health and ability to sustain dividend payments over time (Modum et al., 2023). The level of operating cash flows relative to dividend obligations determines the extent to which a firm can afford to pay dividends without jeopardizing its operational capabilities or financial stability. Putri and Santoso (2022) support the outcome of this study when they noted that net income and operating cash flow have significant effect on dividend policy, while company size does not has effect on dividend policy. Similarly, Odo and Theophilus (2021) support the outcome of this study when their study revealed that cash from operating activities significantly affect profit for the year of food and beverage firms in Nigeria.

**Investing cash flows and dividend pay-out**

The result from the regression output in table 4 shows that investing cash flow (Coef. 0.020983; p-value = 0.0380) has a significant positive effect on dividend pay-out of listed healthcare firms in Nigeria. This implies that a unit increase in investing cash flows will lead to significant improvement in the dividend decisions of these firms. These activities can impact the availability of funds for dividend distributions, as companies may prioritize reinvesting in the business over immediate shareholder returns. A firm's capital investment decisions can directly impact its ability to allocate funds towards dividend payments (Musa, 2017). Companies with significant investing cash flows may prioritize reinvesting in growth opportunities to enhance future profitability and market position. While reinvesting in the business can create value and drive long-term growth, it may also result in lower dividend payouts in the short term as cash is directed towards funding expansion projects, R&D initiatives, or strategic acquisitions (Tijjani and Sani, 2016). Odo and Theophilus (2021) supported the outcome of this study when they noted that cash from investment activities significantly affect profit for the year of food and beverage firms in Nigeria. However, Nangih et al. (2020) had a contrary opinion when their results showed that profitability had a negative and insignificant relationship with operating and investment cash flows.

**Conclusion and recommendation**

The findings of this study revealed varying effect of cash flows practice components on divided policy of listed health care companies in Nigeria. While free cash flows may not directly influence dividend policy, operating cash flows play a significant role in supporting dividend payments, highlighting the importance of strong business performance. Investing cash flows, on the other hand, have a notable effect on dividend payout as they reflect strategic decisions regarding the allocation of resources for future growth. Thus, it was concluded that cash flow practices have significant effect on dividend policy of listed healthcare firms in Nigeria. Based, on these findings, it was recommended that management of listed health care companies should channel their free cash flows into sustainable investment opportunities rather than using them as sole determinants of dividend policy. The management of health care companies should efficiently manage their operating cash flows to ensure a stable and predictable dividend payout to foster investors' confidence and satisfaction.

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