

ABSTRACT

THE EFFECT OF FREE CASH FLOW, INVESTMENT OPPORTUNITY AND EARNINGS PER SHARE ON DIVIDEND POLICY

(At PT Astra International Tbk)

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This study aims to analyze the influence of Free Cash Flow (FCF), Investment Opportunity (IO), and Earnings Per Share (EPS) on the Dividend Policy at PT Astra International Tbk for the period 2012-2024. The Investment Opportunity (IO) variable is proxied by the Market-to-Book Value of Equity (MBVE), while the Dividend Policy is proxied by Dividends Per Share (DPS). The method used is a verifiable quantitative research method employing multiple linear regression analysis. The data used were obtained from the company's annual financial reports officially published on the PT Astra International Tbk website. Data analysis techniques include classical assumption tests and hypothesis testing using t-test and F-tests with the assistance of SPSS. The results indicate that FCF and IO do not influence the Dividend Policy, while EPS does influence the Dividend Policy. These findings indicate that PT Astra International Tbk's ability to generate earnings per share is the primary factor in determining dividend policy.

Keywords: *Free Cash Flow (FCF), Investment Opportunity (IO), Market to Book Value of Equity (MBVE), Earnings Per Share (EPS) Dividend Policy, Dividend Per Share (DPS).*

ABSTRAK

PENGARUH *FREE CASH FLOW*, *INVESTMENT OPPORTUNITY* DAN *EARNINGS PER SHARE* TERHADAP *DIVIDEND POLICY*

(Pada PT Astra International Tbk)

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Penelitian ini bertujuan untuk menganalisis Pengaruh *Free Cash Flow* (FCF), *Investment Opportunity* (IO) dan *Earnings Per Share* (EPS) terhadap *Dividend Policy* Pada PT Astra International Tbk periode 2012-2024. Variabel *Investment Opportunity* (IO) diproksikan dengan *Market to Book Value of Equity* (MBVE) sedangkan *Dividend Policy* menggunakan proksi *Dividend Per Share* (DPS). Metode yang digunakan adalah metode penelitian kuantitatif verifikatif dengan analisis regresi linear berganda. Data yang digunakan diperoleh dari laporan keuangan tahunan perusahaan yang dipublikasikan secara resmi di website resmi PT Astra International Tbk. Teknik analisis data meliputi uji asumsi klasik serta pengujian hipotesis menggunakan uji t dan uji F dengan bantuan SPSS. Hasil penelitian menunjukkan FCF dan IO tidak berpengaruh terhadap *Dividend Policy* sementara EPS berpengaruh terhadap *Dividend Policy*. Temuan ini menunjukkan bahwa kemampuan PT Astra International Tbk dalam menghasilkan laba per saham menjadi faktor utama dalam penentuan kebijakan dividen.

Kata kunci: *Free Cash Flow* (FCF), *Investment Opportunity* (IO), *Market to Book Value of Equity* (MBVE), *Earnings Per Share* (EPS) *Dividend Policy*, *Dividend Per Share* (DPS).