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DETERMINANTS OF SHAREHOLDERS' VALUE OF INDUSTRIAL GOODS FIRMS IN NIGERIA

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Abstract

The main objective of this study was to examine the determinants of shareholders' value of industrial goods firms in Nigeria for the period 2016-2025. The research design adopted for this study was ex post facto and the population consisted of 17 industrial goods companies out of which the sample size of 11 was purposively selected. The data source was secondary and the data were analysed using panel least square regression analysis and the statistical package employed was STATA 17. The findings of the study revealed that revenue growth {0.129 (0.000)} has a statistically significant and positive effect on the total shareholders return; dividend policy {0.241 (0.004)} has a statistically significant and positive effect on total shareholders' return; financial leverage {-0.204 (0.000)} has significant negative effect on total shareholders' return of listed industrial goods companies in Nigeria. Based on the findings of this study, it was concluded that revenue growth, dividend policy and financial leverage are significant determinants of shareholders' value. It was therefore recommended among others that management of industrial goods firms should focus on sustainable revenue-generating strategies, including expanding market reach, innovating product offerings, and improving operational efficiencies.

Keywords:

Determinants, shareholder value, firm age, firm size, free cash flow and total shareholder value.

1.0 Introduction

Shareholder value has become a key concept in modern corporate governance, as businesses increasingly focus on strategies that maximize returns for investors. In a highly competitive and globalized market, firms that can deliver sustainable growth and profitability tend to outperform their peers, ultimately enhancing shareholder value. This approach, while beneficial to investors, has sparked debates on whether it undermines other stakeholders, such as employees, customers, and the environment. The concept continues to evolve as businesses balance profit maximization with social responsibility (Morrison & Williamson, 2022). The fiduciary duty which devolves upon the management of the firm requires that management should have a thorough understanding of the dynamics of underlying factors which may create or destroy value for owners, as such, the subject of value creation is too critical and important not to be ignored by any management seeking to fulfill its fiduciary duties (Hillman & Keim, 2020; Madan, 2013). Considering that stakeholders (including shareholders) are increasingly holding management to greater accountability by requiring the latter (management) to demonstrate how they are creating value (CIMA, 2014), the shareholders' value creation discourse has become very vital.

Shareholders' return represents the worth that shareholders receive from their investment in a company. It includes both financial gains, like dividend, capital appreciation, and strategic aspects that contributes to the company's long-term success (Akpan & Nkanta, 2023). It ultimately reflects the total returns and perceived stability that a company provides to its investors. Shareholder value is derived from the market's perception of a business' ability to generate returns today and in the future. Among the central indicators of shareholder value is total shareholders' return, which encompasses both capital gains and dividend income (Johnson et al., 2024). This measure reflects not only a firm's operational success but also its ability to provide consistent, attractive returns to its shareholders, thereby influencing market perceptions and investment attractiveness.

Three core determinants frequently examined in relation to shareholder value are revenue growth, dividend policy, and financial leverage. Revenue growth serves as an indicator of a company's ability to expand its market reach and scale its operations, which is critical for long-term profitability (Wang & Liu, 2023). Companies that achieve consistent revenue growth tend to attract investors, as growth signals business health and the potential for sustained earnings. Dividend policy, another important determinant, plays a significant role in investor decision-making. By establishing a stable and predictable dividend policy, companies can enhance shareholder confidence and appeal to investors who seek reliable income. Financial leverage, however, is a double-edged sword. While it offers a pathway to fund growth through debt, excessive leverage can increase financial risk and strain a firm's profitability by adding interest obligations.

The challenge of maximizing shareholder value is a persistent issue for companies, particularly in volatile markets where economic pressures impact business performance. Firms operating in Nigeria face unique financial and operational challenges, including fluctuating economic conditions, limited access to capital, and increased competition. For shareholders, these challenges translate into uncertainty regarding the returns they can expect, raising questions about which strategic financial indicators significantly influence their overall return (Hakim et al., 2025; Azizah & Wiyanti, 2025; Okpo, S. A., 2026). While revenue growth is generally seen as a positive indicator of firm health, its direct impact on total shareholders' return in emerging markets is not always clear. A steady revenue stream can indicate successful operations and growth potential, yet the degree to which revenue growth translates into tangible shareholder returns remains understudied within the Nigerian context. Similarly, dividend policy is a vital aspect of investor returns, but firms in emerging markets may struggle to balance dividend payouts with reinvestment needs. Inconsistent dividend policies may erode investor confidence, leading to lower total returns and weaker market valuations. Financial leverage is a critical factor that can influence both a firm's growth prospects and its financial health. High leverage, while beneficial for growth, poses a risk to shareholder value if it leads to high interest burdens and financial instability.

The review of literature provides substantial insights into the determinants of shareholders' value across various sectors and countries. However, notable gaps persist. Majority of the studies focused on developed economies (Sangawi et al., 2025; Miller & Harris, 2023; Hakim et al., 2025) Some studies focused on other sectors such as banking (Ahmed & Bello, 2023), pharmaceuticals (Bukit et al. 2025), and oil and gas (Eze & Okoro, 2019), with limited attention to industrial goods, especially in Nigeria. Most studies tend to explore variables like profitability, corporate governance, firm size, and innovation (Ade et al., 2024; Wang & Liu, 2023; Odu & Akinola 2019)), while less attention was paid to other possible determinants of shareholders' value. Thus, this study was carried out to ascertain the determinants of shareholder value of listed industrial goods companies in Nigeria.

2.0 Literature Review and Theoretical framework.

Shareholder value

Shareholder value is the value that a company creates for its owners (its shareholders). In simple terms, it's the amount of wealth shareholders gain from owning the company's stock. (Saragih et al., 2025). The pursuit of shareholder value often involves decisions related to cost-cutting, expanding market share, improving profitability, and engaging in mergers and acquisitions, among other strategies. Shareholders' return represents the worth that shareholders receive from their investment in a company. It includes both financial gains, like dividend, capital appreciation, and strategic aspects that contributes to the company's long-term success (Akpan & Nkanta, 2023). It ultimately reflects the total returns and perceived stability that a company provides to its investors. According to Müller (2024), a strategic focus on growth, risk management, efficient operations and sustainability can lead to greater returns and higher market valuation, both of which drive shareholders wealth. Increasing shareholder value has become a strategically important part of the decision-making process. Shareholder value is derived from the market's perception of a business' ability to generate returns today and in the future (Gabaix et al., 2023). Principally, management can create Shareholder Value by growth; investing in projects which are expected to generate a return in excess of the cost of capital, or by improving the efficiency of existing operations e.g. reducing expenses or selling more profitable business with all other things remaining equal (Azizah & Wiyanti, 2025). Shareholders value in this was measured using total shareholders return. Total Shareholder Return (TSR) is defined as the total financial return that shareholders earn from stock price appreciation and dividends. It provides a comprehensive view of the financial performance from an investor's perspective, allowing them to evaluate how effectively management is delivering returns (Kapoor, 2009).

Determinants of shareholders value

The determinants of value creation are essential in shaping the strategy of a company (Samy & Goaied, 1999; CIMA, 2014). Bandara (2015) asserts that market value is seen as the difference between market value of the firm's stock and the amount of equity capital supplied by investors. Value creation has been in existence as a concept as long as humanity has conducted trade and accumulated capital and wealth. It has been the consistency of measurement used by those with freedom of choice to trade, invest and preserve capital (Black, 2018). Creating value for shareholders is now a widely accepted corporate objective and shareholder value creation is the key to succeed in today's marketplace (Burlacu, 2013). It measures the effect on value of management's decisions since the firm's inception.

Many researchers have identified various factors that help in the determination of shareholders value creation, among the most notable determinants are dividend policy, revenue growth, and financial leverage. These elements play critical roles in shaping investor confidence and determining the long-term viability of a firm's profitability.

Revenue growth and total shareholders' return

Revenue growth is a critical driver of shareholders' value when it is sustainable, efficiently managed, and supported by sound corporate governance. Revenue growth represents the firm's ability to expand its sales base over time through increased market penetration, product diversification, innovation, or expansion into new markets (Hakim et al., 2025; Banerjee & Majumdar, 2020). Sustained growth in revenue enhances the firm's capacity to generate higher operating cash flows, provided costs are efficiently managed. According to Johnson et al. (2024), as firms future cash flows increase, the intrinsic value of the firm rises, leading to higher share prices and improved shareholders' wealth. Similarly, growth-oriented valuation models posit that firms with higher expected growth rates command valuation premiums in capital markets, as investors anticipate superior future performance.. Empirically, revenue growth has been found to exert a positive influence on shareholders' value across different markets and sectors. Umoh (2025) argue that growing revenues signal strong demand for a firm's products or services, effective strategic positioning, and managerial competence. Revenue growth also affects shareholders' value through its impact on profitability and dividend-paying capacity (Hakim et al., 2025). While revenue growth does not automatically translate into higher profits, sustained growth often creates economies of scale, improved asset utilization, and enhanced bargaining power, which can lead to higher margins over time. A study by Gabaix et al. (2023) found that companies with consistent revenue growth tend to deliver higher returns to shareholders over the long term. Similarly, Azizah and Wiyanti (2025) noted that revenue growth contributes directly to increasing a company's stock price, provided that the growth translates into rising profitability and cash flow. Bukit et al. (2025) highlighted that companies with a focus on long-term revenue growth tend to outperform their peers in terms of stock price performance and dividend payouts. On this note, this study hypothesized that;

Ho_1: Revenue growth has no significant effect on total shareholders' return of listed industrial goods firms in Nigeria.

Dividend policy and total shareholders' return

Dividend policy plays a significant role in shaping shareholders' value by influencing investor perceptions, reducing agency costs, and determining the trade-off between current income and future growth. Dividend policy refers to the firm's decision regarding the proportion of earnings to be distributed to shareholders as dividends versus the portion retained for reinvestment. While theoretical arguments differ on the relevance of dividends, empirical evidence largely supports the view that a stable and well-communicated dividend policy contributes positively to shareholders' wealth, especially in imperfect and emerging capital markets. According to Amanda et al. (2025), the way a firm designs and implements its dividend policy therefore has important implications on how value is perceived and realized by shareholders. Dividends are valued by investors because they provide certainty of returns and reduce uncertainty associated with future capital gains. According to Saragih et al. (2025), higher or stable dividend payouts increase investors' confidence, lower the firm's cost of equity, and ultimately enhance shareholders' value.

In contrast, the dividend irrelevance proposition by Miller and Modigliani (1963) posits that, under perfect capital market conditions, dividend policy does not affect shareholders' value, as investors can create their own dividend streams through buying or selling shares. However, the assumptions underlying this proposition, such as no taxes, no transaction costs, and perfect information are rarely met in real-world markets, particularly in emerging economies.

Empirical evidence generally suggests a positive relationship between dividend policy and shareholders' value, particularly in markets characterized by information asymmetry and weak investor protection. Aulia et al. (2025) found that dividend policy has a positive and significant effect on firm value. Akbar (2025) found that dividend per share (DPS), dividend yield (DY) and earnings per share significantly affect the shareholders' wealth. Saragih et al. (2025), dividend policy has a positive and significant effect on the stock price of companies listed on the Indonesia Stock Exchange. Suzuki (2022). revealed that firms with a higher dividend payout ratio had higher shareholder value, as investors perceived stable dividends as a sign of consistent earnings and profitability. Sharma et al. (2023) found that dividend policy positively impacted shareholders' value. Robinson (2022) concluded that that a stable and predictable dividend policy positively impacted shareholder value, as it signaled financial stability and investor confidence. On this note, this study hypothesized that:

Ho_2: Dividend policy has no significant effect on total shareholders' return of listed industrial goods firms in Nigeria.

Financial leverage and total shareholders' return

Financial leverage refers to the extent to which a firm uses debt financing in its capital structure, typically measured by ratios such as debt-to-equity or total debt to total assets. Financial leverage influences shareholders' value through tax benefits, return amplification, risk exposure, and agency effects the use of debt introduces both potential benefits and costs, making the leverage–shareholders' value relationship complex. According to Bukit et al. (2025), financial leverage influences shareholders' value through capital structure theories. The Modigliani and Miller (1961) proposition initially argued that, under perfect capital market conditions, capital structure is irrelevant to firm value. However, when market imperfections such as taxes, bankruptcy costs, and agency conflicts are introduced, leverage becomes value relevant. The trade-off theory posits that firms balance the tax advantages of debt against the costs of financial distress. Interest payments on debt are tax deductible, creating a tax shield that can increase after-tax cash flows and enhance firm value, thereby benefiting shareholders. According to Martins (2024), financial leverage also affects shareholders' value through the amplification of returns. When a firm earns a return on assets that exceeds the cost of debt, leverage magnifies returns to equity holders, leading to higher earnings per share and potentially higher market valuation.

Empirical evidence on the relationship between financial leverage and shareholders' value is mixed, reflecting differences in firm characteristics, institutional environments, and market conditions. Ezekwesili and Afodigbueokwu (2023) found that firms with optimal leverage ratios were able to deliver consistent dividend payouts and stock price appreciation, contributing to overall shareholder wealth. Lee (2023) concluded that firms with higher leverage achieved higher shareholder value in the short term due to the tax benefits of debt. However, over-leveraging led to financial instability, which negatively impacted shareholder value in the long term. Ibrahim and Isiaka (2022) on the other hand found financial leverage has a significantly negative effect on firm value. On this note this study hypothesized that;

Ho_3: Leverage has no significant effect on total shareholders' return of listed industrial goods firms in Nigeria.

Theoretical framework

This study was supported by two major theories which were agency theory and Bird-in-hand theory. Agency theory, proposed by Jensen and Meckling (1976), addresses the conflicts that arise between shareholders (principals) and company executives or managers (agents) who are hired to manage the business. The separation of ownership from control creates potential for misalignment of goals, as agents may pursue personal interests over maximizing shareholder value (Jensen & Meckling, 1976). This divergence, termed "agency conflict," results in agency costs, such as monitoring expenses or incentive schemes, which aim to align managerial actions with shareholder interests. According to the agency theory, the debts are a means to discipline the managers by the financial market, which is to reduce the agency costs of stockholders' equity and to increase the company value. Besides, the debt constitutes a mechanism of resolution of the conflicts, as far as it incites the leaders to be successful to avoid the risks of bankruptcy and the loss of their employment (Sakthivel, 2011). Agency theory is highly relevant in this study as it provides a framework for analyzing how the interests of managers and shareholders can be aligned.

On the other hand, the Bird-in-Hand theory, developed by Myron Gordon (1959) and John Lintner (1962), is a foundational dividend relevance theory in corporate finance. The theory argues that investors prefer certain dividends (cash in hand) to uncertain future capital gains, due to risks associated with information asymmetry and unpredictable future performance. That is, shareholders prefer certain returns in the form of current dividends to uncertain future capital gains. And that investors value firms with stable and predictable dividend policies more highly, as dividends reduce uncertainty and perceived risk.

This perspective challenges the dividend irrelevance proposition of Modigliani and Miller (1961) by asserting that dividend decisions directly influence firm value. Gordon (1959) describes the Bird-in-Hand Theory as the notion that investors place a higher value on dividends received today than on uncertain capital gains expected in the future, making dividend policy relevant to firm value. Lintner (2062) further explains that firms paying regular and stable dividends reduce investor uncertainty and therefore attract higher valuation in the market. More recently, Baker and Powell (2020) describe the theory as an investor-preference model where dividends serve as risk-reducing signals that increase investor confidence and enhance firm value. This theory directly supports the dividend policy–shareholders' value relationship in the study. Firms that pay consistent dividends are likely to enjoy higher share prices and improved total shareholders' return because investors discount uncertain future earnings more heavily than current dividend income.

Methodology

3.1 Research design

Ex-post facto research design was used in this study. This design was suitable for the study because data used was secondary. The population of this study consisted of 13 industrial goods firms listed on the Nigerian Exchange Group from 2016-2025, out which 11 were purposively selected. Secondary data used were derived from the studied firms' annual reports. In examining the determinants of listed industrial goods firm in Nigeria, panel least square regression analysis was used in analysing the data and STATA 14 was statistical package used to analyse the data of this study.

Model specification

The model for this study was adapted from the work of Sharma et al. (2023) and modified to suit our study as presented below;
Shareholders' value = f (Revenue growth, dividend policy and financial leverage) (1)
$\mathbf{TOSR_{it} = \alpha_0 + \beta_1 REVG_{it} + \beta_2 DIVP_{it} + \beta_3 FINL_{it} + \varepsilon_{it}}$ (2)
Where:

TOSR	=	Total shareholders' return
REVG	=	Revenue growth
DIVP	=	Dividend policy
FINL	=	financial leverage
α_0	=	Model intercept
β_{1-3}	=	Coefficient to be estimated, where $\beta_{1-3} > 0$
it	=	Cross section of listed industrial goods companies with time variant
ε	=	Stochastic error term

4.0 Analysis and Discussion

The data used in this study were analyzed using various analytical technique which were descriptive statistic, correlation analysis, and robust least square regression technique. The results from robust least square regression method were used in the testing each of the research hypotheses formulated in this study.

4.2.1 Descriptive statistics analysis

Table 4.1: Descriptive statistics of the determinants of shareholders' value

Variables	Observations	Mean	Standard deviation	Minimum	Maximum
TOSR	110	0.3023	0.0849	0.1500	0.3800
REVG	110	0.3138	0.0870	0.2000	0.4400
DIVP	110	0.3541	0.0738	0.1800	0.4500
FINL	110	0.3520	0.0849	0.2500	0.6000

Source: Researchers' computation (2026)

Table 4.1 presents the descriptive statistics of the variables used in the study. The results show that total shareholders' return (TOSR), which represents shareholders' value, has a mean value of 0.3023, a standard deviation of 0.0849, a minimum value of 0.1500, and a maximum value of 0.3800. The mean value indicates that the sampled firms generated an average total shareholders' return of approximately 30.23% during the period under review. The standard deviation of 8.49% indicates a moderate variation in shareholders' returns among the firms and across the study period. Revenue growth (REVG) has a mean value of 0.3138 and a standard deviation of 0.0870, with minimum and maximum values of 0.2000 and 0.4400, respectively. The mean value implies that the sampled firms recorded an average revenue growth rate of approximately 31.38%. Dividend policy (DIVP) recorded a mean value of 0.3541 and a standard deviation of 0.0738. The minimum and maximum values were 0.1800 and 0.4500, respectively. Financial leverage (FINL), has a mean value of 0.3520 and a standard deviation of 0.0849. The minimum and maximum values show that financial leverage ranged from approximately 25.00% to 60.00%, indicating differences in the extent to which the sampled firms relied on long-term debt financing.

4.2.2 Normality test

Table 4.2: Test of data normality for the determinants of shareholders' value

Variable	Obs	W	V	z	Prob>z
TOSR	110	0.5639	32.182	3.172	0.0000
REVG	110	0.7269	54.231	4.762	0.0002
DIVP	110	0.8276	42.373	5.102	0.3247
FINL	110	0.6372	27.251	6.637	0.0003

Source: Authors computation (2026)

From table 4.2, it is observed that the dependent variable of total shareholders' return (Z=3.172; Prob>Z=0.0000) is not normally distributed since the probabilities of the z-statistics are significant at 5% level. The same can be said for the independent variables of revenue growth (Z= 4.762; Prob>Z=0.0002), financial leverage (Z = 6.637; Prob>Z = 0.0003). However, dividend policy (Z= 5.102; Prob>Z=0.3247) follow a normal distribution since the probability of the z-statistic is insignificant at 5% level. Since the correlation coefficients are moderate, there is no room to suspect the presence of multicollinearity. The interpretation of the data normally test is in line with the studies of Jarque and Bera (1987).

4.2.3 Correlation analysis

Table 4.3 Correlation analysis of the association between equity shareholding and dividend policy

	TOSR	REVG	DIVP	FINL
TOSR	1000			
REVG	-0.216	1.000		
DIVP	0.421	-0.325	1.000	
FINL	0.129	-0.167	-0.432	1.000

Source: Researcher's computation (2024)

In the case of the correlation between determinants of shareholders' value, table 4.3 shows that there exists a negative and weak association between revenue growth and total shareholders' return of the selected industrial goods firms in the study (-0.216). There is a positive and moderate association between dividend policy and total shareholders' return of the selected industrial goods firms in the study (0.421). There is also a positive and weak association between financial leverage and total shareholders' return of the selected industrial goods firms in the study (0.129). Since the correlation coefficients are moderate, there is no room to suspect the presence of multicollinearity.

Regression analyses

Table 4.4: Regression result of the effect equity shareholding and dividend policy

	TOSR Model (Pool OLS)	TOSR Model (Robust Regression)
CONS.	1.514	1.526
	{0.002} **	{0.001}**
REVG	0.019	0.129
	{0.083}	{0.000}
DIVP	0.245	0.241
	{0.001} ***	{0.004}***
FINL	0.039	-0.204
	{0.004} **	{0.002}**
F-stat/Wald Stat	37.25 {0.0000} ***	39.58 {0.0000}***
R- Squared	0.3133	0.6850
VIF Test	1.09	
Hettero. Test	10.24 {0.1264}	

Note: (1) bracket {} are p-values; (2) ***, implies statistical significance at 5% level respectively

Table 4.4 represents the result obtained from the multiple regression analysis for this study. The p- values were used for the test of significance because the data were not normally distributed. The t-test would have been used if the population was more than 2000 and data used came from a normal distribution. From table 4.4 it is observed from the pool OLS regression that the R-squared value of 0.3133 shows that about 31% of the systematic variations in total shareholders' return of the pooled industrial goods firms in Nigeria were explained by the independent variables in the model. This implies that about 69% of the changes in total shareholders' value could not be explained by these variables. The unexplained part of total shareholders' value could be attributed to the exclusion of other independent variables that could affect total shareholders' value and were not captured in model but rather captured by the error term. Furthermore, the F-statistic value of 37.25 and the associated p-value of 0.0000 shows that the specified model for the companies on the overall is statistically significant at 5% level. This means that the regression model was valid and could be used for statistical inference. However, the researcher conducted some post regression test to further ascertain the validity of the pool OLS regression. These tests included multicollinearity and heteroscedasticity.

Test for multicollinearity

Table 4.4 shows a mean VIF value of 3.09 which indicates the absence of multicollinearity since the mean VIF is within the benchmark value of 10.

Test for heteroscedasticity

The result obtained from the regression model as shown in table 4.4 reveals that the probability value of the heteroscedasticity test is significant at 5% level {10.24[0.1264]}. This result indicates that the assumption of homoscedasticity has been violated. However, the study re-specifies the model to control for this violation by employing the robust regression as recommended by Greene (2009). Thus, the hypotheses of this study was tested using the robust regression model.

Discussion of findings

Revenue Growth and Total Shareholders' Return

The results obtained from the robust regression analysis in table 4.4 revealed that revenue growth {0.129 (0.000)} has a statistically significant and positive effect on the total shareholders return of listed industrial goods companies in Nigeria. This implies that a unit increase in revenue will significant increase total shareholders return of listed industrial goods firms in Nigeria. Revenue growth is a core indicator of a company’s operational success, and the significant positive effect on total shareholders' return highlights its value in enhancing shareholder wealth. Increased revenue often reflects strong market demand, effective operational strategies, or successful market expansion. As the findings suggest, a firm’s ability to generate higher revenue likely translates into higher profit margins and increased distributions to shareholders, which can positively impact the market’s perception and the share price, thus benefiting shareholders through higher total returns. This finding aligns with the works of Bukit et al. (2025), Gabaix et al. (2023) and Azizah and Wiyanti (2025), who concluded that consistent revenue growth is a strong driver of shareholder value in the renewable energy industry.

Similarly, table 4.4 revealed that the dividend policy {0.241 (0.004)} has a statistically significant and positive effect on total shareholders’ return of listed industrial goods companies in Nigeria. This implies that a unit increase in dividend paid out to shareholders will significantly increase the total shareholders’ return of listed industrial goods companies in Nigeria. The positive effect of dividend policy on total shareholders' return reflects shareholders' preference for tangible returns in the form of dividends. This finding aligns with the dividend relevance theory, which posits that dividends provide assurance of a company’s profitability and liquidity. By maintaining a stable or increasing dividend payout, firms signal financial health and stability, leading to increased investor confidence and demand for shares. This, in turn, boosts share prices, contributing positively to total shareholders' return. This finding aligns with the study of Ojo et al. (2023) who revealed that higher dividend payouts positively influenced shareholder value, signaling strong financial health to investors.

Finally, table 4.4 revealed that financial leverage {-0.204 (0.000)} has significant negative effect on total shareholders’ return of listed industrial goods companies in Nigeria. This implies that when a company has more debt in its capital structure, this will likely reduce the total shareholders’ return of that company. The negative relationship between financial leverage and total shareholders' returns in listed industrial goods firms in Nigeria suggests that higher debt levels may strain shareholder wealth. Financial leverage can increase the risk of financial distress, particularly in sectors sensitive to economic fluctuations. High leverage can lead to higher interest expenses, reducing net income available to shareholders and potentially deterring investors concerned about debt-related risks. Ezekwesili and Afodigbueokwu (2023), Martins (2024) and Lee (2023) conclusion supported this study as the noted that firms with moderate leverage achieved higher shareholder value due to the tax benefits of debt financing.

5.0 Conclusion

The study revealed key determinants of shareholders' value, with revenue growth and dividend policy playing pivotal roles in enhancing total shareholders' return, while financial leverage exerts a negative influence. These findings underscore the importance of a balanced approach in revenue generation, dividend distribution, and debt management to optimize shareholders' value. Based on the findings of this study, it was concluded that revenue growth, dividend policy and financial leverage are significant determinants of shareholders' value. Based on these findings, it was recommended that the management of industrial goods firms should focus on sustainable revenue-generating strategies, including expanding market reach, innovating product offerings, and improving operational efficiencies. They should also establish a reliable and predictable dividend policy to attract and retain investors seeking steady returns. By maintaining or incrementally increasing dividend payouts in line with earnings growth, companies can enhance investor confidence and attract a broader shareholder base, contributing to improved market valuation and shareholder wealth.

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