

Dividend Policy and Financial Performance of Nigerian Pharmaceutical Firms

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ABSTRACT

This study examined the effect of dividend policy on financial performance of selected pharmaceutical companies in Nigeria. The specific objectives of the study include: to determine the extent to which dividends per share affect the return on assets of pharmaceutical companies in Nigeria, to ascertain the effect of retained earnings on return on assets of pharmaceutical companies in Nigeria and to examine the effect of share price on the return on assets of pharmaceutical companies in Nigeria. The study used ex-post facto as research design while multiple regressions were used as analytical tool for the test of hypotheses. The study found out that; dividend per share has significant effect on the return on assets of pharmaceutical companies in Nigeria. Retained earnings have positive and significant effect on return on assets of pharmaceutical companies in Nigeria, while share price has a positive and significant effect on the return on assets of pharmaceutical companies in Nigeria. The study recommended that adoption of a dividend policy by the pharmaceutical companies particularly in Nigeria should be strictly considered based on the unique circumstances of the companies and not necessarily based on age long traditional factors often formulated by academics. This is essential in order to maintain a steady and reasonable policy. Due to the susceptibility of the companies' profitability to economic changes in the country, it is unrealistic to seek to formulate a dividend policy that follows a constant payout. However, a low, reasonable and realistic policy should be adopted.

Keywords: Dividend Policy, Financial Performance and Multiple Regressions

INTRODUCTION

The most commonly accepted aim of a firm is to maximize the value of the firm and the wealth of its stock holders [1]. In general, there are three types of financial decisions that could have an impact on the value of the firm. These are investment decisions, financing decisions and dividend decisions. These three decisions are linked to each other in series. Investments made by a firm determine the future gains and potential dividend amount of the firm. The policy of dividend distribution determines the equity capital rate within the capital structure of the firms; therefore, capital

cost is being influenced as well. The aim of these interrelated decisions is maximizing the wealth of the stock holders.

After determining their optimal capital structures, the firms must decide how much of the equity capital would be provided by the increase of the capital and how much of it would be provided by not distributing the dividends and leaving them inside the firm by doing so. The policy of dividend distribution of the firm determines how the net profit obtained would be distributed

among stock holders and undistributed dividends [2]. In addition, firms' liquidity conditions, future investments, the stability of their profits, financing opportunities, fund needs, the expectations of their stock holders, the provisions of laws and their master contracts all have influence on dividend policy.

Finance literature continues to discuss the subject of whether dividend distribution policy influences firms' market values and if any, what kind of influence it has. In terms of measurability, nevertheless, some assessment models related to the influence dividend distribution policy has on firms' market values have been developed.

There are two main approaches in this issue. The first one is the unrelated dividend approach argued by [3]. They asserted that the value of the firm is not influenced by the dividend policy in ideal conditions. [4] argued that investors would not pay high prices for stocks with higher dividends when they do not need dividend to obtain cash. According to him, in short, the market price of the stocks does not change after the investment and dividend payment. Since, the decrease in the stock price by way of borrowing or new stock export provides for the dividend payments. The second approach, on the other hand, is the dividend relation developed by [5]. According to this approach which can be summarized as "a bird in the

hand is worth three in the bush," dividend policy has an influence on the business value depending on the choices of the investors. Having said that, the investors usually prefer to get dividend today rather than wait for their future capital gains. The reason for that is that the dividend gains are more risk-free than the capital gains from the perspective of the investors.

Dividend has been adjudged to be the catalyst for the financial performance of firms/companies. The issue of dividend payout is a very important one in the current business environment and more especially on the performance evaluation of firms/companies. Dividend payout according to [6] is the regulations and guidelines that a company uses to decide whether to make dividend payments to shareholders or not. The dividend payment decisions of firms are the primary element of any corporate policy which is basically the benefit of shareholders in return for investing their money in the organization. These factors include financing limitations, investment chances and choices, firm size, pressure from shareholders and regulatory regimes. The dividend payout of firm's is not only the source of cash flow to the shareholders but it also offers information relating to firm's current and future performance. The dividend policy remains one of the most important financial policies not only from the view point of the company, but

also from that of the shareholders, the consumers, employees, regulatory bodies and the government. Shareholders wealth is margin influenced by growth in sales, improvement in profit margin, capital investment decisions and capital structure decisions. [7] Sees dividend policy as a company's policy which determines the amount of dividend payments and the amounts of retained earnings for reinvesting in new projects. The philosophy of dividend is that the

investors would not want any dividend less than the expected except they have the conviction that the investment to which the retained earnings are committed would yield returns over and above what they could be opportune to elsewhere. An over view of dividend payout pattern shows that profitable mature firms pay higher dividend than younger rapidly growing ones. This is because the former use capital market for financing while the latter use intermediated financing.

STATEMENT OF THE PROBLEM

Investors are particularly interested in the dividend policies of firms. This is based on the fact that the dividend policy determines the dividend payout ratio. The dividend payout ratio measures the percentage of net income that is distributed to shareholders in the form of dividends during the year. In other words, this ratio shows the portion of profits the company decides to invest in its operations and the portion of profits that is given to shareholders. Investors have much interest in the dividend payout ratio because they want to know if the company or companies are paying out a reasonable portion of net income to investors. Investors can see that these dividend rates cannot be sustained very long because the company will eventually need money for its operations. It therefore implies that a pharmaceutical firm that has high dividend payout ratio may invariably

have lesser investment capacities thereby having a deleterious effect on the return on assets of the company.

A high dividend payout suggests that the company might be paying out more than it can comfortably afford. Not only does this leave just a small percentage of profits to plow back into the business, but it also leaves the firm highly susceptible to a decline in future dividend payments. In some cases, a company will even pay out more than it earns, thus yielding a dividend payout in excess of 100%. Such extremely high payouts are rarely sustainable and should warn investors that a dividend cut may be on the horizon. Because the act of reducing dividends is usually interpreted as a sign of weakness, when a dividend cut announcement is made, it also usually triggers a decline in the share price. It is based on this premise that this study is being designed to

study the effect of dividend policy on firm's performance in Nigeria.

OBJECTIVES OF THE STUDY

The broad objective of this study is to appraise the effect of dividend policy on financial performance in Nigeria focusing on selected pharmaceutical companies in Nigeria.

The specific objectives include the following:

1. To determine the extent to which dividends per share affect the return on assets of

pharmaceutical companies in Nigeria.

2. To ascertain the effect of retained earnings on return on assets of pharmaceutical companies in Nigeria.
3. To examine the effect of share price on the return on assets of pharmaceutical companies in Nigeria.

RESEARCH QUESTIONS

The following questions are stated for this study:

1. To what extent does a dividend per share affect the return on assets of pharmaceutical companies in Nigeria?
2. What is the effect of retained earnings on return on assets of

pharmaceutical companies in Nigeria?

3. What is the effect of share price on the return on assets of pharmaceutical companies in Nigeria?

RESEARCH HYPOTHESES

The following hypotheses are formulated for this study:

- 1: Dividend per share does not have significant effect on the return on assets of pharmaceutical companies in Nigeria.
- 2: Retained earnings do not have positive and significant effect on

return on assets of pharmaceutical companies in Nigeria.

- 3: Share price does not have a positive and significant effect on the return on assets of pharmaceutical companies in Nigeria.

SIGNIFICANCE OF THE STUDY

This study will be of immense significance to diverse pharmaceutical companies in Nigeria as it will go to a great extent in enlightening them on the

concept of dividend policies as well as its effect on firms' performance.

Students and other researchers will also widen their scope from the information contained in this study.

SCOPE OF THE STUDY

This study on the effect of dividend policy on firms' performance in Nigeria covered five selected pharmaceutical companies in Nigeria. They include;

Neimeth International Pharmaceutical Company,

Pharma-DekoPlc,

The duration of study emanated from 2007 to 2016.

LIMITATIONS OF THE STUDY

The researcher encountered diverse constraints while carrying out this study. Such constraints include;

1. Difficulty in gathering the appropriate materials for the literature review: The researcher had difficulty in sourcing for the information pertaining to the literature review. This was due to the fact that information on growth indicators were difficult to get but the researcher

surmounted this difficulty by being persistent and researching diverse journals on growth indicators.

2. Difficulty in data collection: The researcher also had difficulty in gathering the necessary data needed for analysis of the study. The researcher had to judiciously study the annual report of the selected companies to extract the requisite data for the study.

METHODOLOGY

Research Design

A research design specifies the methods and procedures for conducting a particular study (Orji, 2006). The study adopted an ex- post facto research design. The Ex-post facto adopted in this study sought to know the effect of dividend payout on financial performance of manufacturing

companies listed in Nigerian stock market. Ex-post facto *designis* a quasi-experimental study examining how an independent variable, present prior to the study in the participants, affects a dependent variable.

Sources of Data

It is sourced through secondary method and is collected from annual reports and accounts of the selected pharmaceutical

companies listed in Nigerian Stock Exchange from 2007 to 2016.

Population of the Study

The population of this study consists of all quoted pharmaceutical companies listed in Nigeria Stock Exchange. They are nine (9). They include the following:

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Evans Medical Plc 2. Fidson Healthcare Plc 3. Glaxo Smithkline Consumer Nigeria Plc | <ol style="list-style-type: none"> 4. Juli Plc 5. May & Baker Nigeria Plc 6. Neimeth International Pharmaceuticals Plc 7. Nigeria-German Chemicals Plc 8. Pharma-Deko Plc 9. Union Diagnostic & Clinical Services Plc |
|--|---|

Sampling Technique and Sample Size

The random sampling technique was adopted and the sample consists of 3 selected pharmaceutical firms in Nigeria. The companies selected include Neimeth International Pharmaceutical Company, Pharma-DekoPlc,

Juli Plc
Two of the quoted pharmaceutical companies were selected because they have all the relevant data for the selected variables to be studied for the duration, unlike some other companies that have some of the years missing.

Tools for Data Analysis

The statistical tool used for this study is multiple regression analysis. Multiple regression analysis is a statistical tool that uses several explanatory variables

to predict the outcome of a response variable. The goal of multiple regression is to model the relationship between the explanatory and response variables.

Model Specification

The following model was used to evaluate the study:

$$ROA = F (RE, DPS, SP) \dots\dots\dots (1)$$

Where:

ROA = Returned on Assets

RE = Retained Earnings

DPS = Dividend Per Share

SP = Share Price

In a linear regression form, it will become:

$$ROA = \beta_0 + \beta_1 RE + \beta_2 DPS + \beta_3 SP + \mu \dots\dots\dots(2)$$

β_0 = Constant Term

β_1 = Coefficient of RE

β_2 = Coefficient of DPS

β_3 = Coefficient of SP

μ = Error Term

DATA PRESENTATION AND ANALYSIS

Data Presentation

The presentation of data used in the analysis of the study is illustrated below.

Table 1: Pooled Data of Neimeth International Pharmaceutical Company, Pharma-Deko Plc and Juli Plc

	RE	DPS	SP	ROA
NEIMETH - 07	185691	0.18	32.91	0.462791
NEIMETH - 08	361710	0.15	32.01	0.503177
NEIMETH - 09	149061	0.55	33.44	0.577505
NEIMETH - 10	201974	0.15	31.60	0.151017
NEIMETH - 11	374067	0.21	39.71	0.773194
NEIMETH - 12	207613	0.33	45.40	0.593881
NEIMETH - 13	261165	0.10	42.66	0.365710
NEIMETH - 14	489700	0.15	59.71	0.277054
NEIMETH - 15	591601	0.21	57.61	0.311177
NEIMETH - 16	531742	0.40	61.33	0.455627
PDEKO - 07	946341	1.71	42.10	0.197029
PDEKO - 08	746514	2.08	39.90	0.225174
PDEKO - 09	837942	4.86	39.00	0.215764
PDEKO - 10	1299439	4.66	46.10	0.089402
PDEKO - 11	1534054	0.16	46.97	0.117995
PDEKO - 12	776994	7.45	46.50	0.081211
PDEKO - 13	294361	1.21	44.70	0.668581
PDEKO - 14	317607	1.01	49.10	0.550563
PDEKO - 15	262095	1.00	53.70	0.231637
PDEKO - 16	119280	2.65	58.10	0.165614
JULI - 07	49813	1.33	28.90	0.540000
JULI - 08	51624	2.91	34.67	0.680000
JULI - 09	58071	3.09	30.10	0.520000
JULI - 10	71784	2.11	36.40	0.290000
JULI - 11	92511	1.70	40.40	0.270000
JULI - 12	110222	4.12	42.17	0.370000
JULI - 13	134156	3.09	49.70	0.400000
JULI - 14	140578	2.09	53.00	0.620000
JULI - 15	151032	2.00	59.00	0.440000
JULI - 16	188293	1.56	64.00	0.540000

Source: Compilation from Financial Statement of Neimeth International Pharmaceutical Company and Pharma-Deko Plc

Table 1 showed how the compilation of data of Neimeth International Pharmaceutical Company, Pharma-DekoPlc and Juli Plc pertaining to all the variables of study.

Table 2: Logged Data of Neimeth International Pharmaceutical Company, Pharma-Deko Plc AND Juli Plc

	LRE	DPS	SP	ROA
NEIMETH - 07	12.13184	0.18	32.91	0.462791
NEIMETH - 08	12.79860	0.15	32.01	0.503177
NEIMETH - 09	11.91211	0.55	33.44	0.577505
NEIMETH - 10	12.21589	0.15	31.60	0.151017
NEIMETH - 11	12.83219	0.21	39.71	0.773194
NEIMETH - 12	12.24343	0.33	45.40	0.593881
NEIMETH - 13	12.47291	0.10	42.66	0.365710
NEIMETH - 14	13.10155	0.15	59.71	0.277054
NEIMETH - 15	13.29059	0.21	57.61	0.311177
NEIMETH - 16	13.18391	0.40	61.33	0.455627
PDEKO - 07	13.76036	1.71	42.10	0.197029
PDEKO - 08	13.52317	2.08	39.90	0.225174
PDEKO - 09	13.63870	4.86	39.00	0.215764
PDEKO - 10	14.07744	4.66	46.10	0.089402
PDEKO - 11	14.24342	0.16	46.97	0.117995
PDEKO - 12	13.56319	7.45	46.50	0.081211
PDEKO - 13	12.59256	1.21	44.70	0.668581
PDEKO - 14	12.66857	1.01	49.10	0.550563
PDEKO - 15	12.47646	1.00	53.70	0.231637
PDEKO - 16	11.68923	2.65	58.10	0.165614
JULI - 07	10.81603	1.33	28.90	0.540000
JULI - 08	10.85174	2.91	34.67	0.680000
JULI - 09	10.96942	3.09	30.10	0.520000
JULI - 10	11.18142	2.11	36.40	0.290000
JULI - 11	11.43508	1.70	40.40	0.270000
JULI - 12	11.61025	4.12	42.17	0.370000
JULI - 13	11.80676	3.09	49.70	0.400000
JULI - 14	11.85352	2.09	53.00	0.620000
JULI - 15	11.92525	2.00	59.00	0.440000
JULI - 16	12.14575	1.56	64.00	0.540000

Source: Computation from Eview 9.0

Table 2 shows the logged data generated from the pooled data of Neimeth International Pharmaceutical Company, Pharma-Deko Plc and Juli Plc. Only retained earnings were logged because it

was the only variable that has figures upto millions. It was logged to compress the values in order to arrive at an improved regression result.

Data Analysis

Data analysis depicts how the data collected for each of the companies are analyzed with diverse analytical tools.

Descriptive Analysis (Normality Test)

Table 3: Description of the Characteristics of the Variables under Study for the pooled data of the selected companies

	LRE	DPS	SP	ROA
Skewness	0.155384	1.781946	0.231661	0.436464
Kurtosis	2.032302	5.280817	2.065240	1.987153
Jarque-Bera	0.860848	14.91955	0.907037	1.489885
Probability	0.650233	0.000576	0.635388	0.474762
Observations	20	20	20	20

Source: Computation from Eview 9.0

Table 3 showed that the descriptive statistics was measured with the aid of normality test which comprises skewness, kurtosis and Jarque-Bera Statistics.

The table showed that all the variables were positively skewed. Dividends per share was leptokurtic as its kurtosis value being 5.280817 was more than three while log of retained earnings, share price and return on assets with values 2.032302, 2.065240 and 1.987153 respectively were platykurtic as their kurtosis values were less than three (3).

The normality test adopted Jarque-Bera test for normality. It measures the difference of the skewness and kurtosis

of the series with those with normal distribution. From Table 4, the Jarque-Bera for log of retained earnings, dividend per share, share price and return on assets were 0.860848, 14.91955, 0.907037 and 1.489885 respectively while the corresponding probability values are 0.650233, 0.000576, 0.635388 and 0.474762 respectively. The assumption of normality is rejected by the JB statistics, as well as the kurtosis and skewness figures. This, however, does

not affect the goodness of the data for the estimation in this study as this is a preliminary test as the data will be

subjected to other advanced estimation techniques.

Unit Root Test

This test tries to examine the property of the variables. It is used to check for the presence of a unit root i.e. whether the variables are stationary. This test is carried out using the Augmented Dickey

Fuller (ADF) test. The ADF is carried out using E-views software package and the results from the test are tabulated below:

Table 4 Pooled Unit Root Test for the selected companies under study

Variable	LLC		IPS		ADF - FISHER		PP - FISHER	
	Test Stat.	Order of integration	Test Stat.	Order of integration	Test Stat.	Order of integration	Test Stat.	Order of integration
LRE	-5.95 (0.0000 < 0.05)	I(1)	-2.57 (0.0051 < 0.05)	I(1)	14.80 (0.0051 < 0.05)	I(1)	12.28 (0.0154 < 0.05)	I(1)
DPS	-5.33 (0.0000 < 0.05)	I(1)	-2.29 (0.0109 < 0.05)	I(1)	14.19 (0.0067 < 0.05)	I(1)	33.20 (0.0000 < 0.05)	I(1)
SP	-5.01 (0.0000 < 0.05)	I(2)	-	-	24.46 (0.0001 < 0.05)	I(2)	31.01 (0.0000 < 0.05)	I(2)
ROA	-4.24 (0.0000 < 0.05)	I(1)	-	-	-16.92 (0.0020 < 0.05)	I(1)	32.37 (0.0000 < 0.05)	I(1)

Source: Author's Compilation from Eviews 9

LLC = Levin, Lin and Chu Test

IPS = Im, Pesaran and Shin W - Stat

ADF FISHER = Augmented Dickey Fuller

Fisher Chi - Square Test

PP FISHER = Philip Peron Fisher Chi - Square Test

Table 4 shows that log of retained earnings, dividend per share and returned on assets are stationary at first

difference I(1) while share price is stationary at second difference I(2).

TEST OF HYPOTHESIS

Hypothesis One:

Dividend per share does not have significant effect on the return on assets of pharmaceutical companies in Nigeria.

Step 2:

Table 5: Test of Hypothesis One

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.633032	0.796991	2.048995	0.0572
DPS	0.041043	0.022517	4.822753	0.0371

Source: Auhtor's E-View 9.0 Output, 2017

Step 2: Decision Rule

Reject the null hypothesis if the t - statistics is greater than 2.5 and the P-value is less than 5%.

Step 3: Decision

Given that the t-statistics of DPS being 4.822753 is greater than 2.5 while the P-

value being 0.0371 is less than 5%, we reject the null hypothesis.

Step 4: Conclusion

We therefore conclude that dividend per share has significant effect on the return on assets of pharmaceutical companies in Nigeria.

Hypothesis Two

Retained earnings do not have positive and significant effect on return on Step 2:

assets of pharmaceutical companies in Nigeria.

Table 6: Test of Hypothesis One

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.633032	0.796991	2.048995	0.0572
LRE	0.083621	0.062943	3.328507	0.0026

Source: Auhtor's E-View 9.0 Output, 2017.

Step 2: Decision Rule

Reject the null hypothesis if the t - statistics is greater than 2.5 and the P-value is less than 5%.

Step 3: Decision

Given that the t-statistics of LRE being 3.328507 is greater than 2.5 while the P-value being 0.0026 is less than 5%, we reject the null hypothesis.

Step 4: Conclusion

We therefore conclude that retained earnings have positive and significant effect on return on assets of pharmaceutical companies in Nigeria.

Hypothesis Three

Share price does not have a positive and significant effect on the return on assets of pharmaceutical companies in Nigeria.

Step 2:

Table 7: Test of Hypothesis One

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.633032	0.796991	2.048995	0.0572
SP	0.003145	0.004489	2.700486	0.0237

Source: Auhtor's E-View 9.0 Output, 2017

Step 2: Decision Rule

Reject the null hypothesis if the t - statistics is greater than 2.5 and the P-value is less than 5%.

Step 3: Decision

Given that the t-statistics of SP being 2.700486 is greater than 2.5 while the P-

value being 0.0237 is less than 5%, we reject the null hypothesis.

Step 4: Conclusion

We therefore conclude that share price has a positive and significant effect on the return on assets of pharmaceutical companies in Nigeria.

DISCUSSION OF RESULT

The study discovered that log of retained earnings, dividend per share and returned on assets are stationary at first difference I(1) while share price is stationary at second difference I(2).

The study also discovered that dividend per share has significant effect on the return on assets of pharmaceutical companies in Nigeria based on the premise that the t-statistics of DPS being 4.822753 is greater than 2.5 while the P-value being 0.0371 is less than 5%.

The study discovered that retained earnings has positive and significant

effect on return on assets of pharmaceutical companies in Nigeria because t-statistics of LRE being 3.328507 is greater than 2.5 while the P-value being 0.0026 is less than 5%. Finally, it was discovered that share price has a positive and significant effect on the return on assets of pharmaceutical companies in Nigeria as the t-statistics of SP being 2.700486 is greater than 2.5 while the P- value being 0.0237 is less than 5%.

SUMMARY OF FINDINGS

The following findings were made by the study:

1. Dividend per share has significant effect on the return on assets of pharmaceutical companies in Nigeria.
2. Retained earnings have positive and significant effect on return

on assets of pharmaceutical companies in Nigeria.

3. Share price has a positive and significant effect on the return on assets of pharmaceutical companies in Nigeria.

CONCLUSION

Dividend has been adjudged to be the catalyst for the financial performance of firms/companies. The issue of dividend payout is a very important one in the current business environment and more especially on the performance evaluation of firms/companies. Dividend payout is the regulations and guidelines that a company uses to decide whether to make dividend

payments to shareholders or not. The dividend payment decisions of firms are the primary element of any corporate policy which is basically the benefit of shareholders in return for investing their money in the organization. These factors include financing limitations, investment chances and choices, firm size, pressure from shareholders and regulatory regimes.

RECOMMENDATIONS

The following recommendations are made for the study:

1) Adoption of a dividend policy by the pharmaceutical companies particularly in Nigeria should be strictly considered based on the unique circumstances of the companies and not necessarily based on age long traditional factors often formulated by academics. This is essential in order to maintain a steady and reasonable policy.

2) Due to the susceptibility of the companies' profitability to economic changes in the country, it is unrealistic to seek to formulate a dividend policy that follows a constant payout.

However, a low, reasonable and realistic policy should be adopted.

3) Hence differential taxation of dividend might affect the equilibrium assets price, rational investors should be interested in the profit after tax of the firms.

4) Consideration should be given to the needs and expectation of the shareholders in streamlining a dividend policy. When shareholders are akin to tax saving or minimizing tax liability, it is reasonable to consider policies that allows for tax savings such as scrip dividends.

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APPENDIX
Pharma-Deko Plc

YR	NI	TA	RE	EPS	SP	ROA = NI / TA
2007	177614	901461	946341	1.71	42.1	0.197029045
2008	201457	894671	746514	2.08	39.9	0.225174394
2009	198461	919804	837942	4.86	39	0.215764445
2010	219674	2457143	1299439	4.66	46.1	0.089402204
2011	303181	2569436	1534054	0.16	46.97	0.117995155
2012	225994	2782811	776994	7.45	46.5	0.081210689
2013	319496	477872	294361	1.21	44.7	0.668580708
2014	461726	838643	317607	1.01	49.1	0.550563231
2015	595327	2570082	262095	1	53.7	0.231637356
2016	350403	2115784	119280	2.65	58.1	0.165613787

Source: Financial Statement of Pharma-Deko Plc
Neimeth International Pharmaceuticals Plc

YR	NI	TA	RE	EPS	SP	ROA
2007	895758	1935557	185691	0.18	32.91	0.462791
2008	914607	1817664	361710	0.15	32.01	0.503177
2009	1018364	1763386	149061	0.55	33.44	0.577505
2010	881317	1711240	201974	0.15	31.6	0.151017
2011	1617221	2091611	374067	0.21	39.71	0.773194
2012	1343019	2261429	207613	0.33	45.4	0.593881
2013	1057297	2891079	261165	0.1	42.66	0.36571
2014	773125	2782488	489700	0.15	59.71	0.277054
2015	684666	2200243	591601	0.21	57.61	0.311177
2016	1225057	2688730	531742	0.4	61.33	0.455627

Source: Financial Statement of Neimeth International Pharmaceuticals Plc
Juli Plc

YR	NI	TA	RE	EPS	SP	ROA
2007	5971	10891	49813	1.33	28.9	0.54
2008	8099	11889	51624	2.91	34.67	0.68
2009	11501	21866	58071	3.09	30.1	0.52
2010	10817	37109	71784	2.11	36.4	0.29
2011	8661	31861	92511	1.7	40.4	0.27
2012	14782	39866	110222	4.12	42.17	0.37
2013	16981	41901	134156	3.09	49.7	0.4
2014	25678	40865	140578	2.09	53	0.62
2015	22119	49779	151032	2	59	0.44
2016	30668	55816	188293	1.56	64	0.54

Source: Financial Statement of Juli Plc

Pooled Data of Neimeth International Pharmaceutical Company, Pharma-Deko Plc and Juli Plc

	RE	DPS	SP	ROA
NEIMETH - 07	185691	0.18	32.91	0.462791
NEIMETH - 08	361710	0.15	32.01	0.503177
NEIMETH - 09	149061	0.55	33.44	0.577505
NEIMETH - 10	201974	0.15	31.60	0.151017
NEIMETH - 11	374067	0.21	39.71	0.773194
NEIMETH - 12	207613	0.33	45.40	0.593881
NEIMETH - 13	261165	0.10	42.66	0.365710
NEIMETH - 14	489700	0.15	59.71	0.277054
NEIMETH - 15	591601	0.21	57.61	0.311177
NEIMETH - 16	531742	0.40	61.33	0.455627
PDEKO - 07	946341	1.71	42.10	0.197029
PDEKO - 08	746514	2.08	39.90	0.225174
PDEKO - 09	837942	4.86	39.00	0.215764
PDEKO - 10	1299439	4.66	46.10	0.089402
PDEKO - 11	1534054	0.16	46.97	0.117995
PDEKO - 12	776994	7.45	46.50	0.081211
PDEKO - 13	294361	1.21	44.70	0.668581
PDEKO - 14	317607	1.01	49.10	0.550563
PDEKO - 15	262095	1.00	53.70	0.231637
PDEKO - 16	119280	2.65	58.10	0.165614
JULI - 07	49813	1.33	28.90	0.540000
JULI - 08	51624	2.91	34.67	0.680000
JULI - 09	58071	3.09	30.10	0.520000
JULI - 10	71784	2.11	36.40	0.290000
JULI - 11	92511	1.70	40.40	0.270000
JULI - 12	110222	4.12	42.17	0.370000
JULI - 13	134156	3.09	49.70	0.400000
JULI - 14	140578	2.09	53.00	0.620000
JULI - 15	151032	2.00	59.00	0.440000
JULI - 16	188293	1.56	64.00	0.540000

Dependent Variable: ROA				
Method: Panel Least Squares				
Date: 08/01/18 Time: 18:31				
Sample: 2007 2016				
Periods included: 10				
Cross-sections included: 2				
Total panel (balanced) observations: 20				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.633032	0.796991	2.048995	0.0572
LRE	0.083621	0.062943	3.328507	0.0026
DPS	0.041043	0.022517	4.822753	0.0371
SP	0.003145	0.004489	2.700486	0.0237
R-squared	0.371681	Mean dependent var		0.350705
Adjusted R-squared	0.253871	S.D. dependent var		0.208383
S.E. of regression	0.179998	Akaike info criterion		-0.414880
Sum squared resid	0.518391	Schwarz criterion		-0.215734
Log likelihood	8.148803	Hannan-Quinn criter.		-0.376005
F-statistic	3.154919	Durbin-Watson stat		2.146057
Prob(F-statistic)	0.053759			