

THE DIVIDEND DECISION

Consideration of shareholders

- What is the reason for your shareholder has a share in your company.
- What dividend expectation does your shareholders have

Growth Aspect

- Dividend payments reduce cash available for capital growth.
- Increased dividend could lead to increased demand for shares

Substitutes to dividends

- Rights Issues - Does not dilute shareholding but increases shareholders shares.

Top Tip

- Consider strategy
- Consider access to financing
- Consider impact on shareholders
- Consider precedent