International Conference on Science, Engineering & Management Trends

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752

# Corporate Valuation Based on Dividend Policy in the FMCG Sector: A Review of Predictive Analytics Approaches

**Jyoti Wadhwani[1], Dr. Uttam Kumar Jha[2]**
[1]Research Scholar, [2]Associate Professor
[1,2]Department of Management, Dr. A. P. J. Abdul Kalam University, Indore, India

**Abstract- Corporate valuation is central to financial management and investment analysis, and it is especially consequential in the Fast-Moving Consumer Goods (FMCG) sector, where stable demand, recurring cash flows and sustained investor confidence make firm value highly sensitive to distribution decisions. Dividend policy is repeatedly identified in the literature as a determinant of shareholder wealth, stock price behaviour, profitability signalling and investment attractiveness, yet the evidence remains fragmented across variables, markets and estimation methods. This paper presents a structured review of contemporary research on the dividend policy-corporate valuation relationship and on the emerging use of predictive analytics in valuation modelling. Twelve recent primary studies published between 2025 and 2026 were identified, screened and classified into four themes: dividend policy and corporate financial performance; dividend policy, stock market behaviour and investor response; capital structure, ownership and governance effects; and ESG, macroeconomic and analytics-driven valuation. Each study is compared on context, the structural role assigned to dividend policy, reported findings and methodological limitations. The synthesis shows that dividend policy operates in three distinct structural roles across the literature-as a direct determinant, as a moderator and as a mediator-and that this inconsistency is a substantive source of conflicting results. It further shows that the reviewed studies rely almost exclusively on conventional regression and structural equation techniques, that ESG and macroeconomic variables are treated in isolation, and that the FMCG sector itself is under-examined despite its dividend-intensive profile. Drawing on these findings, the review derives seven research gaps and proposes an integrated conceptual framework in which financial performance, capital structure, ownership, market and ESG determinants feed a dividend policy core, which in turn feeds a predictive analytics layer combining regression, machine learning, time-series forecasting and explainable AI to generate valuation forecasts and decision-support outputs. The framework is offered as a research agenda rather than an estimated model, and the review concludes with prioritised directions for its empirical validation.**

**Keywords- Corporate valuation; dividend policy; predictive analytics; FMCG sector; firm value; financial performance; stock market behaviour; ESG; literature review; investment planning.**

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752

# I. INTRODUCTION

Corporate valuation occupies a central position in financial management, investment analysis, strategic planning and shareholder wealth maximisation. In highly competitive industries such as the Fast-Moving Consumer Goods (FMCG) sector, accurate valuation is essential for investors, financial analysts and corporate managers seeking to evaluate business performance, market position and long-term growth potential. Valuation outcomes are shaped by a combination of financial and non-financial factors, including profitability, liquidity, capital structure, prevailing market conditions, corporate governance quality and, critically, dividend policy.

Dividend policy has long been regarded as a key determinant of firm value and investor confidence. Dividend decisions influence shareholder returns, stock price behaviour, market perception and perceived financial stability. Firms that maintain stable and consistent distributions are commonly interpreted by the market as financially robust organisations capable of generating sustainable profits, which makes dividend policy a strategic financial mechanism for improving valuation and attracting long-horizon investors rather than a purely residual financing outcome.

The FMCG sector is a particularly informative setting for examining this relationship. FMCG firms typically operate with comparatively stable demand patterns, continuous operating cash flows, strong brand equity and intense competitive pressure. Investors frequently assess FMCG companies on dividend consistency, profitability performance and long-term financial sustainability rather than on speculative growth alone. Understanding how dividend policy translates into valuation outcomes in this sector therefore carries direct significance for both financial management practice and portfolio construction.

In parallel, advances in predictive analytics, machine learning and financial intelligence systems have begun to reshape traditional valuation approaches into data-driven decision-support frameworks. Predictive financial models that combine profitability indicators, liquidity ratios, stock market behaviour, ownership structure, ESG variables and dividend payout patterns are increasingly used to forecast firm value and to optimise investment decisions. Regression models, machine learning algorithms, forecasting systems and time-series methods allow analysts to work with large-scale financial datasets and to identify non-obvious relationships among variables that influence valuation.

Despite this progress, the two literatures have developed largely in parallel. Studies of dividend policy remain dominated by conventional statistical estimation on single-country samples, while studies of predictive analytics in finance rarely position dividend policy as a structural construct. The result is a body of evidence that is individually rigorous but collectively fragmented, and that offers limited guidance for building an integrated valuation model for a dividend-intensive sector such as FMCG.

### 1. Objectives of the Review

This review is guided by four objectives:

- to consolidate recent empirical evidence on the relationship between dividend policy and corporate valuation, and to make explicit the structural role assigned to dividend policy in each study;
- to classify the reviewed literature into coherent themes covering financial performance, stock market behaviour, capital structure and ownership, and ESG and macroeconomic influences;
- to assess the extent to which predictive analytics techniques have been adopted within dividend-based valuation research; and
- to identify the resulting research gaps and to derive an integrated conceptual framework and research agenda for the FMCG sector.

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752

**2. Review Questions**

The objectives above are addressed through four review questions. RQ1: What structural roles are assigned to dividend policy in recent corporate valuation research, and how consistent are the reported effects? RQ2: Through which channels-financial performance, market behaviour, capital structure, ownership or ESG-does dividend policy influence firm value? RQ3: To what extent do existing studies employ predictive analytics rather than conventional inferential statistics? RQ4: What gaps remain for an integrated, sector-specific valuation framework for FMCG firms?

**3. Contributions of this Review**

This paper makes four contributions. First, it provides a thematic consolidation of recent dividend policy and valuation research published in 2025 and 2026, a period in which the ESG and analytics dimensions of the debate expanded rapidly. Second, it introduces a comparison of studies by the structural position assigned to dividend policy-direct, moderating or mediating-and demonstrates that this design choice materially affects reported conclusions, which is a source of apparent contradiction that narrative reviews often overlook. Third, it evaluates the methodological maturity of the field with respect to predictive modelling and shows that the analytics turn described in the broader finance literature has not yet reached dividend-based valuation research. Fourth, it derives an integrated conceptual framework linking determinants, the dividend policy core, a predictive analytics layer and decision-support outputs, and sets out a prioritised agenda for empirically validating that framework in the FMCG context.

**4. Organisation of the Paper**

The remainder of the paper is organised as follows. Section 2 describes the review methodology, including the search approach, inclusion and exclusion criteria and thematic classification procedure. Section 3 outlines the theoretical background on dividend policy and corporate valuation. Section 4 presents the thematic review of the selected studies. Section 5 provides a comparative analysis across the review corpus. Section 6 sets out the identified research gaps. Section 7 discusses the implications of the synthesis and presents the proposed integrated framework. Section 8 concludes, and Section 9 details future research directions.

## II. REVIEW METHODOLOGY

This review follows a structured, protocol-driven procedure adapted from established systematic review practice in management and finance research. The procedure is organised in six stages: scope definition, literature identification, screening, eligibility assessment, thematic classification, and synthesis with gap analysis. The stages are summarised in Figure 1.

Figure 1 outlines the sequence through which the review corpus was assembled and analysed. Scope definition fixed the conceptual boundary of the review to studies linking dividend policy with firm value, financial performance or market response, with an explicit interest in sector-level relevance to FMCG and consumer non-cyclical firms. Literature identification then drew on peer-reviewed and indexed journal sources using combinations of the search terms dividend policy, dividend payout, firm value, corporate valuation, financial performance, stock price volatility, capital structure, ESG and predictive analytics. Screening applied the criteria in Table 1 at the title, abstract and keyword level, after which full texts were assessed for eligibility on the basis of methodological transparency, variable coverage and valuation orientation.

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752

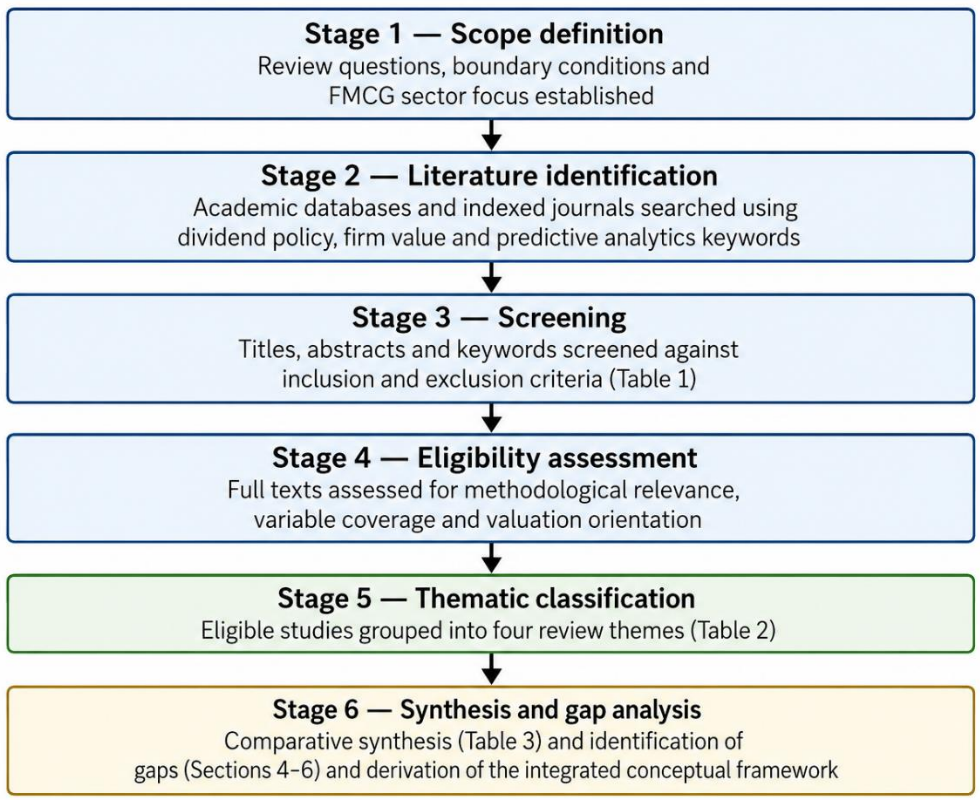


Figure 1: Review protocol and study selection procedure

### 1. Inclusion and Exclusion Criteria

Explicit criteria were applied to keep the corpus focused and contemporary. These are set out in Table 1.

Table 1: Inclusion and exclusion criteria applied during screening

| Criterion | Included | Excluded |
|---|---|---|
| Publication period | Studies published in 2025 and 2026, capturing the most recent evidence | Older studies, retained only as theoretical background in Section 3 |
| Thematic focus | Dividend policy examined in relation to firm value, financial performance, stock returns or volatility | Studies on dividend taxation, payout mechanics or announcement microstructure alone |
| Study type | Empirical studies and systematic reviews with a stated method and variable set | Editorials, opinion pieces and non-peer-reviewed commentary |
| Sector relevance | Consumer goods, manufacturing, non-cyclical, financial, mining and IT sectors offering transferable insight to FMCG | Studies confined to contexts with no transferable valuation logic |
| Construct clarity | Studies in which the structural role of dividend policy is identifiable as direct, moderating or mediating | Studies where dividend policy is mentioned only descriptively |
| Language | Publications available in English | Publications without an accessible English full text |

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752

**2. Thematic Classification**

Eligible studies were classified into four themes derived inductively from their dependent and moderating variables. The classification is reported in Table 2 and structures the review presented in Section 4. Several studies contribute to more than one theme; each was assigned to the theme corresponding to its primary dependent construct.

Table 2: Thematic classification of the review corpus

| Theme | Analytical focus | Representative studies | Studies |
|---|---|---|---|
| T1. Dividend policy and corporate financial performance | Effect of payout decisions on profitability, financial stability and firm value | Lestari et al.; Yadav & Saxena; Januar et al.; Awotkay et al.; Azzahra et al. | 5 |
| T2. Stock market behaviour and investor response | Effect on stock returns, share price volatility and investor confidence | Kharimah & Yuliati; Kohi; Giovani | 3 |
| T3. Capital structure, ownership and governance | Interaction of payout with leverage, debt policy and ownership concentration | Sinurat et al.; Halim & Alsadan; Budiwati | 3 |
| T4. ESG, macroeconomic factors and analytics | Sustainability performance, inflation and analytics-oriented valuation | Adri; Giovani; Budiwati | 3 |

## III. THEORETICAL BACKGROUND

Interpreting the empirical evidence reviewed in Section 4 requires a brief restatement of the competing theoretical positions that underpin the dividend policy debate, and of the valuation models against which firm value is measured.

**1. Competing Perspectives on Dividend Relevance**

The dividend irrelevance position holds that, under idealised capital market assumptions of no taxes, no transaction costs and symmetric information, firm value is determined by investment and earning capacity rather than by the division of earnings between retention and distribution. Relaxing those assumptions produces the alternative positions that dominate applied research. The bird-in-the-hand perspective argues that investors attach a higher certainty-equivalent value to current distributions than to uncertain future capital gains, implying a positive valuation effect of payout. Signalling theory treats dividend announcements as a costly and therefore credible transmission of management's private information about sustainable earnings, which explains why stable payout is associated with reduced valuation uncertainty. Agency theory frames distributions as a discipline on free cash flow that limits managerial discretion and reduces monitoring costs, particularly in firms with concentrated ownership. Catering theory adds that managers respond to time-varying investor demand for dividend-paying stocks, which introduces a market-sentiment channel.

These perspectives are not mutually exclusive, and much of the apparent inconsistency in reported results reflects which mechanism a given research design is positioned to detect. The distinction matters directly for this review: a study specifying dividend policy as a direct determinant is implicitly testing the bird-in-the-hand or signalling channel, whereas one specifying it as a moderator is testing whether payout conditions the strength of another relationship, and one specifying it as a mediator is testing whether payout transmits an underlying profitability effect.

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752

### 2. Valuation Models and Their Data Requirements

Three families of valuation model recur in the literature. Dividend discount models value equity as the present value of expected distributions and therefore make dividend policy structurally central, but they are sensitive to growth and discount rate assumptions. Discounted cash flow models value the firm from projected free cash flows and treat payout as a financing consequence rather than a value driver, which makes them theoretically closer to the irrelevance position. Relative valuation approaches based on market multiples such as price-to-earnings, price-to-book and Tobin's Q are the most widely used in the reviewed empirical work, because they are directly observable and can serve as a dependent variable in regression designs.

Each family imposes different data requirements, and this has methodological consequences for the analytics turn discussed later. Multiples-based designs are convenient for hypothesis testing but compress a great deal of firm-specific information into a single ratio, which limits the incremental value of applying flexible machine learning estimators to them. Cash-flow and dividend-based approaches offer richer temporal structure and are better suited to time-series and sequence-modelling techniques, but they require longer and cleaner panels than most single-country studies assemble.

## IV. THEMATIC REVIEW OF THE LITERATURE

Corporate valuation and dividend policy have long been recognised as significant areas in financial management and investment research. Recent studies increasingly emphasise the integration of financial analytics, profitability indicators, capital structure variables and ownership structure into valuation assessment. This section reviews the corpus by theme.

### 1. Dividend Policy and Corporate Financial Performance

Dividend policy has been widely studied as a factor influencing corporate financial performance and firm value. Lestari et al. (2026) examined the joint relationship between investment decisions, financing decisions and dividend policy on financial performance. Their findings indicate that dividend policy contributes to improving financial stability and corporate profitability by influencing investor perception and capital allocation strategies, positioning payout as one component of an interdependent set of corporate financial decisions rather than as an isolated choice.

Yadav and Saxena (2025) analysed long-term perspectives on dividend policies within India's information technology sector and emphasised that stable dividend policies strengthen shareholder confidence and positively affect long-term corporate valuation. Their study highlights the importance of consistency in distribution for maintaining investor trust, a finding with clear transferability to FMCG firms whose investor base is similarly oriented towards predictable returns.

Januar et al. (2026) investigated the moderating role of dividend policy in the relationship between capital structure, profitability and firm value. Their research demonstrates that dividend policy strengthens the positive effect of profitability on valuation and supports sustainable financial performance. Awotkay, Richard and Yulianti (2026) approached the same underlying relationship from a different structural angle, examining the mediating role of dividend policy between profitability and firm value in the mining sector, and reported that distribution acts as a transmission mechanism through which profitability is converted into valuation gains.

Azzahra, Elfiswandi and Lusiana (2025) examined the influence of capital structure, profitability and liquidity on firm value using dividend policy as an intervening variable, and found that financially stable firms with strong dividend policies tend to achieve higher corporate valuation and improved shareholder wealth. Taken together, these five studies establish a consistent directional result-payout is associated with stronger valuation-while differing sharply in the structural role they assign to the payout construct. Januar et al. treat it as a moderator, Awotkay et al. and Azzahra et al. as a mediator or intervening variable, and Lestari et al. as one of several parallel determinants. Because these specifications are not statistically equivalent, the apparent convergence of findings is weaker than it first appears, and effect magnitudes are not directly comparable across the group.

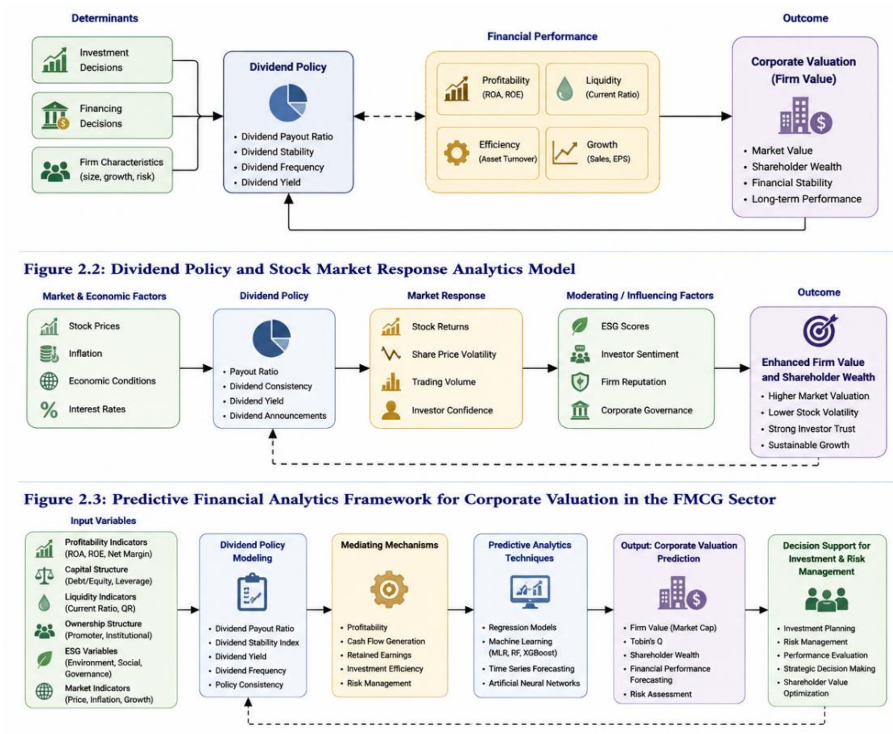


Figure 2: Dividend policy and financial performance framework for corporate valuation

Figure 2 illustrates the relationships among dividend policy, investment decisions, financing decisions, profitability, liquidity and corporate financial performance as they are represented across the studies in this theme. The framework shows how distribution strategies are hypothesised to influence firm value, shareholder wealth, financial stability and long-term valuation, and highlights the interaction between profitability and dividend policy in shaping organisational financial performance.

**2. Dividend Policy, Stock Market Behaviour and Investor Response**

A second stream of research examines the market-facing consequences of payout decisions. Kharimah and Yuliati (2026) analysed the moderating role of dividend policy on the relationship between financial indicators and stock returns in the Indonesian financial sector, and found that dividend policy enhances market confidence and influences the stability of returns under varying financial conditions.

Kohi (2026) investigated the effects of dividend policy on share price volatility in selected emerging capital markets, and reported that firms with stable and consistent policies experience lower volatility and improved investor confidence. This result is significant for the present review because it identifies a risk-reduction channel that is distinct from the valuation-enhancement channel documented in Section 4.1: payout stability appears to compress the distribution of returns as well as shift its central tendency.

Giovani (2026) examined the impact of stock prices and inflation on stock returns with dividend policy as a moderating variable in the consumer non-cyclical sector. The findings indicate that dividend policy strengthens the relationship between macroeconomic variables and stock performance, particularly in sectors characterised by stable consumer demand. Given the proximity of the consumer non-cyclical classification to FMCG, this is among the most directly transferable results in the corpus.

Collectively, this theme indicates that dividend policy influences market behaviour, investor confidence and volatility, and that stable distribution functions as a mechanism for reducing investment uncertainty. It is notable, however, that all three studies rely on moderation designs estimated on single-market samples, which limits inference about the persistence of these effects across market regimes.

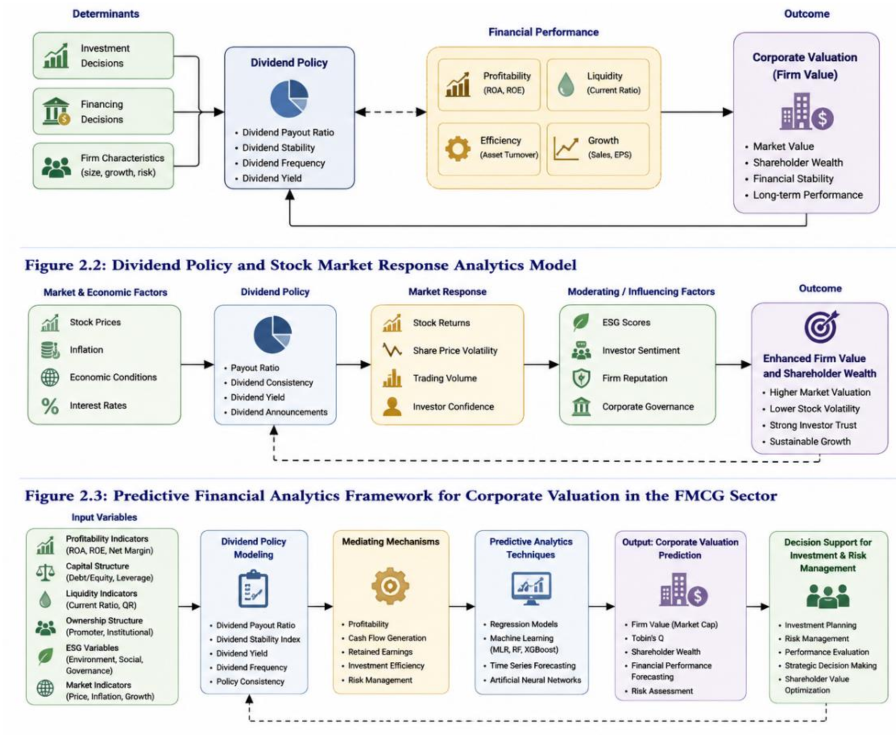


Figure 3: Dividend policy and stock market response analytics model

Figure 3 presents the market-response perspective, integrating dividend policy, stock returns, inflation, share price volatility, ESG scores and investor confidence into valuation analysis. The framework depicts how payout decisions moderate market behaviour, influence sentiment, reduce volatility and support shareholder value creation for firms operating in competitive capital markets.

**3. Capital Structure, Ownership and Governance**

The interaction between dividend policy, capital structure and ownership has attracted increasing attention. Sinurat et al. (2026) investigated the influence of ownership structure and debt policy on dividend policy with profitability as a mediating variable, and demonstrated that governance mechanisms, debt management and ownership concentration significantly affect distribution decisions and valuation outcomes. Their design is notable because it treats dividend policy as an outcome rather than a determinant, reversing the causal direction assumed in most of the corpus.

Halim and Alsadan (2026) analysed the effects of dividend policy on capital structure among GCC companies and emphasised that distribution decisions directly influence financing strategies, debt allocation and valuation performance in emerging financial markets. Read alongside Sinurat et al., this pairing exposes a bidirectional relationship between payout and financing structure that single-equation designs cannot easily accommodate, and that constitutes an endogeneity concern running through much of the reviewed evidence.

Budiwati (2026) conducted a systematic literature review of dividend policy and identified the major determinants influencing distribution decisions, firm value, investor behaviour and future research directions. That review highlights the growing importance of integrating predictive financial analytics, governance variables and market indicators into dividend evaluation frameworks, and provides external corroboration for the analytics gap identified in the present study.

**4. ESG, Macroeconomic Factors and Analytics-Oriented Valuation**

The most recent stream extends the debate into sustainability and macroeconomic territory. Adri (2026) explored the relationship between ESG scores and share price volatility with dividend policy as a moderating factor in the Indonesian capital market, and found that dividend-paying firms with strong ESG performance experience lower volatility and improved market valuation. This indicates that sustainability performance and distribution policy are complementary rather than competing signals of financial discipline.

Giovani (2026) contributes to this theme through the inflation channel, showing that macroeconomic conditions condition the payout-return relationship. Budiwati (2026) contributes the methodological argument that valuation frameworks should incorporate a broader determinant set than conventional models allow.

Beyond these studies, the wider financial analytics literature has moved towards predictive modelling for valuation and investment analysis, with intelligent systems integrating profitability indicators, liquidity ratios, capital structure variables, market performance and payout patterns. However, within the reviewed corpus this movement is present as recommendation rather than as implementation: no study in the corpus estimates a machine learning, ensemble or time-series forecasting model, and none reports out-of-sample predictive accuracy. The field remains explanatory in orientation, testing whether relationships exist, rather than predictive, testing whether valuation outcomes can be forecast.

Despite substantial progress, the literature therefore still lacks a comprehensive predictive framework integrating dividend policy, financial performance indicators, capital structure, ownership structure, ESG variables and market behaviour into a unified valuation model for the FMCG sector.

## V. COMPARATIVE ANALYSIS OF THE REVIEWED STUDIES

Table 3 compares the twelve studies on four dimensions: research context, the structural role assigned to dividend policy, the principal reported finding, and the limitation each carries with respect to predictive valuation modelling. The limitation column reflects the assessment of the present review rather than statements made by the original authors.

Table 3: Comparative synthesis of the review corpus

| Study | Context / sector | Role of dividend policy | Principal reported finding | Limitation for predictive valuation |
|---|---|---|---|---|
| Lestari et al. (2026) | General corporate finance | Direct determinant | Payout improves financial stability and profitability alongside investment and financing decisions | Conventional estimation; no forecasting or out-of-sample validation |
| Yadav & Saxena (2025) | IT sector, India | Direct determinant | Stable payout strengthens shareholder confidence and long-term valuation | Sector-specific; growth-oriented IT context differs from FMCG payout profile |

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752

| Study | Context / sector | Role of dividend policy | Principal reported finding | Limitation for predictive valuation |
|---|---|---|---|---|
| Januar et al. (2026) | Listed firms, Indonesia | Moderator | Payout strengthens the positive effect of profitability on firm value | Single-market sample; moderation design not comparable with mediation results |
| Kharimah & Yuliati (2026) | Financial sector, Indonesia | Moderator | Payout enhances market confidence and stabilises stock returns | Financial sector balance-sheet structure limits transferability to FMCG |
| Kohi (2026) | Emerging capital markets | Direct determinant | Stable payout is associated with lower share price volatility | Volatility treated as outcome; no integration with firm value estimation |
| Awotkay et al. (2026) | Mining sector, Indonesia | Mediator | Payout transmits profitability effects into firm value | Cyclical, capital-intensive sector; payout behaviour unlike FMCG |
| Budiwati (2026) | Systematic review | Review construct | Consolidates determinants and calls for analytics-based evaluation | Synthesis only; no empirical model or validation |
| Giovani (2026) | Consumer non-cyclical, Indonesia | Moderator | Payout strengthens the link between macro variables and stock returns | Limited macro variable set; single-country and single-period design |
| Sinurat et al. (2026) | Listed firms, Indonesia | Dependent variable | Ownership and debt policy shape payout through profitability | Reverses causal direction; contributes to endogeneity concerns |
| Azzahra et al. (2025) | Manufacturing, Indonesia | Intervening variable | Financially stable firms with strong payout achieve higher valuation | Intervening specification not equivalent to moderation designs |
| Halim & Alsadan (2026) | GCC companies | Direct determinant | Payout decisions influence financing strategy and debt allocation | Regional institutional setting; bidirectionality unaddressed |
| Adri (2026) | Capital market, Indonesia | Moderator | ESG strength combined with payout reduces volatility and improves valuation | Short observation window; ESG scores not integrated with valuation model |

**1. Patterns Across the Corpus**

Four patterns emerge from Table 3. First, geographic concentration is pronounced: seven of the twelve studies are drawn from the Indonesian capital market, with the remainder from India, the GCC and pooled emerging markets. Findings are therefore conditioned by a narrow set of institutional, tax and disclosure environments, and generalisation to other markets requires caution.

Second, the structural role assigned to dividend policy is inconsistent. Four studies specify it as a moderator, two as a mediator or intervening variable, four as a direct determinant, one as a dependent variable and one as a review construct. Since these specifications answer different questions, aggregating their results into a single directional claim would be methodologically unsound-a point that the descriptive convergence of findings tends to obscure.

Third, methodological homogeneity is high. The corpus relies on regression and structural equation techniques applied to relatively short panels. No study reports predictive performance metrics, crossvalidation or out-of-sample testing, which means the field currently offers explanatory associations rather than validated forecasting capability.

Fourth, sectoral coverage of FMCG is thin. Only Giovani (2026), through the consumer non-cyclical classification, and Azzahra et al. (2025), through manufacturing, approach the FMCG profile directly. Given the sector's distinctive combination of stable demand, high payout ratios and strong brand-based intangible value, this represents a substantive gap rather than a matter of incremental coverage.

## VI. IDENTIFIED RESEARCH GAPS

The comparative synthesis supports the identification of seven research gaps, summarised in Table 4 and elaborated below.

- Gap 1: Limited use of predictive analytics. Existing studies examine dividend policy and firm value primarily through traditional statistical approaches, giving limited attention to predictive modelling and intelligent financial techniques capable of generating forward-looking valuation estimates.
- Gap 2: Fragmented variable treatment. Dividend policy, profitability, capital structure and stock returns are typically investigated separately rather than integrated into a unified valuation framework capable of supporting strategic investment decisions in the FMCG sector.
- Gap 3: Inconsistent structural specification. Although dividend policy is widely recognised as a determinant of firm value, few studies examine its direct, moderating and mediating effects simultaneously within a single model, which prevents direct comparison of channel strength.
- Gap 4: Reliance on historical ratios. Many valuation models depend heavily on historical financial ratios and do not incorporate machine learning, forecasting systems or techniques capable of representing non-linear and interactive financial relationships.
- Gap 5: Isolated treatment of ESG and macroeconomic factors. ESG scores, share price volatility, inflation, investor sentiment and macroeconomic conditions are examined individually rather than jointly within dividend-based valuation frameworks for consumer goods firms.
- Gap 6: Insufficient FMCG-specific evidence. Most studies are drawn from other sectors or from emerging markets generally, without addressing the characteristics that distinguish FMCG firms: stable consumer demand, continuous cash flow, brand-driven intangible value and high dividend consistency.
- Gap 7: Absence of integrated decision support. Little research integrates predictive analytics, risk assessment, investment planning and shareholder wealth optimisation into a comprehensive valuation decision-support system with the interpretability and adaptability required for dynamic markets.

Table 4: Mapping of identified gaps to proposed research directions

| No. | Identified research gap | Corresponding research direction |
|---|---|---|
| G1 | Predictive analytics under-utilised in dividend-valuation research | Estimate and benchmark machine learning and ensemble models against conventional regression using out-of-sample accuracy |
| G2 | Determinants examined in isolation | Develop a unified multi-block model integrating performance, structure, ownership, market and ESG determinants |
| G3 | Structural role of payout specified inconsistently | Test direct, moderating and mediating channels simultaneously within a single structural model |
| G4 | Over-reliance on historical financial ratios | Incorporate time-series and sequence models capable of representing non-linear and lagged effects |
| G5 | ESG and macroeconomic variables treated separately | Embed ESG scores, inflation, interest rates and sentiment indicators as joint inputs to the valuation model |

| No. | Identified research gap | Corresponding research direction |
|---|---|---|
| G6 | FMCG sector under-represented | Construct multi-exchange FMCG panels and test cross-market stability of the estimated relationships |
| G7 | No integrated decision-support capability | Build interpretable dashboards linking valuation forecasts to dividend strategy, risk and investment planning |

## VII. DISCUSSION AND PROPOSED CONCEPTUAL FRAMEWORK

The synthesis indicates that the association between dividend policy and corporate valuation is empirically robust in direction but methodologically unsettled in structure. Recognising that the reviewed studies test different channels rather than producing conflicting estimates of the same effect reframes what an integrated framework must accomplish: it must accommodate direct, moderating and mediating pathways concurrently rather than selecting among them a priori.

A second implication concerns methodological maturity. The reviewed literature is explanatory rather than predictive. Establishing that a relationship exists is a different task from demonstrating that firm value can be forecast, and the absence of out-of-sample validation in the corpus means the practical value of existing findings for investment decision-making remains untested. Introducing predictive analytics is therefore not a technical refinement of current practice but a change in the evaluative standard applied to valuation research.

A third implication concerns endogeneity. The pairing of Sinurat et al. (2026), who model payout as an outcome of ownership and debt policy, with Halim and Alsadan (2026), who model capital structure as an outcome of payout, indicates a bidirectional relationship that single-equation designs cannot resolve. Any integrated framework must address this through simultaneous specification, instrumentation or a temporal design that separates cause from consequence.

### 1. The Proposed Integrated Framework

Drawing on these implications, Figure 4 presents an integrated conceptual framework for dividend-based predictive valuation in the FMCG sector. The framework is organised in four layers.

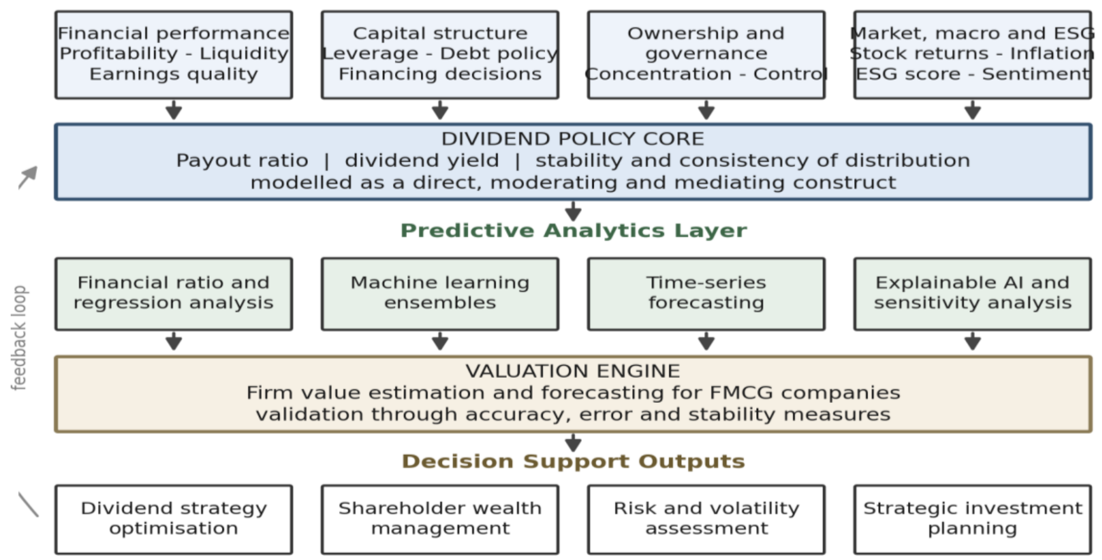


Figure 4: Integrated predictive analytics framework for dividend-based corporate valuation in the FMCG sector

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752

The determinant layer assembles the four blocks of explanatory variables identified across the review themes: financial performance indicators including profitability, liquidity and earnings quality; capital structure variables including leverage, debt policy and financing decisions; ownership and governance characteristics including concentration and control structure; and market, macroeconomic and ESG variables including stock returns, inflation, ESG scores and investor sentiment.

The dividend policy core positions payout ratio, dividend yield and distribution stability as a construct that can be specified simultaneously as a direct determinant, a moderator and a mediator. This design responds directly to Gap 3 and permits the relative strength of the three channels to be estimated within one model rather than inferred across incomparable studies.

The predictive analytics layer applies four complementary method families: financial ratio and regression analysis to preserve interpretability and comparability with existing literature; machine learning ensembles to capture non-linear interactions; time-series forecasting to represent temporal dependence in payout and valuation series; and explainable AI with sensitivity analysis to keep model behaviour transparent to financial decision-makers. Retaining the regression component is deliberate, since a framework that abandons interpretability would not be usable in a governance context where valuation judgements must be justified.

The valuation engine produces firm value estimates and forecasts, evaluated through accuracy, error and stability measures rather than explanatory fit alone. The decision-support layer translates these outputs into dividend strategy optimisation, shareholder wealth management, risk and volatility assessment and strategic investment planning, with a feedback path through which realised outcomes update the determinant layer.

**2. Limitations of this Review**

Three limitations should be acknowledged. First, the corpus of twelve studies is focused rather than exhaustive; a broader search would likely surface additional evidence, particularly from developed markets, and would strengthen claims about geographic concentration. Second, the review restricts its primary corpus to publications from 2025 and 2026 in order to capture the current state of the field, which necessarily excludes the foundational empirical literature summarised only in Section 3. Third, the limitations attributed to individual studies in Table 3 represent the analytical judgement of this review with respect to predictive valuation modelling, and are not deficiencies relative to those studies' own stated objectives.

## VIII. CONCLUSION

Corporate valuation has become increasingly important for financial planning, investment analysis and shareholder wealth maximisation in competitive industries such as FMCG, and dividend policy plays a significant role in shaping firm value, investor confidence, market stability and long-term financial sustainability. This paper reviewed twelve recent studies on the dividend policy-valuation relationship, classified them into four themes, and compared them on context, structural specification, findings and methodological limitations.

The review reaches three principal conclusions. First, the directional evidence is consistent: stable and well-managed distribution policies are associated with higher valuation, stronger investor confidence and lower share price volatility across sectors and markets. Second, this consistency conceals substantial structural heterogeneity, since studies variously specify dividend policy as a direct determinant, a moderator, a mediator and a dependent variable, and these designs are not statistically comparable. Third, the field remains explanatory rather than predictive: no reviewed study estimates a machine learning or forecasting model or reports out-of-sample accuracy, so the analytics transition described in the wider finance literature has not yet reached dividend-based valuation research.

On this basis the paper identified seven research gaps and derived an integrated conceptual framework linking a four-block determinant layer, a dividend policy core specified across three structural channels, a predictive analytics layer and a decision-support output layer. The framework is presented as a research agenda rather than an estimated model, and its contribution lies in specifying what an integrated FMCG valuation model would need to contain and how its components should be connected. For practice, the synthesis suggests that FMCG managers should treat distribution stability as a communication instrument affecting both valuation level and volatility, and that investors should interpret payout consistency jointly with ESG performance rather than as an independent signal. For research, the priority is to move from establishing associations to validating forecasts.

**Future Research Directions**

Future research can extend this review in several directions, presented here in order of priority.

- First, and most immediately, the proposed framework should be empirically validated using panel datasets of FMCG companies drawn from multiple domestic and international exchanges, with predictive accuracy assessed through out-of-sample testing rather than in-sample explanatory fit. Multi-exchange sampling addresses the geographic concentration identified in Section 5.1 as well as the sectoral gap.
- Second, the three structural channels through which dividend policy operates should be tested simultaneously within a single model so that their relative contributions can be estimated rather than inferred across incomparable study designs. Addressing the bidirectionality between payout and capital structure through simultaneous equations or instrumentation should be treated as part of this task.
- Third, advanced techniques including deep learning, ensemble methods, reinforcement learning and explainable AI should be benchmarked against conventional regression on the same data, so that any gain in predictive accuracy can be weighed explicitly against the loss of interpretability that financial governance contexts may not tolerate.
- Fourth, real-time market analytics, investor sentiment analysis, financial news mining and social media intelligence should be evaluated as supplementary inputs, with attention to whether they add incremental predictive value beyond fundamentals rather than being adopted on the assumption that they do.
- Fifth, broader macroeconomic and sustainability variables including inflation, interest rates, economic growth, ESG performance, climate-related risk and governance indicators should be incorporated jointly rather than individually, and their interaction with payout decisions examined across market regimes.
- Sixth, transparency and interpretability in predictive valuation systems should be advanced through interactive financial dashboards, explainable forecasting models and visual decision-support analytics that make model behaviour auditable to managers, analysts and regulators.
- Finally, longer-term work may develop enterprise-wide financial ecosystems integrating predictive valuation, risk management, portfolio optimisation, shareholder wealth analysis and automated investment recommendation into comprehensive financial management platforms for the FMCG sector.

## REFERENCES

1. Lestari, A. Y., Uddin, B., Judijanto, L., Supiyanto, Y., & Diana, D. (2026). The role of investment decisions, financing decisions, and dividend policy on financial performance. Jurnal Ilmiah Manajemen Kesatuan, 14(1), 1403-1414.

International Journal of Science, Engineering and Technology
ISSN: 2348-4098, P-ISSN: 2395-4752


2. Yadav, B., & Saxena, S. P. (2025). Long-term perspectives on dividend policies in India's information technology sector. Asian Journal of Managerial Science, 14(1), 41-47.
3. Januar, F., Purwidianti, W., Tubastuvi, N., & Widyaningtyas, D. (2026). Dividend policy in moderating the impact of capital structure and profitability on firm value. Jurnal Akademi Akuntansi, 9(1), 1-17.
4. Kharimah, W. N. U., & Yuliati, Y. (2026). Moderating role of dividend policy on the nexus between AIL, NPL, and stock returns in the Indonesian financial sector. Journal of Enterprise and Development (JED), 8(1), 84-97.
5. Kohi, A. (2026). The effects of dividend policy on share price volatility: Evidence from selected emerging capital markets. The Accountancy and Business Review, 18(1).
6. Awotkay, A. S., Richard, Y. F., & Yulianti, N. L. P. N. (2026). Testing the mediating role of dividend policy in the relationship between profitability and firm value in the mining sector listed on the Indonesia Stock Exchange (2020-2023). Jurnal Ilmiah Multidisiplin Indonesia (JIM-ID), 5(03), 729-742.
7. Budiwati, R. W. (2026, April). A comprehensive systematic literature review of dividend policy: Determinants, contexts, and future research directions. In 1st International Conference on Business, Economic, and Social Sustainability (ICOBES 2025) (pp. 54-70). Atlantis Press.
8. Giovani, A. (2026). The effect of stock prices and inflation on stock returns with dividend policy as a moderating variable: Empirical study of the consumer non-cyclical sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2024 period. Jurnal Penelitian Ekonomi Dan Akuntansi, 11(1).
9. Sinurat, B. G., Sianturi, J. A., Sipayung, S. M., & Napitupulu, M. A. (2026). Ownership structure and debt policy on dividend policy: The mediating role of profitability. Manajemen: Jurnal Ekonomi, 8(1), 243-252.
10. Azzahra, A., Elfiswandi, E., & Lusiana, L. (2025). The effect of capital structure, profitability and liquidity on company value with dividend policy as an intervening variable in manufacturing companies listed on the Indonesia Stock Exchange in the 2020-2024 period. Journal of Accounting and Finance Management, 6(4), 2151-2163.
11. Halim, Y., & Alsadan, A. (2026). The effects of dividend policy on capital structure: Evidence from GCC companies. Future Business Journal, 12(1), 125.
12. Adri, A. (2026). ESG score and stock price volatility: The moderating role of dividend policy in the Indonesian capital market (2023-2024). Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE), 9(1), 10145-10160.