

## Unraveling the Dividend Puzzle: Insights from the Global Oil & Gas Industry

A. García-Amate<sup>1\*</sup>, L. Molero-González<sup>2</sup>, A. Ramírez-Orellana<sup>3</sup>, J.E. Trinidad-Segovia<sup>2</sup>

<sup>1</sup> Department of Economics and Business, Public University of Navarra, 31006, Navarra, Spain

<sup>2</sup> Department of Economics and Business, University of Almería, 04120, Almería, Spain

<sup>3</sup> Department of Economics and Management, University of Alcalá, 28802, Alcalá de Henares, Madrid, Spain

### Abstract

This study analyzes the factors influencing dividend payout in the Oil & Gas (O&G) industry, examining differences sectors within it. The research includes 203 O&G companies over the period 2000-2022. Using a panel data model, statistical methods such as Ordinary Least Squares (OLS), random effects, logit, and probit are applied. Sectoral analysis and market shocks study provide added depth to the findings. Results indicate that Brent Oil Price has a significant impact on dividend payout ratio, and that market shocks tend to favor it. Variables such as leverage, liquidity, and profitability also emerge as significant factors. Companies in different sectors exhibit variations in their dividend policy and factors. With a global sample, an extended time frame, and variables not previously tested in the literature, this study aims to offer novel insights for a deeper understanding of dividend policy in the O&G industry. Understanding dividend policy is essential for investors and executives to make informed investment decisions. The findings suggest that independent O&G companies should be examined separately, opening avenues for future research.

**Keywords:** Dividend Payout Ratio, O&G Industry, Oil Price, Shocks