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Financial Strategies and Firm Value Among Listed Non-Financial Firms in Nigeria

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Research aim: The nexus between financial strategies and firm value is evident as firms pursue value maximisation through their strategic policies and decisions. However, achieving value maximisation is fraught with challenges relating to tax planning matters, dividend policy, and investment decisions, among others. Hence, this study examines how financial strategies impact firm value of listed non-financial firms in Nigeria.
Design/ Methodology/ Approach: This study adopts a longitudinal research design with stratified sampling. A total of 84 firms were sampled out of 104 listed non-financial firms. Data was extracted from these companies' annual reports and market data websites, and panel generalised least squares (GLS) was employed to analyse the data obtained after the preliminary analysis.
Research finding: The results of the analysis reveal that tax planning, investment decisions, dividend policy, and profitability positively impact the value of the Nigerian listed non-financial firms. Hence, the study concludes that financial strategies are critical levers for the value maximisation of these firms.
Theoretical contribution/Originality: This paper contributes to the literature by using shareholder value maximisation theory to show how a well-designed financial strategy can enhance shareholder value through market confidence, optimised resource allocation, risk management, dividend payment, and effective tax planning.
Practitioner/Policy implication: The practical implications of this study are that tax efficiency, effective operational cost management, and strategic investment decisions need to align with the firm-specific risk profile to maximise firm value. To policymakers, easy access to long-term financing and provision of tax breaks and other tax incentives should be encouraged to enable firms to optimise their financial strategies and ultimately firm value.
Research limitation: This paper encompasses non-financial firms in Nigeria spanning ten sectors. Future studies can conduct sectoral analysis and take industry-specific factors into consideration.

Keywords: Investment decision, Tax planning, Dividend policy, Financial strategies, Firm value
Type of article: Research paper
JEL Classification: G31, G32, H20, G35

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1. Introduction

Shareholder wealth is linked to firm value, as an enterprise's performance, both financial and non-financial, are vital to value maximisation. Hence, in the best interest of shareholders, firms consider it imperative to maximise the value of the firm, which will in turn attract more investors (Saputra & Setiawan, 2023). Given the nexus between firm and shareholder value, researchers now suggest that firm value should take corporate sustainability and other stakeholders into account (Husain et al., 2021). This has culminated in firms paying more attention to notable value-added factors, among which are corporate social responsibility (CSR), investment opportunities, capital structure, corporate governance issues, and profitability (Wijaya et al., 2022; Susanti, Affandi & Herwany, 2019; Bui, Nguyen, & Pham, 2023; William, 2020). These factors help corporate managers make optimal and strategic decisions, better manage their resources, attract more investors, enhance their performance, and ultimately maximise firm value.

The tactical impact of financial strategies cannot be overstated, as they influence current financial performance and long-term growth potential. Brealey, Myers and Allen (2020) assert that well-structured financial strategies in terms of investment choices, dividend policies, and capital structure collectively balance liquidity with profitability, enhance financial flexibility, minimise cost of capital, contribute to shareholder wealth maximisation, and improve overall market valuation. Investment decisions emphasise project selection and investments with a high return on investment and net present value to boost the firm value, contribute to the firm's growth trajectory, and signal positive prospects to investors (Kaplan & Zingales, 2000). Another key component of financial strategies that enhances a firm's market reputation and attracts investors is dividend policy, which indicates its financial stability and profitability (Baker & Powell, 2012). Another thoughtful financial strategy that is beneficial, especially to capital-intensive firms, is tax planning strategy, which aims to optimise cash flows through tax liability minimisation, thereby freeing up cash for reinvestment (Wong, Lo, & Firth, 2015).

Despite the importance of financial strategies in maximising firm value, however, certain challenges remain that ultimately diminish firm value. In the quest to make investment decisions, high borrowing costs and heavy reliance on debt with longer maturity render firms prone to financial risk, as well as to the volatility of interest and inflation rates, which eventually diminish firm value (Akintoye & Iyamu, 2020). Additionally, economic instability restrains access to capital through value-added long-term investment, hindering effective funding and investment decisions (Alghifari et al., 2022). While consistent dividend payments may boost investor confidence and improve firm value, the fluctuating cashflows and economic pressure being experienced in the context of Nigeria poses challenges to firms, thereby making it difficult to maintain high dividend

payouts. Hence, companies in Nigeria now prioritise short-term liquidity over long-term growth strategies, thereby adversely impacting firm value (Ukpong & Ukpe , 2023).

The research on the role of tax planning as part of financial strategy in the Nigerian context remains limited, despite its potential impact on firm profitability and value. As such, the objective of this study is to examine financial strategy from the dimensions that collectively form the foundation of corporate financial management and strategic decision-making. With the adoption of tax incentives and regulatory reforms, especially after changes in tax regulations brought about by the Finance Acts (2019–2023), tax planning can be a critical strategy for optimising firm value, yet it is often overlooked. This study fills the gap by examining financial strategies with the incorporation of tax planning and profitability. It is thus necessary to explore the influence of financial strategies on the value of listed non-financial firms in Nigeria. As such, the following hypotheses are formulated:

H_1 Investment decisions do not significantly maximise the value of listed non-financial firms in Nigeria

H_2 Dividend policy does not significantly maximise the value of listed non-financial firms in Nigeria

H_3 Tax planning does not significantly maximise the value of listed non-financial firms in Nigeria

H_4 Profitability does not significantly maximise the value of listed non-financial firms in Nigeria

The rest of the paper is organised as follows. Section 2 contains the literature review, Section 3 the methodology, Section 4 lists the results, and Section 5 concludes the paper.

2. Literature Review

2.1 Financial strategy

Financial strategy is defined as the strategic allocation of capital to augment financial performance and increase the wealth of shareholders (Megginson, Smart, & Lucey, 2020). It is also described as the process of planning and implementing financial decisions to foster growth, mitigate risk, and achieve the firm's long-term objectives (Pandey, 2021). Financial strategy entails the approach a firm takes to manage its finances sustainably by determining optimal funding sources, investment opportunities, and risk management techniques (Hillier, Ross & Westerfield, 2020). Financial strategy refers to aligning financial resources with corporate objectives, encompassing capital budgeting, financing, and liquidity management (Arnold, 2021). A financial strategy is a structured plan that gives a firm a competitive advantage by

efficiently managing capital, maximising profit, and mitigating risks (Van Horne & Wachowicz, 2020).

2.2 Investment decisions

Investment decisions, which are at times referred to as capital budgeting decisions, involve exchanging a company's current resources for a projected flow of future gains, or choosing where and how much capital to allocate in order to maximise returns for investors or shareholders (Regita & Illahi, 2023). Pristina and Khairunnisa (2019) describe investment decision-making as a process involving the allocation of money for various investment opportunities from both inside and outside the company. Investment decision-making is termed as the purposeful action of allocating capital with the aim of securing the highest possible returns, as it depends on risk, investment goals, investment type, and whether one is an individual investor, or an organisation's investor (Srivastav, 2022). Nianty (2023) defines investment decision as a choice to use a firm's funds in a way that will ensure that investors gain the highest returns on their investments.

2.3 Dividend policy

Hayes (2023) describes a dividend as any payment, in cash or otherwise, that a business makes to its owners. A dividend is actually the part of retained earnings and profits that a business pays to the owners or shareholders (CFI, 2023). Onyeogo (2017) describes a dividend as the sum of money that a business distributes to its owners from its profits, which may be in form of cash or more shares, i.e., scrip dividend. Notably, as retention ratio and dividend payout are at the centre of dividend policy, firms are cognisant of the portion of the profit to be kept and how much should be given to the shareholders as compensation for postponing their consumption. Samuel et al. (2023) define divided policy as the process and portion of the profit authorised at the general meeting to be paid to shareholders in accordance with ownership stake.

2.4 Profitability

Víghová, Košovská & Hudáková (2023) describe profitability as a measure of efficiency adopted to assess the extent of triumph or downfall of the scale of enterprise through its business earnings. Kasmir (2016), meanwhile, asserts that profitability serves as a means of assessing the earnings generating capability of the firm within a specific time frame to portray the level of managerial effectiveness in terms of sales and/or other income. The profit made by investment and sales could be used to gauge the effectiveness of

management, as a company will find it simpler to take out outside capital when it is profitable. The ability to generate profit is better described by a higher ratio of profitability (Chasanah & Adhi, 2015; Panjaitan & Supriati, 2023; Nurhandari & Choiriyah, 2023).

2.5 Tax planning

Jones and Rhoades-Catanach (2023) describe tax planning as a means of ensuring tax efficiency and minimising tax liabilities through the process of analysing a firm's financial plan from a tax perspective. The approach of directly linking tax planning to profitability is a strategy to maximise a firm's post-tax income by taking advantage of allowable deductions, credits, and other tax provisions. Jamison &Johnson (2020) describe tax planning as an integral part of an entity's decision-making, as it influences decisions relating to asset management, financing, and investment in order to achieve tax benefits. With this perspective, firms tend to align their financial activities with existing tax laws in order to maintain compliance with the regulatory requirements as well as reduce tax liabilities.

2.6 Theoretical framework

2.6.1 Shareholder value maximisation theory

Shareholder value maximisation theory stresses the importance of aligning corporate actions through financial strategies to shareholder interest. The theory assumes that management acts as stewards because shareholders entrust resources to them, and that their performance will be determined by two measurable metrics: share price and dividend. Hence, management needs to strategise how the combined value of share price increase and dividends will be maximised (Friedman, 1970; Fama, 1970; Stewart, 1991). It is argued that shareholder value maximisation theory is linked to other theories such as dividend signalling theory, modern portfolio theory, agency theory, and efficient market hypothesis (Jensen, 2001). In connection with these relevant theories, shareholder value maximisation theory underpins this study, as it offers a predictive framework of a well-designed financial strategy that enhances shareholder wealth through market confidence, optimised resource allocation, risk management, dividend payment, and effective tax planning.

2.7 Empirical review

The development and implementation of good financial strategies have become more important for firm value in Nigeria than in more developed

markets due to the country's high levels of macroeconomic instability, regulatory inefficiencies, and market imperfections. Studies on Nigerian firms to have produced mixed findings. Akmalia and Aliyah (2023) investigated how financial performance mediated the impact of institutional ownership, company size, and sales growth on firm value in consumer products companies listed on the Indonesia Stock Exchange during the period of 2015 to 2019. 116 firms made up the study's sample, which was chosen using the purposive sampling technique. The path analysis test was used to evaluate the data, and the findings demonstrated that return on equity significantly increases firm value whereas institutional ownership, firm size, and sales growth have little influence. Institutional ownership does not influence return on equity, company size has a large negative impact on return on equity, and sales growth has a positive and considerable effect on return on equity.

Orbunde and Lambe (2024) examine how financial management strategies influence stock market values within ICT firms listed on the Nigerian Exchange Group (NGX) over the period of 2013 to 2022. The data collected were statistically analysed using descriptive and regression analyses to test the relationship between market value and financial management strategy, with firm size as a control variable. The study reveals that financial leverage produces negative yet insignificant effects on market price per share (MPPS), whereas liquidity ratio shows positive but insignificant effects on market price per share.

Chibueze et al. (2024) evaluate how profitability influences manufacturing firm value in Nigeria. The study utilises net profit margin and earnings per share as metrics for firm profitability while using net assets per share as the indicator of firm value. Time series data extracted from selected firms' annual reports were analysed through the fixed effect (FE) model under panel data regression. The researchers find that net profit margin possesses a significant positive relationship with net assets per share, as does earnings per share. The researchers establish that profitability has a substantial beneficial impact on Nigerian manufacturing firm value.

Njoku and Lee (2025) evaluate the influence of financial strategies on market performance during times of recession in the Nigerian manufacturing sector. The study relies on 26 firms listed on the NGX to conduct pooled OLS and FE model analysis of leverage and dividend policy effects on market performance while controlling for profitability, tax rates, and firm size. The study establishes that debt usually lowers firm value, but long-term debt specifically raises financial difficulties. A simultaneous increase in leverage with dividend payments produces positive effects on the firm's relationship with stakeholders. Profitability stands out as the most important factor affecting firm value, yet short-term debt offers operational flexibility and taxation creates substantial financial burdens for the company.

Nwankwo et al. (2024) analyse the effects of tax planning on the equity returns of quoted deposit money banks, as well as its investment returns and earnings per share. Ex-post facto research design was employed to bring out the nexus between tax planning and the financial performance of the quoted deposit money institutions. The researchers find that tax planning and equity returns are positively correlated, but could not establish any significant correlations between effective tax rate and tax planning in predicting earnings per share, return on investment, or return on equity.

The topic of firm value has attracted discourse among researchers, but the varying outcomes give room for further investigation. Importantly, the financial strategies are yet to be holistically examined among listed non-financial firms in Nigeria, as previous studies focused on independent sectors under the categorisation of listed non-financial firms. Also, the research variables considered by previous studies in the Nigerian context focus on the profitability and dividend policy without considering investment decisions and tax planning strategies. Thus, it becomes necessary to conduct the present study to fill this gap.

3. Methodology

Given to the need to address research questions concerning the impact of financial strategies on the firm value among listed non-financial firms in Nigeria, this study employs a longitudinal research design. The target population for the study are 104 non-financial companies listed on the NGX as at December 31, 2023. Yamane's (1967) sample size technique was employed to obtain the sample size from the population, and as a result, 84 publicly traded companies from all non-financial industries were included in the sample. A stratified sampling technique was used to support representativeness, statistical validity, efficiency, bias reduction, and the provision of necessary information on the study objective, thereby offering a strong basis for carrying out a comprehensive investigation.

Moreover, data of the variables regarding firm value and financial strategies were obtained from the annual reports of the sampled firms and market data websites. The efforts of the Nigerian government to diversify the economy through the execution of the industrial plan informed the choice of the 13-year study period of 2011 to 2023. Following the data summary statistics, the variance inflation factor (VIF) was applied to strengthen the reliability of the conclusions and validate the inference. In order to prevent spurious regression results, the Fisher-type augmented Dickey-Fuller unit root test was used to make sure that the variables included in regression models are stationary. A panel generalised least squares (GLS) estimation method was used because of its ability to address and correct problems with heteroskedasticity, autocorrelation, and cross-sectional dependence, all of which are prevalent in firm-level financial data over time.

3.1 Model specification

The study adapts the model of Sutrisno et al. (2023). The researchers, using profitability as a mediating variable, examine the factors affecting firm value in consumer cyclical sector companies using the following model:

$$TQ_{it} = \alpha_i + \beta_{2.1}\, IP_{it} + \beta_{2.2}\, FP_{it} + \beta_{2.3}\, ROA_{it} + Size_{it} + Age_{it} + e_i \quad (1)$$

To achieve the research objective, the model is adapted as:

$$Tobin'sQ_{it} = \beta_0 + \beta_1\, DIVP_{it} + \beta_2\, INV_{it} + \beta_3\, ROA_{it} + \beta_4\, TP_{it} + \beta_5 SIZE_{it} + \beta_6 CS_{it} + \varepsilon_{it} \quad (2)$$

where $DIVP_{it}$ represents dividend policy, INV_{it} represents investment decision, ROA_{it} represents profitability, TP_{it} represents tax planning, $SIZE_{it}$ represents firm size, and CS_{it} represents capital structure.

3.2 Variable measurement

Table 1 lists the variables used in this study.

Table 1: Description of Variables

Variables	Construct	Measurement	Sources	A priori
Dependent variable				
Firm value	Tobin's Q	$\frac{MVE + Debt}{BVE + Debt}$	Chabachib, 2020; Kusna & Setijani, 2018; Putri & Rahyuda, 2020;	
Independent variables				
Diversification strategies				
Dividend policy	DIVP	$\frac{Dividend\ per\ share}{Earnings\ per\ share}$	Putri 2023; Priani et al., 2023; Yusbardini & Andani, 2022;	+
Investment decision	Investment	$\frac{Asset\ growth}{Total\ assets}$	Listyawati & Wicaksana, 2023; Anggelika & Napitupulu , 2021;	+
Profitability	ROA	$\frac{Net\ Income}{Total\ Assets}$	Kacaribu &Winata, 2023; Putri , 2023;	+
Tax planning	ETR	$\frac{Tax\ expense}{Profit\ before\ tax}$	Agustina et al, 2023; Santoso et al., 2024; Santoso & Pratiwi, 2023;	
Control variables				
Firm size	SIZE	lnTotal Asset	Warrad & Oqdeh 2018; Nurhandari, et al., 2023	
Capital structure	CS	$\frac{Total\ debt}{Total\ equity}$	Yusbardini & Andani, 2022; Mansur, et al. (2023);	

4. Results

4.1 Descriptive statistics

Table 2 lists the statistical summary of continuous variables. These variables include Tobin's q, dividend policy, investment decision, tax planning, profitability, capital structure and firm size. The summary statistics results for Tobin's q show mean and standard deviations of 5.27 and 7.05 respectively, indicating that on average, these firms are valued higher. This shows that listed non-financial firms have the potential of strong growth prospects, market confidence and competitive advantage. With regards to financial strategy, dividend policy has a mean of 0.2616, implying that listed non-financial firms distribute 26.16% of their earnings as dividends. This shows that a significant portion of earnings are being retained for reinvestment and other purposes; the deviation of 0.1732 reflects a moderate variation in dividend policies across firms. Likewise, the investment decision has a mean of 0.2902, signifying that on average, listed non-financial firms allocate a small proportion of their resources towards investment decision; the standard deviation of 4.9742 implies a substantial variability in the investment decision, as some firms are making higher investments, while others are either underinvesting or relying heavily on external funding.

Table 2: Statistical Summary of the Variables

Variable	Obs.	Mean	Std. dev.	Minimum	Maximum
Tobin's q	1,092	5.274086	7.04637	-3.9776	55.33112
Firm size	1,092	23.3598	1.9282	15.39428	28.75285
Capital structure	1,092	1.910958	5.58856	-45.6664	47.92299
Dividend policy	1,092	0.2616474	0.17327	0	0.6
Investment decision	1,092	0.2902576	4.97422	-56.8059	90.04453
Tax planning	1,092	0.0939904	3.87591	-121.313	23.83824
Profitability	1,092	0.0116535	0.74162	-22.2229	6.174312

Furthermore, tax planning records a mean of 0.0939, signifying that firms have a minor tax planning strategy as they engage in practices that marginally reduce their effective tax burden relative to taxable income. The standard deviation of 3.8759 echoes substantial variability in tax planning across the listed non-financial firms. Finally, the results of the profitability have a mean value of 0.01164, which implies that the average organisation has little level of profitability; the standard deviation of 0.7416 depicts high fluctuation of the profitability level among the firms.

4.2 Variance inflation factor

The results in Table 3 reveal that size, capital structure, product diversification, geographical diversification, and income diversification have low VIF values, indicating that these predictors are almost immaterial and do not contribute significantly to multicollinearity. The mean VIF gives an overall sense of multicollinearity in the model thereby suggesting that multicollinearity is not a widespread issue. The tolerance levels (TOLs), which are the reciprocals of VIFs, indicate that a vast majority of the results are higher than the benchmark of 0.2. Consequently, there is no evidence that the standard errors of the regression coefficients could have been inadvertently inflated.

Table 3: Variance Inflation Factor

Variable	VIF	1/VIF
Firm size	1.41	0.710135
Capital structure	1.1	0.909343
Dividend policy	1.15	0.867917
Investment decision	1.14	0.874517
Profitability	1.12	0.892467
Tax planning	1.02	0.982679
Mean VIF	1.16	

4.3 Unit root test

Table 4 lists the results of the Fisher-type augmented Dickey-Fuller unit root test. Altogether, the test results highlight that the four test statistics support the claim that each variable is stationary. Fixed prices and forecasted prices reject the null hypothesis that the unit root of all the available tests will have large statistical values and low p-values. All variables in the dataset are stationary since the null hypothesis is consistently rejected across all statistical tests. The results suggest no need for differencing or further transformation to achieve stationarity, enabling direct modelling in panel data techniques and confirming the reliability of these variables for long-term equilibrium relationships in a panel setting.

Table 4: Results of Fisher-type Augmented Dickey-Fuller Unit Root Test

Variable	P-statistic	p-value	Z-statistic	p-value	L*-statistic	p-value	Pm-statistic	p-value	Remarks
Tobin's q	736.1755	0.0000	-17.756	0.0000	-17.7562	0.0000	30.9965	0.0000	Stationary
Capital structure	347.2951	0.0000	-3.7778	0.0001	-5.1502	0.0000	9.7814	0.0000	Stationary
Dividend policy	359.0443	0.0000	-10.691	0.0000	-12.1347	0.0000	10.4223	0.0000	Stationary
Investment decision	1046.5229	0.0000	-22.537	0.0000	-31.0226	0.0000	47.9274	0.0000	Stationary
Tax planning	844.0432	0.0000	-20.13	0.0000	-24.9724	0.0000	36.8812	0.0000	Stationary
Profitability	470.2125	0.0000	-8.367	0.0000	-11.2755	0.0000	16.487	0.0000	Stationary

4.4 Panel regression result

The analysis of the panel regression results of the financial strategy and the firm value of the listed non-financial firms in Nigeria is shown in Table 5. The model checks show that R^2 is 0.2871, meaning that 28.71% of the heterogeneity in the dependent variable is explained by the model. The Wald chi^2 obtained is 111.97 and the p-level of 0.000 also shows the overall significance of the random effects (RE) model. It can thus be understood that the cluster of included variables altogether have the ability to explain the variations in the dependent variable. The Hausman test p-value is 0.9399, which means that there is no systematic difference between an FE and RE model; thus, the results from the RE model are the primary source of analysis.

Table 5: Panel Regression Results for Financial Strategy

	FE			RE		
Variable	**Coefficient**	**t**	**p-value**	**Coefficient**	**z**	**p-value**
Dividend policy	0.5196108	7.6	0.000	0.0437847	7.21	0.000
Investment decision	0.0326186	14.3	0.000	0.0329861	15.1	0.000
Tax planning	0.005465	5.1	0.000	0 .0089972	2.95	0.002
Profitability	0.0113931	3.6	0.001	0.0085204	2.9	0.003
Firm size	0 .312729	7.88	0.000	0 .3183707	9.54	0.000
Capital structure	-.0083114	-0.75	0.453	-0.0148241	-1.52	0.128
Constant	7.637873	6.57	0.000	8.446211	10.15	0.000

	FE			RE		
Variable	**Coefficient**	**t**	**p-value**	**Coefficient**	**z**	**p-value**
R^2	0.2537			0.2871		
Wald Chi^2	11.64			111.97		
Prob > F	0.0000			0.0000		
F-test	12.84					
Hausman	0.9399					

Regarding the independent variables, dividend policy has a coefficient of 0.04378 with a p-value of 0.000. Practically, this implies that consistent and well-structured dividend policies signal financial stability and enhance shareholder confidence, which positively impacts firm value. Moreover, the investment decision has a coefficient of 0.03299, suggesting a positive connection between investment or funding decision and firm value. This means that strategic investment in productive assets drives growth and profitability, and ultimately enhances overall firm value. Moreover, tax planning as a financial strategy has a coefficient of 0.0089, highlighting the positive importance of tax planning in enhancing the firm value meaning that effective tax strategies reduce tax liabilities, freeing up resources for reinvestment and contributing to improved financial performance. Similarly, profitability has a coefficient estimate of 0.00852 with p-value of 0.003, signifying that higher profitability enhances firm performance, as profitability serves as a key driver for value creation, providing firms with the capacity to reinvest and sustain operations.

4.5 Discussion of findings

Based on the results, it can be deduced that financial strategies impact the firm value of listed non-financial firms in Nigeria. The empirical findings show that investment decisions as part of financial strategy positively impact the value of listed non-financial firms in Nigeria. This would indicate that there is a strategic alignment between investment decisions and funding decisions that foster reinvestment in operational efficiency and expansion, which ultimately enhances firm value.

Pertaining to dividend policy as a financial strategy, the findings show that it positively impacts the value of listed non-financial firms in Nigeria. This shows that a stable dividend policy reveals capital efficiency, increases shareholder confidence, and reflects firm performance and prospects, likewise signalling financial health, which are all consequential on firm value. This finding aligns with Anggelika and Napitupulu (2021), Olalere and Mukuddem-Petersen (2023), Senda, Rahayu and Rahmawati (2020), and Meutia et al., (2021).

The results further reveal that tax planning has positive effect on the value of listed non-financial firms, which indicates that tax planning plays a prominent

role in shaping the financial performance as well as the value of listed firms. Strategic tax management, ranging from tax avoidance or prompt tax compliance, penetrates various aspects of a firm's operation which can lead to cost reduction, capital allocation efficiency, and tax incentives advantages, among others. Moreover, profitability based on the findings has positive influence on the firm value of Nigerian listed non-financial firms. This implies that shareholder value tends to be enhanced through higher profitability, operational efficiency, market competitiveness, and capital attraction. Higher profitability reflects the efficient management of resources while boosting firms' affordability to reinvest, pursue diversification and acquisition opportunities, which will in the long run increase the value of the firm. This finding concurs with Agustina (2020), Santoso et al. (2023), Fujianti et al., (2020), and Rahmawati (2020).

5. Conclusion

In line with the findings above, it is clear that financial strategies enhance the value of listed non-financial firms in Nigeria. Independently, strategic investments into productive assets and prudent funding decisions promote firm value. Effective cost management and competitive profit margins position the firm to generate robust cashflow, which will impact firm valuation. Additionally, a well-structured and consistent dividend policy grants hope to the investors and improves market perception, which enhance firm value. Lastly, adopting legal and strategic means to minimise tax liabilities enables firms to retain more earnings for reinvestment that will positively improve firm value.

It is therefore recommended that listed non-financial firms should prioritise value-enhancing investment choices, such as sustainability or environmental, social, and governance-related investments, capacity expansion, and strategic asset acquisition in order to optimise their value. Firms can also leverage digital transformation to enhance service delivery, drive productivity, and reduce operational costs. Dividend payouts can be balanced with reinvestment needs to support long-term growth while rewarding shareholders. Firms should also take advantage of government tax incentives, such as tax holidays and investment allowances, to improve after-tax profitability.

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