

**ABSTRACT**

**THE INFLUENCE OF OPERATING LEVERAGE AND  
DIVIDEN POLICY ON FREE CASH FLOW**

*(Survey of Food and Beverage sub-sector Manufacturing Companies Listed on the Indonesia Stock Exchange for the periode of 2017-2021)*

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*This research aims to determine about Operating Leverage, Dividend Policy and Free Cash Flow are in Manufacturing Companies in Food and Beverage sub-sector listed on the Indonesia Stock Exchange for the period of 2017-2021. And to know influence of Operating Leverage and Dividend Policy on Free Cash Flow in Manufacturing Companies in the Food and Beverage sub-sector listed on the Indonesian Stock Exchange for the period of 2017-2021. The population in this research is all Manufacturing Companies in Food and Beverage sub-sector listed on the Indonesia Stock Exchange for the periode of 2017-2021. The method used in this study is quantitative with study case approach and analysis method using regression of panel data. Selection of samples using purposive sampling method and obtaining seven company as the sample of research. The results of this research show that the independent and dependent variables experience fluctuations every year. Operating Leverage has positive effect and not significant to Free Cash Flow. Dividend policy has a positive effect and significant influence on Free Cash Flow. Operating Leverage and Dividend Policy simultaneously have a significant effect on Free Cash Flow.*

*Keywords* : *Operating Leverage, Dividend Policy, Free Cash Flow*