

LEVERAGE AND FINANCIAL PERFORMANCE OF LISTED PHARMACEUTICAL ENTERPRISES IN NIGERIA

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ABSTRACT

This study evaluated the association between leverage and financial performance of listed pharmaceutical companies in Nigeria. Specifically, the study ascertained the association between long-term debt and returns on assets of listed pharmaceutical companies in Nigeria. The study was an ex-post facto design. Data for the study was secondary data obtained from published financial statements of the companies between 2015 and 2020. Data was analysed with the use of multiple regression analysis. Findings of the study revealed that long term debt and return on assets have positive moderate relationship. The study concluded that long-term debt and return on assets have favourable correlation on the studied companies. It was however, recommended that, pharmaceutical companies should obtain some level of long-term obligation since it yields adequate level of returns, among others.

KEYWORDS: *Leverage, Financial, Companies, Performance, Long-Term, Short Term Debt.*

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