# The Impact of per-share metrics on corporate value: A Cross-Sectional Analysis of the S&P 500 and FTSE 100 Companies

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**Abstract:**

This research aims to examine the impact of per-share indicators on firms' market valuations. For this purpose, a cross-sectional multiple regression model was applied to 2025 data for companies in the S&P 500 and FTSE 100. The analysis uses market capitalization as the dependent variable, while earnings and dividends per share serve as independent variables.

The estimates reveal significantly divergent dynamics between the two indices. For the S&P 500, the model proves significant. Conversely, the estimates for the FTSE 100 are not statistically significant. These empirical differences suggest that share price in the US market incorporates performance indicators much more efficiently than in the UK market.

**Keywords:** Market capitalization; Earnings per share; Dividend per share; S&P 500; FTSE 100.

**JEL Classification Codes**: G10; G12; G32; C21.

## 1. Introduction

### 1.1. Problem statement

The relationship between a company's fundamental indicator and its market capitalization has been a central topic in financial economics for decades. Measured by the total value of outstanding shares, this market capitalization has become the barometer of market value. Once internal variables, foremost among them earnings and dividends per share, are theorized as the true drivers of this wealth, understanding its mechanisms becomes essential. This is a prerequisite not only for investors making asset allocation decisions, but also for executives guiding their financial strategy.

Based on a sample of companies from the American S&P 500 and the British FTSE 100, this work adopts an international dimension from the outset. The objective is to analyze, from a comparative perspective between these two markets, the relationship between per-share indicators and the market capitalization of large-cap companies. While the financial literature generally agrees on a positive correlation between earnings, dividends, and firm value, several empirical nuances of this dynamic remain largely unexplored.

Given this problem, this research aims to answer the following central question:

***What is the impact of corporate per-share metrics on market capitalization among S&P 500 and FTSE 100 companies, and does this relationship differ significantly between the two markets?***

### 1.2. Subsidiary Questions

1. Which performance metrics show the strongest correlation with market capitalization when a cross-sectional analysis is applied to the S&P 500 and FTSE 100 indices?
2. Does the sensitivity of market value to per-share indicators differ between the US and UK indices?
3. Are there statistically significant differences in the relationship between per-share indicators and market capitalization among companies in the S&P 500 and FTSE 100?

### 1.3. Research Hypotheses

Based on the chair questions, the following hypotheses are proposed to guide the empirical analysis:

H1: There is a positive and statistically significant correlation between earnings and dividends per share and market capitalization of companies in the S&P 500 and FTSE 100;

H2: There is a positive and statistically significant relationship between earnings and dividends per share and market capitalization of companies in the S&P 500 and FTSE 100;

H3: The sensitivity of market capitalization to per-share indicators is simultaneously significant across markets within the S&P 500 and FTSE 100 indices.

### 1.4. Importance of the Study

This study aims to analyze the relationship between the market value of a firm and its per-share data. For this purpose, a cross-sectional model using ordinary least squares was established for the year 2025. The main goal of this research is to inspect the relationship of the previous variables using two different financial markets, which are the United States and the United Kingdom. Those markets are known to be the biggest markets worldwide in terms of capitalization.

Studying the S&P 500 and the FTSE 100 fills a clear gap in the financial literature. Until now, researchers have primarily analyzed the US market in isolation, so restricting the analysis to these two indices offers a much clearer perspective and a clear comparison of how corporate values are assessed in those two markets.

The research provides valuable insights for guiding earnings management decisions and structuring financial communication. More broadly, as discussions continue to harmonize accounting standards and integrate financial markets, access to direct comparative data becomes crucial. These findings provide concrete input for debates on the actual efficiency of global equity markets.

## 2. Literature review

### 2.1. The concept of market capitalization and its determinants

Market capitalization quantifies the overall value of a firm through the lens of the stock market. Its mathematical formulation remains elementary, but its economic implications are far more complex. This figure aggregates the financial community's expectations regarding future profit flows, growth trajectories, and risk exposure. Here, the break with book value is complete: where accounting records freeze historical costs and past data, market capitalization looks to the future, continuously reassessing the company's value in response to evolving information flows.

Damodaran (2012) Identifies several determinants of market capitalization, with earnings standing out as the most directly observable and relevant. As Jensen (2001) points out that earnings remain the most important signal management sends to the market regarding the company's financial health and prospects. This primacy of earnings in valuation is a finding shared by the accounting and financial literature.

Several theoretical frameworks underpin empirical work on market capitalization. The efficient market hypothesis of Fama (1970) constitutes the general postulate on which most of this literature rests. The theory suggests that if a price incorporates available information quickly enough, then the accounting variables that provide information on the prospects of a company, like profits, dividends, and profitability, should be reflected in the share price and, by extension, in the market capitalization.

Ohlson (1995) Demonstrates that within a net surplus accounting relationship, a firm's market value can be expressed as the sum of its book value of equity and the present value of expected earnings. This result provided subsequent empirical researchers with a formal rationale for regressing market value. While Dechow et al. (1999) Found that a direct application of Ohlson's linear information dynamics underestimated observed stock prices. Later works attribute some of this discrepancy to the model's restrictive assumption regarding the absence of accounting bias (See, for instance, Feltham & Ohlson (1996); Holthausen & Watts (2001); Fullana et al. (2021)).

## 2.2. Theoretical foundations of the parameters by action

Earnings per share is the most documented performance indicator in the market capitalization literature. Numerous empirical studies highlight a positive and statistically significant relationship between this accounting metric and share prices. The study by Graham et al. (2005) emphasizes that company executives consider EPS the primary communication tool for investors, confirming its central role in valuation processes.

Earnings per share consistently emerges as a robust predictor of market value, maintaining strong statistical significance even after controlling for firm size, debt level, and sector variables (Francis et al., 2003). This sensitivity is even more pronounced for large-cap companies. These companies benefit from more intensive analytical monitoring and greater liquidity, two factors that maximize market informational efficiency when earnings are released. This observation directly reflects the design of our study.

Barth et al. (1998) Demonstrate that the trajectory and configuration of earnings dictate a firm's value, with the market reacting much more strongly to the persistence of results than to their purely transient components. This dynamic indicates that the quality and recurrence of accounting flows are just as important as their absolute value in valuation processes.

Ali and Hwang (2000) Observe that the financial relevance of these results varies considerably from one country to another, due to differences in accounting standards, institutional structures, and levels of minority shareholder protection. Their findings highlight that the benefits are significantly more evident in the valuation of companies within market-oriented financial systems such as those of the United States and the United Kingdom compared to banking-based economies.

Francis et al. (2004) demonstrate that the market directly incorporates the quality of accounting information into share price formation. Firms publishing more reliable results benefit from a lower cost of equity, which mechanically translates into higher market capitalizations. This area of

research highlights the need to incorporate this qualitative dimension when studying cross-sectional disparities in quality, which are indeed a powerful explanatory factor for the valuation differences observed between companies.

Modigliani and Miller (1958) suggested that in a perfect tax-free market, a firm's value remains entirely independent of its financing methods. The introduction of corporate income tax disrupts this neutrality because debt then generates a tax advantage. The tax savings linked to the deductibility of financial expenses maximize the overall value of the company. The previous optimization mechanism was subsequently refined by trade-off theory (Kraus & Litzenberger, 1973), which weighs this tax gain against the anticipated costs of financial default. This conceptual tension sheds light on the divergent conclusions of empirical studies on leverage and market capitalization. Debt actually acts according to a non-linear dynamic: it increases market value up to an optimal threshold specific to each structure, before degrading it once this tipping point is crossed.

The signaling theory occupies a central place in the literature on dividend policies, while also more broadly illuminating market reactions to announcements of growth and profitability. Spence's (1973) foundational argument that an informed agent can credibly convey private information through a costly action. While Bhattacharya (1979), John and Williams (1985), and Miller and Rock (1985) formalized the impact of dividend policy on investor perception. Their respective models understand the increase of dividends as a costly signal, through which management validates its confidence in the trajectory of future cash flows.

### 2.3. Empirical literature on per-share indicators and market cap

Ball and Brown (1968) tried to determine whether accounting earnings convey informational value that the stock market has not yet fully integrated. By analyzing US market data from 1957 to 1965, they demonstrated that companies reporting unexpected profit increases experienced positive abnormal returns around the date of publication, while announcements of unexpected declines triggered the opposite trajectory. Along similar lines, Beaver (1968) addressed this issue by shifting the

focus to trading volume and the variance of returns at the time of the earnings release, rather than limiting himself to price trajectories alone. His findings provide consistent empirical evidence: the release of financial statements generates an immediate and significant market reaction.

Kothari and Zimmerman (1995) compared the two main empirical specifications emerging from this literature and introduced the level models which link stock prices to per-share accounting variables, and variation models, which regress stock returns on changes in normalized earnings. Their analyses reveal that price models generally exhibit greater explanatory power. However, they emphasize that each approach captures a distinct facet of the price-earnings relationship, concluding that neither configuration can be definitively applied to all research questions.

Ohlson (1995) Formalized the theoretical foundations of the relationship between accounting profits and market value. Based on the clean surplus relationship, according to which any change in equity, excluding transactions with shareholders, is reflected in profit or loss, Ohlson demonstrated that a firm's market value is equal to its gross book value plus the present value of its expected future residual earnings. This conceptual framework was also refined by Feltham and Ohlson (1995), who introduced a crucial distinction between operating and financial activities. This separation allows the valuation model to adjust the weighting of profits and net assets according to the nature of the company's operations. Later, Ohlson (2001) Added an important nuance to his initial work, specifying that the formulation of residual profit should be understood as an algebraic simplification intended to structure the analysis, rather than as a doctrinal assertion about the sole accounting determinants of market value.

Ohlson and Juettner-Nauroth (2005) reformulated this stock-based modeling from a more direct empirical perspective. Their approach links the stock price to projected one-year earnings per share (EPS), short- and long-term EPS growth rates, and the cost of equity. This innovative framework notably avoids the restrictive assumption of a rigid correlation between earnings and dividend trajectories. Another major contribution of

this work lies in the inversion of their valuation function. By isolating the cost of equity, the authors express it as a projected return on earnings, adjusted by the two growth indicators. This technique remains a methodological standard today for extracting the implied cost of capital.

Akbar et al. (2011) Introduced cash flow as an alternative explanatory variable, tested on a sample of non-financial UK firms over the period 1993–2007. Using valuation models, they demonstrate that cash flow per share provides incremental informational value compared to earnings or cash flow measures alone. Their work also reveals that separating current and non-current accrued expenses increases the explanatory power of the model. The overall conclusion of their study emphasizes that the requirement to publish a statement of cash flows in the UK provides highly relevant indicators for business valuation, beyond just earnings data. This finding introduces a crucial methodological nuance for any comparative analysis of the UK market that would otherwise focus exclusively on EPS at the expense of other cash flow indicators.

Al-Hares et al. (2012) Transposed the Ohlson level model to a sample of 667 observations of non-financial firms listed on the Kuwait Stock Exchange over the period 2003–2009. Their findings confirm the informational relevance of book value and earnings in valuation processes. However, dividends per share (DPS) lose all explanatory power when earnings are simultaneously included in the equation; dividends only regain their statistical significance when they replace earnings, not when they are added to them. The authors further demonstrate that the disaggregation of net income between dividends paid and retained earnings makes each of these components statistically significant for firm valuation.

Keddam and Terfas (2019) analyzed the impact of dividend policy on firm market value. Their study focuses on the 30 constituents of the Dow Jones Industrial Average index over the period 2007–2017, thus creating a two-dimensional data set. After conducting the required specification tests, the authors favored a fixed-effects model, estimated using dummy least squares. The empirical results reveal that all explanatory variables exhibit rigorous statistical significance, with the notable exception of the asset

growth rate. In particular, dividends per share (DPS) and earnings per share (EPS) have a positive and highly significant influence on firm valuations.

Moolkham (2024) compared earnings per share (EPS) and book value per share (BVS) to the market value of companies listed on the Stock Exchange of Thailand, incorporating a control variable related to sustainability dimensions. Across the entire sample, EPS and BVS had a positive influence on market value, confirming the findings of previous literature. However, when restricting the analysis to companies committed to sustainability guidelines, the sign of the two coefficients surprisingly reversed: EPS and BVS then showed a negative correlation with market value. The author attributes this phenomenon to investor skepticism, which may lead investors to view high profits or equity figures with a critical eye when a company is simultaneously incurring regulatory and operational costs related to non-financial compliance.

Khadka and Gaire (2024) compared the impact of earnings per share (EPS) and dividend per share (DPS) on the share price of ten commercial banks listed on the Nepal Stock Exchange, using a panel of 210 observations covering the period 2016–2022. Consistent with established trends in the literature, both EPS and DPS have a positive and statistically significant influence on market value; however, their combined effect explains only about 21% of the price changes. This finding underscores that while EPS and dividend indicators are significant predictors of value.

## 3. Methodology

### 3.1. Research Design

This study adopts a quantitative cross-sectional approach to analyze the contemporary relationship between corporate per-share metrics and market capitalization. The sample focuses on large-cap companies listed on two of the leading global financial indices: the S&P 500 (United States) and the FTSE 100 (United Kingdom). The choice of a cross-sectional model is particularly relevant here, since our research questions examine the synchronous configuration between the accounting attributes of profits and

their market valuation at a given point in time, rather than the temporal trajectories of these dynamics. This methodological approach allows us to capture systematic trends across a broad universe of firms, while also providing a rigorous framework for conducting a direct comparison between American and British market structures.

The approach is based on a hypothetico-deductive framework, grounded in established valuation theories from the literature, most notably the Earnings Response Coefficient (ERC) model (Collins and Kothari, 1989) and the residual earnings valuation model (Ohlson, 1995). Multiple linear regression, estimated using ordinary least squares (OLS), is the primary statistical tool in this study. It is complemented by a comprehensive battery of diagnostic tests to validate the underlying assumptions of the general linear model.

### 3.2. Population and sample

The reference population comprises all the companies that make up the US S&P 500 and the UK FTSE 100 indices. These leading indices were selected because they include the largest and most liquid market capitalizations in their respective markets. Furthermore, these firms are subject to particularly stringent disclosure standards, ensuring access to reliable, comparable, and transparent financial data.

Following the data cleaning process, which involved excluding observations with missing, outlier, or non-numerical values, the final sample consists of 494 companies for the S&P 500 and 97 companies for the FTSE 100. The difference in size between the two samples reflects not only the inherent structure of the indices but also the depth of coverage of the databases available for the US market regarding the specific variables included in this study.

### 3.3. Definitions and measurements of variables

The dependent variable in both models is market capitalization (MC), expressed in logarithmic form to account for heteroscedasticity due to the wide dispersion of firm sizes:

$$MC = PA \times NA \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

Where:
MC: market capitalization of the firm;
PA: average annual share price;
NA: number of shares outstanding.

The independent variables in this study are divided between EPS and DPS. The first variable is formulated as follows:

$$EPS = RN / NA \text{…….(2)}$$

Where:
EPS: Earnings per share of the company;
RN: Net income for the year of the company;
NA: Number of shares outstanding.

The second variable concerns the dividend per share and is expressed as follows:

$$DPS = PD / NA \text{…….(3)}$$

Where:
DPS: dividend per share of the company;
PD: net distributed profit of the company;
NA: number of shares outstanding

### 3.4. Model Specification

To analyze the relationship between profitability indicators and market capitalization, two distinct multiple linear regression models are estimated using ordinary least squares (OLS), applied respectively to samples of the S&P 500 and the FTSE 100. The choice of independent estimations for each market, rather than pooling the data, allows for a direct comparison of the magnitude, sign, and statistical significance of the coefficients associated with earnings in the two financial markets. This approach is thus perfectly aligned with the comparative aim of this research.

$$MC = \beta_0 + \beta_1 EPS + \beta_2 DPS + \varepsilon \text{….(4)}$$

Where (β0) is the intercept, (β1…β2) are the estimated coefficients that capture the marginal effect of each independent variable on the logarithm of the market capitalization, and (ε) is the error term, assumed to be independent and identically distributed with a mean of zero. All models are estimated with a constant, and the coefficients are interpreted at the conventional significance level of 5%.

## 4. Results and Discussion

### 4.1. Analysis Results of S&P 500 Index Companies

#### 4.1.1. Statistical Description of S&P 500 Company Variables

The statistical description of the variables used in the S&P 500 model is presented in Table (01). It presents the scope of the statistical data used in this study.

**Table (01): Statistical description of the S&P 500 model**

| Description | MC | EPS | DPS |
|---|---|---|---|
| Min. | 14.84 | -12.63 | 0 |
| 1er Qua. | 21.32 | 2.333 | 0.44 |
| Median | 21.95 | 4.89 | 1.6 |
| Average | 22.09 | 7.963 | 2.145 |
| 3e Qua. | 22.75 | 8.488 | 3.079 |
| Max. | 26.53 | 491.52 | 20 |

Source: Author's calculations using R.

An examination of the descriptive statistics presented in Table 01 reveals distinctly different distribution profiles depending on the variables analyzed. The variable (CB), representing market capitalization converted to the natural logarithm, exhibits a distribution close to normality, given the limited range of its values (14.84 to 26.53). Its mean (22.09) and median (21.95) appear almost identical. Moreover, the interquartile range remains narrow, indicating a relative homogeneity in firm size within the sample and confirming the statistical stability of this endogenous variable.

The EPS has a mean of (7.963), which is significantly exceeding its median (4.89). The maximum value of (491.52) is considerably higher than the third quartile (8.488), a difference of a factor close to 58. This distributional profile indicates the presence of outliers that could disproportionately influence the estimates, notably by skewing the Ordinary Least Squares (OLS) coefficients and compromising the validity of the significance tests.

Furthermore, the negative minimum value (-12.63) confirms the presence of loss-making firms within the sample, which accentuates the overall heterogeneity of this exogenous variable. This statistical configuration, marked by a strong dispersion and leveraged values, offers a crucial key to explaining the anomalies observed in the American model, such as the counterintuitive negative coefficients or the instability of the statistical significance noted previously.

The zero minimum in the DPS variable reflects the absence of dividend distributions for some firms and also exhibits positive skewness, although significantly more moderate than that of EPS. The maximum value (20.00) maintains a more limited ratio with the third quartile (3.079), a difference of approximately 6.5 times. This configuration suggests a less problematic dispersion than for the profitability variable.

### 4.1.2. Correlation analysis of variables of companies in the S&P 500

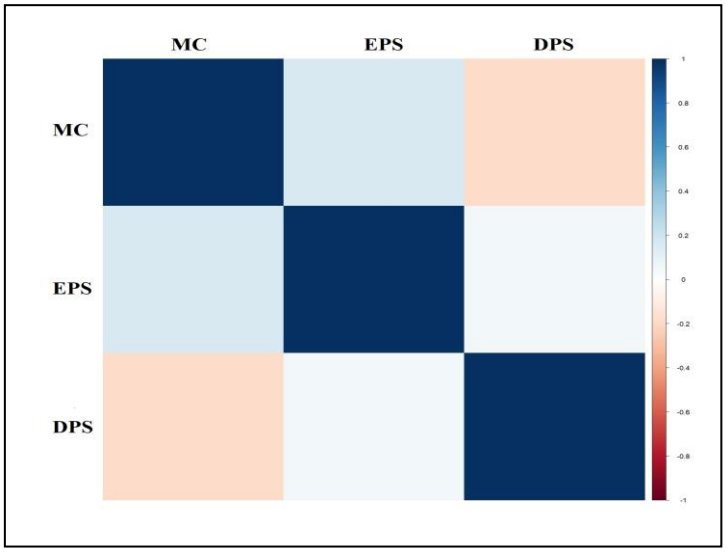
The Examination of the correlation matrix in Chart (01) reveals generally weak intercorrelations between the three independent variables, providing a favorable preliminary diagnosis for the subsequent estimation of the multiple linear regression model. Unsurprisingly, the main diagonal displays unit correlation coefficients reflecting the perfect correlation of each variable with itself and validating the visual consistency of the matrix.

The relationship between MC and EPS appears weakly positive, with the light blue tint of the corresponding cell suggesting a moderate correlation coefficient, estimated between (0.20) and (0.35). This positive association, although of limited intensity, is consistent with classical

financial theory, according to which higher earnings per share tend to be accompanied by a larger market capitalization.

The relationship between MC and DPS is characterized by a pale orange tint, indicating a weak negative correlation estimated at (-0.20) to (0.30). This result reflects a structural reality specific to contemporary large-cap companies; many of them prioritize reinvesting cash flows or share buyback programs over traditional dividend payouts.

**Chart (01): Correlogram of S&P 500 variables**




Source: Author's construct based on Pearson correlation coefficients estimated using the corrplot package in R.

The linear relationship between EPS and DPS is virtually nonexistent, with the neutral shade of the corresponding cell revealing a lack of significant linear association between earnings per share and dividend payouts within the sample. This finding indicates that the dividend policy of the firms studied has become disconnected from their current profit levels.

### 4.1.3. Multiple regression analysis of S&P 500 companies

The estimates from the multiple regression presented in Table (02) confirm the statistical significance of all parameters in the model applied to S&P 500 firms. The intercept estimated at (21.968) exhibits a particularly

low standard error (0.072) associated with an exceptionally high t-statistic. It is thus highly significant.

**Table (02): Results of the multiple regression of S&P 500 companies**

| Model | Coefficients | Std. Error | T-stat | Sig. |
|---|---|---|---|---|
| Intercept | 21.968 | .072 | 306.062 | .000 |
| EPS | -.009 | .002 | -4.446 | .000 |
| DPS | .092 | .023 | 4.074 | .000 |

Source: Author's calculations using R.

EPS exhibits a negative statistically significant coefficient of (-0.009). This result corroborates the counterintuitive sign highlighted during the descriptive and correlational analysis. The fact that this inverse coefficient remains statistically significant despite its small magnitude indicates that this relationship is not a simple random artifact. It could reflect dilution effects resulting from massive profit retention and reinvestment strategies by large-cap growth firms, or represent a distortion of the Ordinary Least Squares estimation due to these points of influence and outlier values.

Meanwhile, DPS shows a positive significant coefficient of (0.092). This result is fully consistent with theoretical expectations: a more generous dividend distribution policy is associated with a higher market capitalization. This dynamic is explained by the informational content of financial decisions, with dividend payments acting as a strong and positive signal.

## 4.2. Analysis Results of FTSE 100 Index Companies

### 4.2.1. Statistical Description of FTSE 100 model

The descriptive statistics relating to FTSE 100 companies reveal distributional characteristics that are significantly different from those documented for the US sample. The variable MC displays a relatively symmetrical distribution, given the limited range of its values (23.53 to

34.58), with its mean (27.91) and median (27.50) appearing close to each other.

The EPS exhibits an asymmetric distribution, although of a much more moderate magnitude than that documented in the US sample. The mean (1.1204) significantly exceeds the median (0.64), confirming a positive skewness. Moreover, the maximum value (7.12) remains approximately 4.4 times greater than the third quartile (1.6025), a considerably smaller difference than the factor of 58 observed for the S&P 500's EPS.

**Table (03): Statistical description of the FTSE 100 variables**

| Description | MC | EPS | DPS |
|---|---|---|---|
| Min. | 23.53 | -2.87 | 0 |
| 1er Qua. | 26.94 | 0.1975 | 0.1375 |
| Médiane | 27.5 | 0.64 | 0.365 |
| Moyenne | 27.91 | 1.1204 | 0.6556 |
| 3e Qua. | 28.73 | 1.6025 | 0.7375 |
| Max. | 34.58 | 7.12 | 5.4 |

Source: Author's calculations using R.

The DPS variable exhibits a positive skew comparable to that of EPS, with its mean (0.6556) above its median (0.365). Its maximum value (5.40) shows a significant deviation from the third quartile (0.7375), by a factor of approximately 7.3. This ratio, which is slightly higher than that observed in the US market (6.5), highlights a concentration of dividend distributions around a few dominant stocks within the UK index.

### 4.2.2. Correlation analysis of variables of companies in the FTSE 100

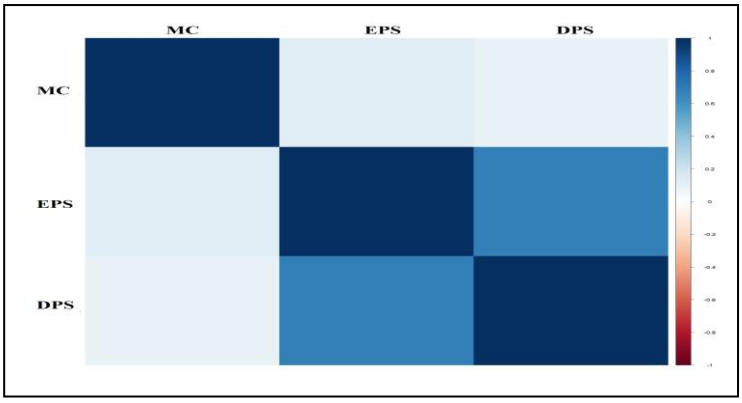
An examination of the correlogram specific to FTSE 100 companies reveals a radically different configuration from that of the S&P 500, establishing a significant asymmetry between the two financial markets. The linear relationship between market capitalization (MC) and earnings

per share (EPS) is nonexistent; this lack of relationship is reflected in an almost white color.

The relationship between MC and EPS is extremely weak, with the near-white color of the corresponding cell indicating a correlation coefficient close to zero. This lack of link between market capitalization and dividend per share in the UK sample differs markedly from the slight negative correlation observed in the FTSE 100 sample.

The relationship between EPS and EPS is distinguished by a much stronger positive correlation, with the medium blue color of the corresponding cell suggesting a strong correlation. This result indicates that, unlike the US sample where this relationship was almost non-existent, FTSE 100 companies with higher returns per share also tend to distribute more generous dividends, which could reflect a governance policy more closely linked to operational performance within the UK market, or a stronger cultural and institutional preference for profit distribution among large UK companies.

**Chart (02): Correlogram of FTSE 100 variables**




Source: Author's construct based on Pearson correlation coefficients estimated using the corrplot package in R.

### 4.1.3. Multiple regression analysis of FTSE 100 index companies

The estimates from the multiple regression presented in Table (04) show the non-significance of the model applied to FTSE 100 companies.

The intercept is estimated at (27.756), it shows a particularly high t-statistic and is highly significant. While this configuration reflects a solid structural anchor for market capitalization, consistent with the descriptive metrics in Table 3, the significance of this parameter only reflects the average level of the dependent variable.

**Table 04: Results of the multiple regression of FTSE 100 companies**

| Modèle | Coefficients | Std. Error | T-stat | Sig. |
|---|---|---|---|---|
| Constante | 27.756 | .195 | 142.448 | .000 |
| EPS | .116 | .132 | .882 | .380 |
| DPS | .023 | .242 | .094 | .925 |

Source: Author's calculations using R.

The EPS variable shows a positive coefficient of (0.116), but this is not statistically significant. Its associated probability is well above the conventional critical threshold of 5%. This lack of significance marks a clear break with the inverse but statistically significant coefficient documented for EPS in the US model. Meanwhile, DPS exhibits a positive coefficient of (0.023), which is also statistically insignificant, confirming the near-total absence of a linear effect between dividend per share and the market capitalization of FTSE 100 companies within this model.

## 5. Conclusion

This study examines the relationship between per-share metrics and the market capitalization of listed companies in the US and UK markets. The two samples exhibit a clear empirical contrast. The model applied to S&P 500 companies shows statistical significance for all its explanatory variables, while the model applied to the FTSE 100 establishes no statistically significant linear relationship between these same variables and market capitalization.

The regression model for the US sample shows strong significance for all coefficients. EPS, whose coefficient turns out to be negative and significant, which contradicts the foundations of earnings-based valuation

theory developed by Ohlson (1995). The preliminary descriptive analysis revealed a highly skewed distribution of the EPS variable. The positive and significant coefficient associated with dividend per share, on the other hand, is consistent with signaling theory that highlights dividend payouts as a credible indicator of the financial strength anticipated by management, which strengthens investor confidence and the stock market valuation.

The British model lacks statistical significance for both explanatory variables. This result cannot be attributed to a data quality issue comparable to that observed for the US sample. The descriptive analysis of the FTSE 100 revealed neither massive extreme value or pronounced asymmetry. The lack of significance therefore reflects a genuine absence of a direct linear relationship.

The correlogram partially confirms the observations, with nearly zero correlations between market capitalization and earnings and dividend per share. On the other hand, a stronger positive correlation between EPS and DPS themselves was noticed. Profitability and dividend policy thus appear to be linked within British companies, without this relationship translating into a direct and measurable effect on market valuation, at least within the framework of the simple linear model used in this study.

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