

## News Release

### **UK company dividends fell 4.6% in Q1 2025, but shareholder payout growth remains encouraging in key sectors, says Computershare's quarterly Dividend Monitor**

- UK company dividends fall 4.6% to £14.0bn during quarter (0.2% decrease on underlying basis), but nevertheless exceeded expectations
- Reduced special dividends and cuts from three companies lower total
- Pharmaceutical companies make strongest positive contribution
- 3.3% typical (median) company dividend growth
- Positive signs for Q2; renewed strength in pound may depress headline dividend growth for 2025 as a whole
- 2025 underlying growth upgraded from 1.0% to 1.8%; headline growth downgraded from 0.7% to 0%
- £63.2bn in share buybacks during 2024 owing to repurchase acceleration during last two quarters

**London 28 April 2025** - Dividends from UK companies totalled £14.0bn during the first quarter of 2025 according to Computershare's latest Dividend Monitor.

This represented a 4.6% decline on a headline basis, reflecting lower one-off special dividends, which reduced the headline growth rate by 3.3 percentage points.

The global financial services company's report also reveals how regular dividends of £13.6bn were 0.2% lower year-on-year on an underlying basis (excluding one-off special dividends and adjusted for constant currency).

Cuts from Vodafone, Burberry and Bellway Homes knocked five percentage points off the total, masking better growth elsewhere.

Despite the slight fall in Q1, the underlying figure was 2.7 percentage points better than expectations, with encouraging growth coming from a number of key sectors, including healthcare, food and industrials as well as the leisure sector.

Mark Cleland, CEO Issuer Services United Kingdom, Channel Islands, Ireland and Africa at Computershare, said: "Dividends are typically less likely than company profits to experience short-term fluctuations either during economic turbulence or in boom times, as most companies seek to deliver steady income growth over time for their investors.

"Nevertheless, any cooling driven by the current upheaval in financial markets and the real global economy is likely to affect profits and this will subsequently knock on to dividend payouts.

"We are unlikely to see much effect on regular dividends in the next couple of quarters, but discretionary special dividends particularly have proven more vulnerable to economic difficulty historically."

#### **Q1 Sector Detail**

Pharmaceutical companies were the biggest dividend payers during the first quarter and showed strong dividend growth on the back of strong sales, including AstraZeneca and GSK.

Profits at EasyJet meant the company made the largest contribution to dividend growth in the leisure and travel sector.

Median, or typical, per share dividend growth was a respectable 3.3% in Q1, with 82% of companies increasing their dividends or holding them steady year-on-year.

## Q2 2025

The Dividend Monitor also notes how prospects for Q2, led by banks and food retailers, look brighter following a better-than-anticipated Q1.

The report's forecast for underlying growth during 2025 is revised up from 1.0% to 1.8% on a constant currency basis based upon the delivery of regular dividends of £85.6bn.

However, headline dividend growth is predicted to be zero (down from 0.7%), resulting in total payouts (including one-off special dividends) of £90.1bn as the effect of a stronger pound reduces the sterling value of dividends declared in dollars.

## Share buybacks

The report also includes details for 2024's share buybacks:

- A £63.2bn total for the year was better than the run-rate evident from interim results reported during the year.
- This was owing to the pace of buybacks accelerating markedly during the second half of the year: the annual total was £3.5bn more compared to 2023.
- Total shareholder remuneration in 2024 (dividends plus share buybacks) was therefore £153.4bn compared to £148.5bn in 2023.

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## Notes

1. For high resolution images of spokespeople, visit <http://cpu.vg/spokespeople>.
2. The Dividend Monitor calculates underlying dividend growth by deducting one-off special dividends from the headline figure and adjusting for movements in exchange rates.
3. The Dividend Monitor is a publication produced by Computershare Investor Services PLC in association with 5i Research UK. This publication is intended for general information purposes only. It is under no circumstances intended to be used or considered as financial or investment advice, a recommendation, or an offer to sell, or a solicitation of any offer to buy any securities or other form of financial asset or to be relied on by the reader in any way.
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