

## News Release

### UK dividends reached record high in Q2

*Payouts rose 11.2% year-on-year to an all-time quarterly high of £36.7bn, according to Q2 2024 Dividend Monitor report*

- UK dividends rose 11.2% on a headline basis in Q2 to a record £36.7bn, boosted by one-off special dividends
- Underlying growth was just 1.0% thanks to a large cut in mining payouts, but regular dividends still reached a record £32.5bn
- Excluding the weak mining sector, underlying growth was 8.6% in Q2 compared with Q2 2023
- Growth was broad-based, with 16 out of 21 industry sectors seeing higher payouts; median dividend increase at company level was 5.4%
- Banks made the strongest contribution to growth and are on track for record payouts in 2024
- Reduced forecast for 2024, with headline 2024 forecast cut to £93.9bn, but only owing to mining-sector cuts, and up overall by 3.8% year-on-year
- Underlying growth expected to be 0.1%; down from previous forecast of 1.5%

**LONDON, 22 July 2024** – UK dividends hit a new record in the second quarter of 2024, according to the latest Dividend Monitor from global financial services company Computershare.

Payouts — boosted by special dividends, the largest of which came from HSBC distributing the disposal proceeds from its Canadian business — rose 11.2% year-on-year to an all-time quarterly high of £36.7bn.

The underlying growth rate, which strips out these one-offs, was just 1.0%, but regular payouts still reached a new record (£32.5bn).

A second consecutive year of cuts from mining companies, which totalled £2.0bn in Q2 and took the sector's payouts down by a third year-on-year, resulted in the slow underlying growth rate and concealed strength across a variety of sectors.

Excluding the volatile mining sector, the underlying increase in dividends was 8.6% in Q2, with 16 out of 21 industry sectors seeing higher dividends.

At the company level, the median or typical growth rate in the per-share dividend was 5.4%.

Mark Cleland, CEO of Issuer Services, UCIA at Computershare, said: "The UK economy has begun to pick up.

"Wage growth is significantly higher than inflation at present, which might pose a headache for policymakers, but it does mean that purchasing power is increasing after the painful squeeze during the last couple of years.

"Higher profits mean most sectors are paying more in dividends and spending a lot of cash on share buybacks, although this might not be obvious given that the gravitational pull of mining companies on UK dividends is hard to escape.

"Our figures for Q2 show that most sectors are delivering growth, and we expect that to continue in the second half of the year."

Banks made by far the largest positive impact on dividends, distributing £1.1bn more in regular dividends compared to the second quarter last year, as high interest rates continue to support profit margins.

As a result, banks are on track to make record payouts this year.

The healthcare sector (up 25%) made the second largest contribution to growth, primarily as a result of strong profit performance at Haleon and GSK.

Insurance, property, industrials and food retail were among the mix of sectors showing good growth.

High oil prices continued to support modestly rising dividends from the major oil companies.

The weakest sector was housebuilding, with lower dividends mirroring the currently tough housing industry and residential sales markets.

For the rest of 2024 mining payouts are likely to be even lower following a steeper-than-expected cut announced by Glencore for Q3.

The 'mining effect' means that the Dividend Monitor has reduced the forecast of underlying growth this year to just 0.1%, down from 1.5% three months ago, translating into total regular dividends of £88.2bn.

Excluding mining companies, the forecast would show double-digit underlying growth this year.

Mark added: "The mining sector has helped drive faster growth for UK dividends over the longer term, but the highly cyclical nature of the industry means it has introduced much more volatility into each year's overall UK dividend picture.

"In 2024 it will act as a major brake on progress: for the full year, mining dividends are likely to be more than £4bn lower than 2023, offsetting all the underlying growth contributed by the wider market."

The report reduces its headline growth forecast to £93.9bn (down from £94.5bn): still up 3.8% year-on-year although still lower than its earlier 4.5% forecast.

During the next twelve months, UK equities are set to yield 4.0%: unchanged from three months ago.

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#### Notes

1. For high resolution images of spokespeople, visit <http://cpu.vg/spokespeople>.

#### About Computershare Limited (CPU)

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Founded in 1978, Computershare is renowned for its expertise in high integrity data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organisations use us to streamline and maximise the value of relationships with their investors, employees, creditors and customers.

Computershare is represented in all major financial markets and has over 12,000 employees worldwide.

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