



Q3 2025

UK Dividend Monitor



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The Computershare UK Dividend Monitor shines a light on that vital component of the return that equities provide to investors. It helps issuers, investors and media understand the big trends and is the most comprehensive and widely followed research on dividends in the UK. We are pleased to bring you the Q3 2025 edition.

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At a glance

Overview

- UK companies paid £24.6bn in dividends during Q3: down 1.4% year-on-year; one-off special dividends dropped to multi-year lows
- The underlying decline of 0.6% was slightly better than forecast
- Five large cuts by top 100 companies impacted the growth rate: 5.7 percentage points during Q3
- Buybacks remain a major factor dragging on dividend growth: 160 companies are running such programmes
- Median dividend growth was a modest 3.0%

Sectors and companies

- Dividend reductions at Rio Tinto, Glencore and Anglo American cut mining payouts by £711m in Q3: equal to 2.9 percentage points off total Q3 growth
- Vodafone halved its dividend, Burberry suspended payments and Berkeley diverted cash to buybacks
- Rolls-Royce has returned with record payouts and buybacks, while NatWest and Lloyds lifted bank dividends significantly
- 17 of 21 sectors still showed higher underlying payouts, and 80% of companies either raised or maintained dividends

Top 100 v mid 250

- Index shifts muddied the picture, but mid-250 growth exceeded the top 100 where the big cuts were concentrated

Yield

- UK equities are forecast to yield 3.3% over the next 12 months: down from 3.4% owing mainly to record share prices
- Fixed income yield spread over equities has widened: a 10-year gilt is now 4.7%
- Cash savings rates are falling

Viewpoint and outlook

- Outlook for Q4 has weakened thanks to lower one-off dividend payments and announced cuts
- Our forecast for 2025 underlying growth is now pegged at 2.5% (£84.7bn), but headline payouts were hit by fewer special dividends and FX headwinds – and we project it to fall 2.3% to £87.2bn



Overview

The UK's listed companies paid their shareholders £24.6bn during the third quarter of 2025: down 1.4% year on year on a headline basis. This was weaker than our forecast owing to one-off special dividends shrinking to just £93m: their lowest quarter since Q3 2020. Regular dividends of £24.5bn (which exclude special payments) fell 0.6% on a constant-currency basis too, which was a little better than our -0.9% projection.

A handful of companies making big cuts were responsible for the overall decline – knocking 5.7 percentage points off the Q3 growth rate between them. The mining sector saw payouts fall by a quarter as profits among the biggest companies came under further pressure, while dividend cuts by Vodafone and Burberry also made a significant impact.

Across the wider market, median per-share dividend growth was a relatively modest 3.0%, but there were pockets of real strength. For the second consecutive quarter Rolls-Royce made the largest positive contribution with its first interim payment since before the pandemic. The company's payment boosted overall dividend payouts during the third quarter by 1.5 percentage points. In the banking sector, NatWest raised its dividend by more than half on the back of strong earnings growth, while Lloyds also made a large increase.

The diverting of cash to share buybacks is a significant factor slowing dividend growth. Around 160 companies currently have active buyback programmes, some sizeable. For example, the UK's two largest dividend payers, Shell and HSBC, have each repurchased around 6% of their shares during the last year. Moreover, Shell has spent around twice as much on share buybacks than it has on dividends in the last twelve months. By comparison, before the pandemic, Shell's dividends had always been larger than its buybacks by a wide margin.

The outlook for the fourth quarter has worsened with a greater drag from share buybacks, slower median dividend growth and some new cuts in the pipeline. We now expect underlying, constant-currency growth of 2.5% in 2025 (down from 2.8% three months ago) yielding regular dividends of £84.7bn.

At the headline level, special dividends are very light in H2. As a result, the already modest Q4 estimate for these one-offs comes down by a further two thirds, to £100m. This takes the annual total to £2.5bn, down by more than half from £5.2bn in 2024. Headline growth is also impacted by the strong pound this year. We therefore anticipate total UK dividends falling to £87.2bn in 2025: down 2.3% on a headline basis compared to a projected 1.4% decline three months ago.

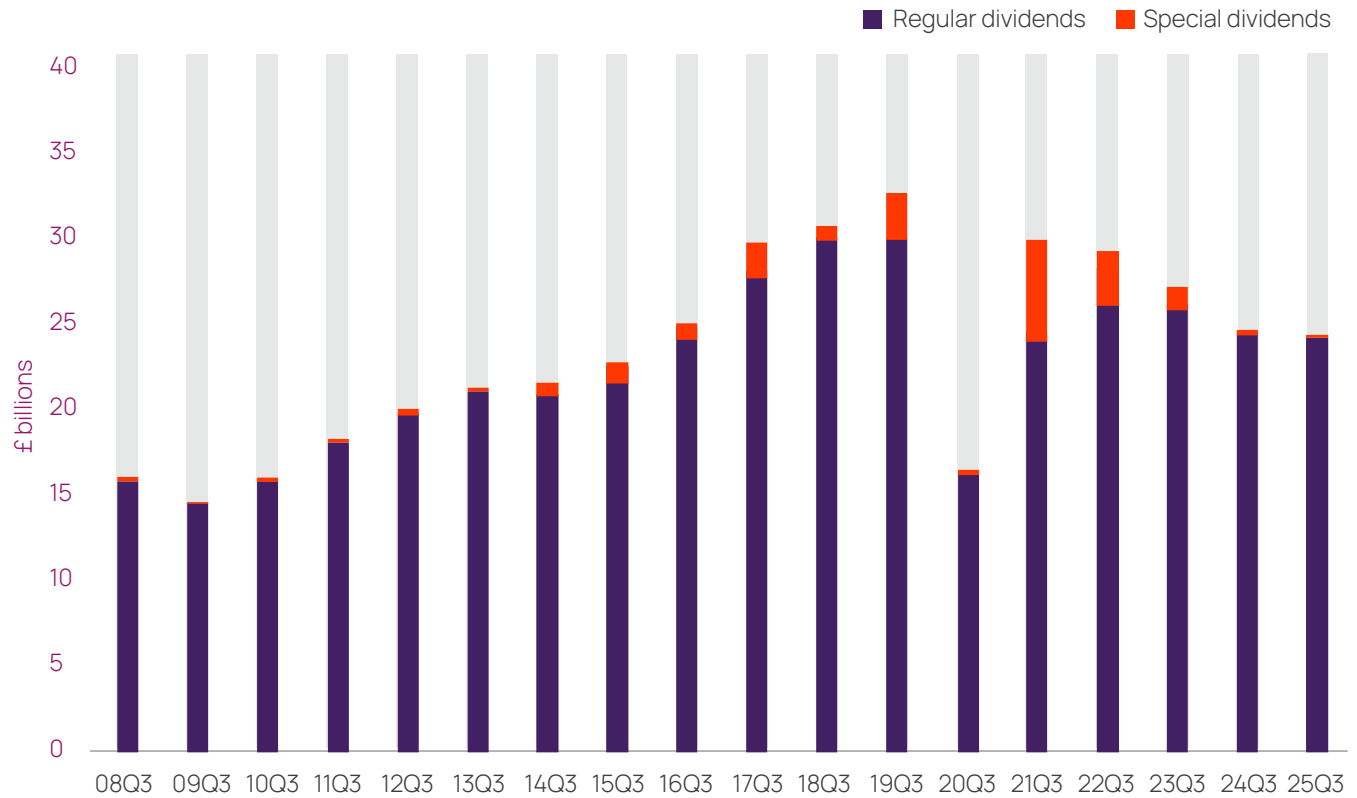
Q3 dividends fell

1.4%

to £24.6bn

Five large cuts impacted Q3 growth by 5.7 percentage points

UK Q3 dividends



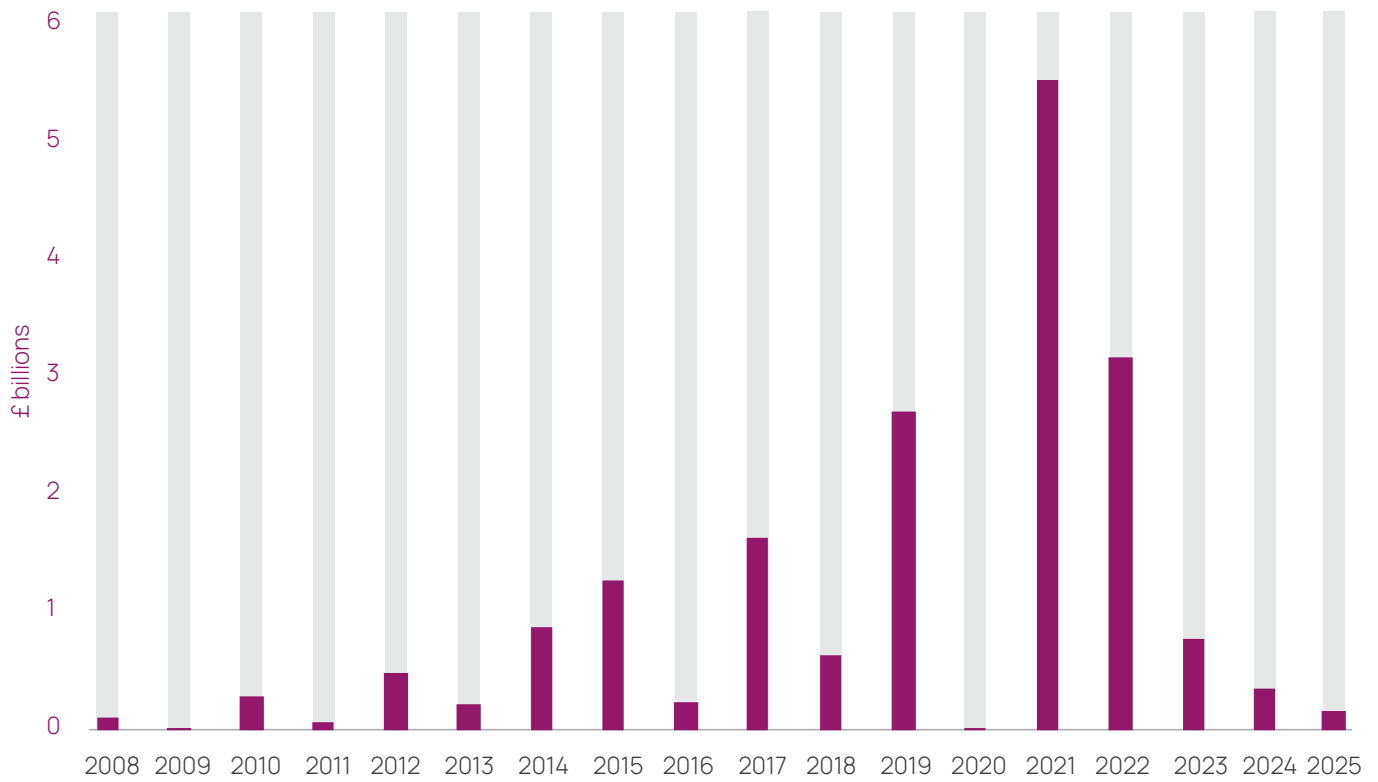
Dividends paid £bn

£bn	2016		2017		2018		2019	
Q1	£13.8	8.4%	£14.8	7.5%	£15.9	7.8%	£16.7	4.8%
Q2	£30.2	12.7%	£33.2	10.0%	£31.8	-4.3%	£35.1	10.5%
Q3	£25.3	10.1%	£30.0	18.8%	£31.0	3.1%	£33.0	6.6%
Q4	£15.6	5.5%	£15.5	-0.7%	£16.6	7.2%	£17.4	5.0%
Full year	£84.8	9.8%	£93.5	10.2%	£95.3	1.9%	£102.3	7.3%

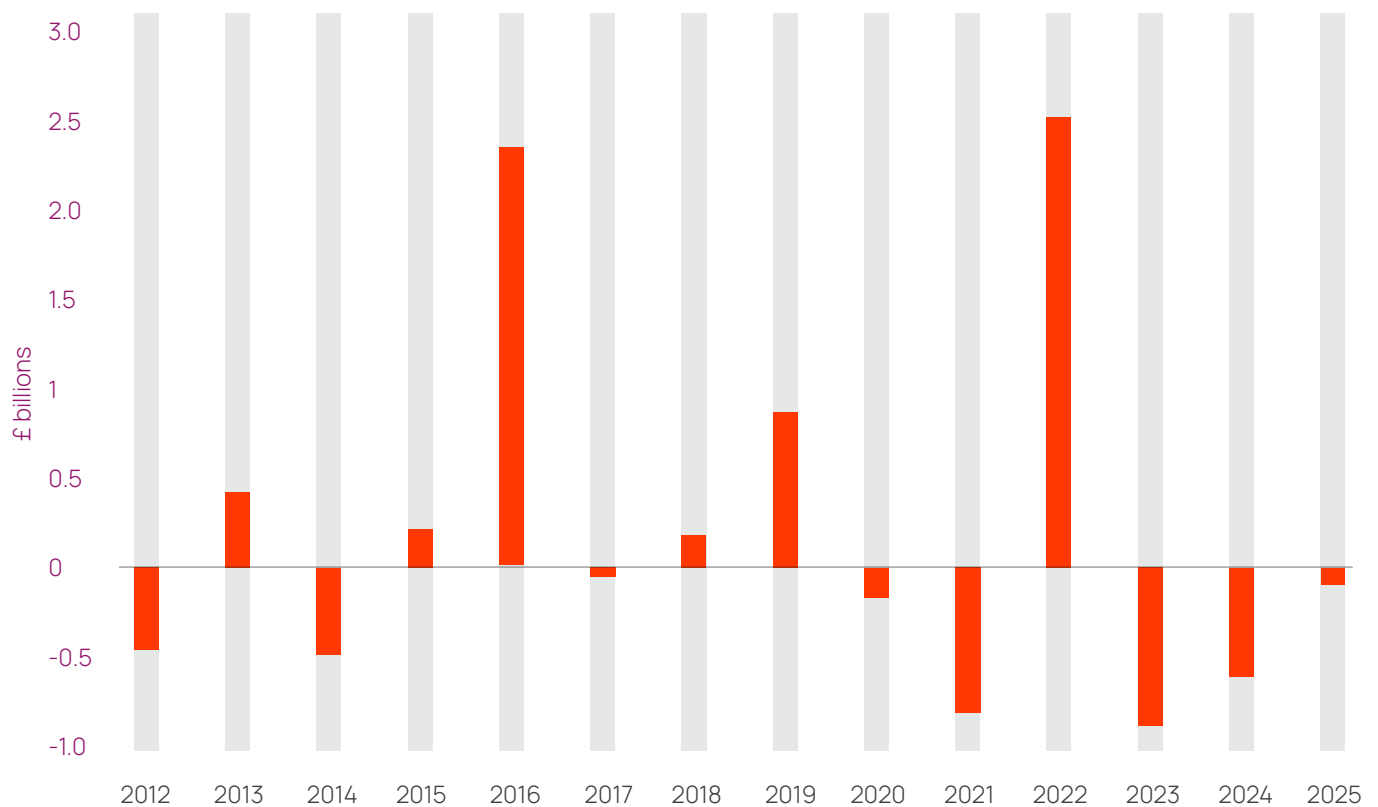
£bn	2020		2021		2022		2023	
Q1	£16.0	-3.9%	£16.9	5.1%	£13.6	-19.6%	£13.9	2.6%
Q2	£16.0	-54.4%	£23.9	49.4%	£35.5	48.5%	£32.8	-7.8%
Q3	£16.4	-50.5%	£30.4	85.7%	£29.7	-2.2%	£27.3	-8.0%
Q4	£10.2	-41.7%	£12.0	17.6%	£12.9	7.9%	£14.3	10.8%
Full year	£58.6	-42.7%	£83.1	41.9%	£91.7	10.3%	£88.3	-3.7%

£bn	2024		2025e	
Q1	£14.6	5.2%	£14.0	-4.6%
Q2	£35.6	8.6%	£35.0	-1.6%
Q3	£24.9	-8.9%	£24.6	-1.4%
Q4	£14.1	-1.2%	£13.7	-3.3%
Full year	£89.2	1.0%	£87.2	-2.3%

Special dividends Q3



Q3 exchange rate boost / penalty



Special dividends and FX

The drop-off in special dividends during Q3 is of particular note. The only other quarters since at least 2007 that companies have paid less than the £93m distributed in Q3 2025 were during the pandemic and in the immediate aftermath of the Global Financial Crisis more than 15 years ago. Special dividends are extremely volatile by their nature because they often reflect big disposals made by individual companies. However, there is more to the drop off in 2025 than just the ebb and flow of deals.

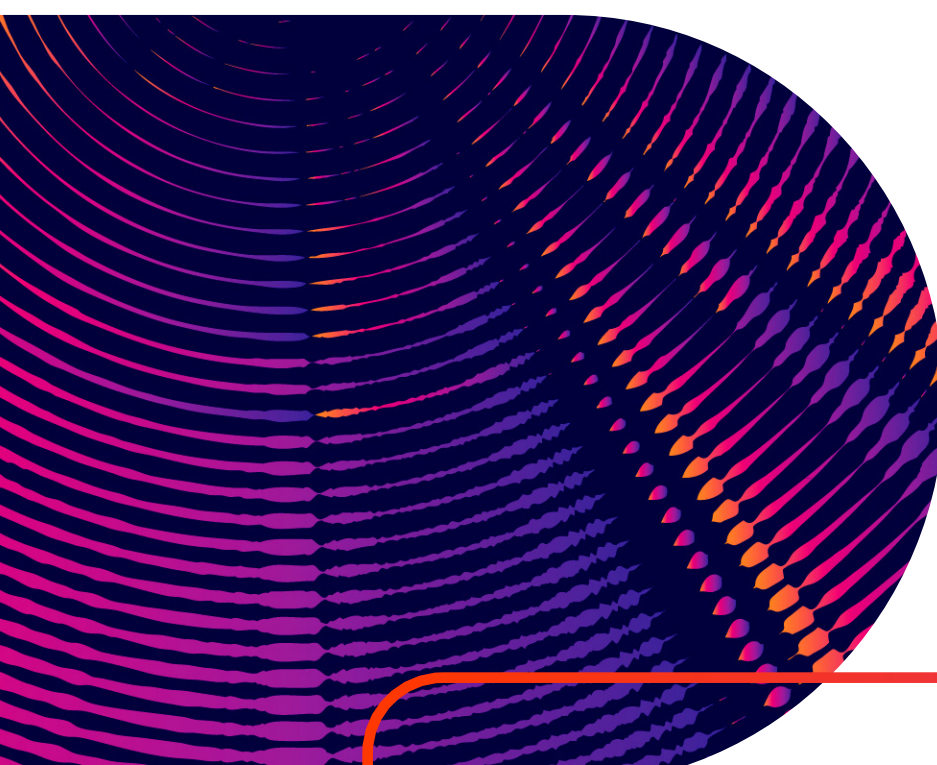
Low profits in sectors such as mining that are prone to paying special dividends during good times, the pivot to buybacks, and a cautious macro stance, are also key drivers causing lower one-offs today. Where a special dividend in the past might have been used to signal that a period of high profitability was likely temporary (in order not to raise expectations for future payouts), companies can now adjust the settings on a buyback programme. Equally, the slow median dividend growth rates we are seeing – at or

below inflation – indicate that companies are cautious given growing commentator predictions of a weakened UK economy and significant cost pressures.

Exchange rates again had a negative effect in Q3. However, this was smaller than during the first half of the year.

The pound weakened a touch during Q3, and the largest dollar payments in the quarter matched against a corresponding brief period of sterling strength in Q3 2024. As a result, Q3 headline growth was reduced by just 0.3 percentage points compared to a reduction of more than two percentage points in H1.

If the pound holds its current level (US\$1.35 at the time of writing) during Q4, it will once again mean a translation loss for the period, taking the projected exchange rate impact for the full year to £1.5bn. This would be enough to knock 1.7 percentage points off the annual headline growth rate.



Sectors and companies

A few big cuts made a significant impact on Q3. Totalling £1.4bn, these cuts between them held back Q3 growth by 5.7 percentage points.

The three biggest mining companies, Rio Tinto, Glencore, and Anglo American all operate dividend policies that allow payouts to flex as profits rise and fall over the commodity cycle. This ensures such companies do not overdistribute but also results in a lot of dividend variation and little forward visibility.

Sector payouts this year are down £1.2bn compared to 2024 and more than £10bn lower than the peak year of 2022.

Losses at Anglo American and Glencore as well as falling profits for Rio Tinto, driven by lower iron ore prices, mean dividend cuts were inevitable during the third quarter. Payouts in this sector were down £711m year-on-year: equivalent to 2.9 percentage points off the Q3 growth rate.

Other major cuts include Vodafone, which has halved its dividend to preserve capital for investment (a 2.1 percentage point [pp] impact), while a downturn in the luxury goods market has caused Burberry to suspend its dividends altogether (0.6pp). Elsewhere, housebuilder Berkeley Group opted to divert its cash to share buybacks rather than pay a dividend.

The return of Rolls-Royce, which has paid record dividends this year and commenced share buybacks on top, provided a significant boost to Q2 and Q3. The company's revenue and profit trajectory to date suggest more dividends in 2026, thanks to growing aerospace and defence spending.

In banking, while HSBC's profits have come under pressure, the rest of the sector has been doing well and most banks are raising dividends – very significantly in the case of NatWest. Banks added 1pp to dividend growth in Q3. Other sectors that made a notably positive contribution included utilities and property.

17 out of 21 sectors saw higher payouts year on year on an underlying basis, and eight companies in ten either increased dividends or held them steady year on year.

Rolls Royce
boosted growth by

1.5pp

17 out of 21 sectors saw
higher payouts

Mining payouts fell

£711m

in Q3

Dividends by industry £m – Q3

	2019	change YOY	2020	change YOY	2021	change YOY	2022	change YOY	2023	change YOY	2024	change YOY	2025	change YOY
Resources & commodities	£4,362	38%	£2,092	-52%	£9,225	341%	£7,390	-20%	£5,516	-25%	£2,952	-46%	£2,233	-24%
Consumer basics	£3,493	-6%	£3,016	-14%	£3,288	9%	£3,314	1%	£3,414	3%	£3,519	3%	£3,758	7%
Consumer discretionary	£3,245	-19%	£428	-87%	£1,874	338%	£1,526	-19%	£1,922	26%	£2,044	6%	£1,737	-15%
Banks & financials	£9,057	12%	£2,131	-76%	£4,653	118%	£6,869	48%	£5,203	-24%	£5,267	1%	£5,647	7%
Healthcare & pharmaceuticals	£1,960	-1%	£1,903	-3%	£1,992	5%	£1,934	-3%	£1,896	-2%	£2,061	9%	£2,102	2%
Industrials	£1,636	0%	£1,524	-7%	£1,905	25%	£1,498	-21%	£1,540	3%	£1,613	5%	£1,969	22%
Oil, gas & energy	£4,821	3%	£1,782	-63%	£2,178	22%	£2,689	23%	£2,955	10%	£2,805	-5%	£2,828	1%
Information technology	£91	-3%	£46	-49%	£414	793%	£457	10%	£479	5%	£492	3%	£517	5%
Telecoms	£2,093	0%	£1,239	-41%	£1,174	-5%	£1,728	47%	£1,724	0%	£1,691	-2%	£1,184	-30%
Domestic utilities	£2,260	5%	£2,190	-3%	£3,665	67%	£2,296	-37%	£2,682	17%	£2,453	-9%	£2,582	5%
Total	£33,018	3%	£16,351	-50%	£30,369	86%	£29,703	-2%	£27,330	-8%	£24,898	-9%	£24,558	-1%

Dividends by sector £m – Q3

Sector £m	2024	2025	Headline change year on year	Underlying change year on year
Mining	£2,845	£2,134	-25.0%	-24.6%
Industrial chemicals	£108	£99	-7.5%	-7.5%
Basic consumer goods	£1,524	£1,586	4.1%	2.6%
Food retail	£220	£225	2.3%	2.3%
Food, drink & tobacco producers	£1,775	£1,946	9.6%	9.6%
Airlines, leisure & travel	£199	£202	1.3%	1.3%
General retail	£418	£446	6.5%	6.5%
Housebuilding, consumer goods & services	£828	£465	-43.9%	-26.5%
Media	£598	£625	4.5%	4.5%
Motor manufacturing & parts	£0	£0		
Banks	£3,286	£3,541	7.8%	7.8%
General financials	£971	£1,012	4.3%	4.5%
General & life insurance	£367	£367	-0.2%	-0.2%
Property	£643	£728	13.1%	8.9%
Healthcare & pharmaceuticals	£2,061	£2,102	2.0%	3.6%
Building materials & construction	£85	£87	2.4%	2.4%
Industrial goods & support	£1,528	£1,881	23.1%	21.9%
Oil, gas & energy	£2,805	£2,828	0.8%	2.4%
Information technology	£492	£517	5.1%	4.7%
Telecoms	£1,691	£1,184	-30.0%	-31.8%
Domestic utilities	£2,453	£2,582	5.2%	5.2%
Total	£24,898	£24,558	-1.4%	-0.6%

Top companies

Top payers – Q3

Rank	2020	2021	2022	2023	2024	2025
1	Rio Tinto plc	Rio Tinto plc	Rio Tinto plc	Glencore plc	Rio Tinto plc	Shell Plc
2	British American Tobacco Plc	Anglo American plc	Glencore plc	Shell Plc	Shell Plc	National Grid Plc
3	National Grid Plc	Pennon Group	NatWest Group Plc	Rio Tinto plc	National Grid Plc	Rio Tinto plc
4	Vodafone Group plc	Royal Dutch Shell Plc	Shell Plc	HSBC Holdings plc	HSBC Holdings plc	British American Tobacco Plc
5	Unilever plc	British American Tobacco Plc	HSBC Holdings plc	National Grid Plc	British American Tobacco Plc	HSBC Holdings plc
Subtotal £bn	£5.9	£11.7	£10.8	£9.4	£7.5	£7.0
% of total dividends	36%	38%	36%	34%	30%	29%
6	Glaxosmithkline plc	National Grid Plc	Anglo American plc	British American Tobacco Plc	AstraZeneca plc	AstraZeneca plc
7	Royal Dutch Shell Plc	Vodafone Group plc	National Grid Plc	AstraZeneca plc	Vodafone Group plc	BP plc
8	AstraZeneca plc	HSBC Holdings plc	British American Tobacco Plc	Vodafone Group plc	BP plc	Unilever plc
9	BP plc	AstraZeneca plc	AstraZeneca plc	BP plc	Unilever plc	NatWest Group Plc
10	Tesco plc	Glencore plc	Vodafone Group plc	Unilever plc	Lloyds Banking Group plc	Lloyds Banking Group plc
11	SSE Plc.	Unilever plc	BP plc	SSE Plc	GSK Plc	GSK Plc
12	Reckitt Benckiser Group Plc	Glaxosmithkline plc	Unilever plc	Lloyds Banking Group plc	Glencore plc	BT Group
13	Persimmon plc	BP plc	GSK Plc	Anglo American plc	BT Group	Reckitt Benckiser Group Plc
14	WPP Plc.	Melrose Industries Plc.	SSE Plc.	GSK Plc	Reckitt Benckiser Group Plc	Vodafone Group plc
15	BAE Systems plc	SSE Plc.	Lloyds Banking Group plc	Reckitt Benckiser Group Plc	NatWest Group Plc	SSE Plc
Subtotal £bn	£6.7	£9.3	£10.0	£8.4	£7.7	£7.4
Grand total £bn	£12.6	£20.9	£20.7	£17.8	£15.1	£14.4
% of total dividends	77%	69%	70%	65%	61%	59%



Top 5	£7.0bn	28.7%
Next 10	£7.4bn	30.1%
The rest	£10.1bn	41.3%

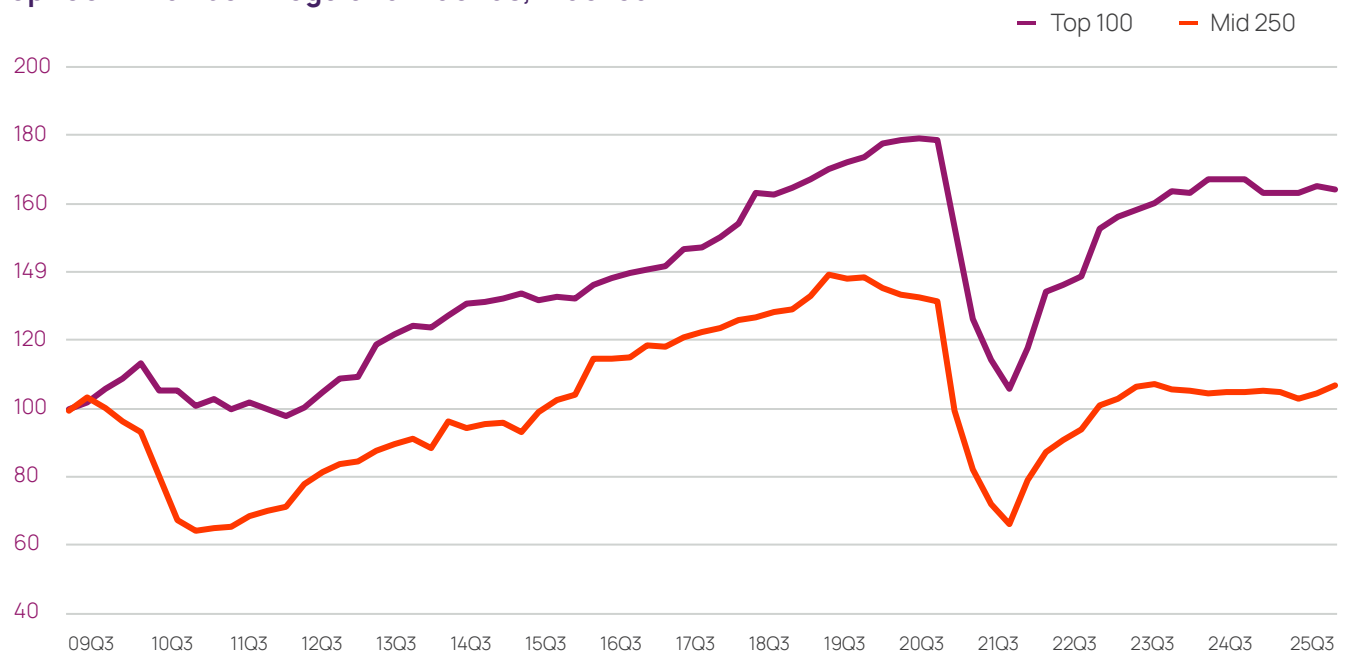
Top 100 v mid 250

The mid-250 companies appeared to show rapid growth in the third quarter: up 9.2% year on year but this reflected index changes rather than actual underlying growth. Adjusting for this, mid-250 underlying dividend growth was 2.6%.

The most significant negative contribution came from Burberry, which was in the mid-cap list last year and has cancelled its dividends. The biggest positive impact by contrast came from Harbour Energy, Ithaca Energy and

Currys, the last of which reinstated its dividend payment after suspending it in 2023 owing to difficult trading conditions. Even allowing for index changes, the mid 250 saw better growth than the top 100, where payouts fell owing to the cuts from the mining sector and Vodafone (and which were not enough to offset the positive impact of Rolls Royce and the banks). Top 100 payouts fell 1.6% on a constant-currency basis. However, this was nearer 0.9% when adjusting for the index changes.

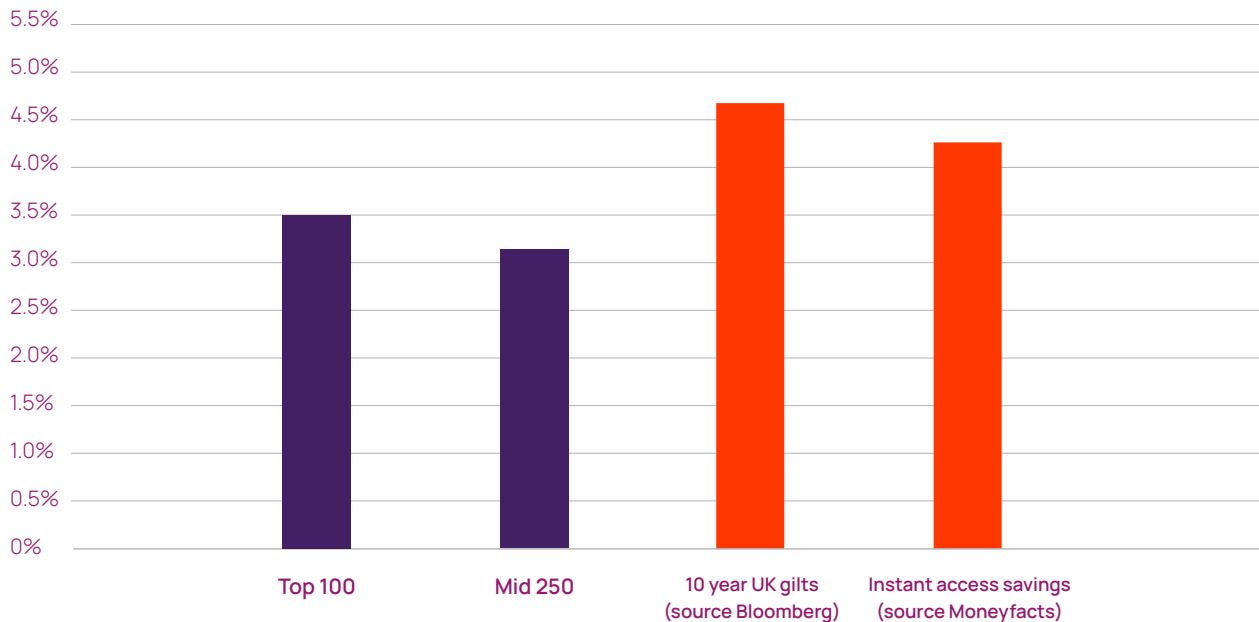
Top 100 v mid 250 – regular dividends, indexed



Top 100	89%
Mid 250	10%
The rest	1%

Yield

UK income



The UK stock market has had a good 2025: up by one seventh between January and early October. The combination of surging share prices and a slightly lower dividend forecast means the prospective yield on UK equities for the next 12 months has dipped to 3.3%: down from 3.4% three months ago. The top 100 is on track to yield 3.3% (down from 3.5%), while the mid-caps are indicating a 3.1% yield.

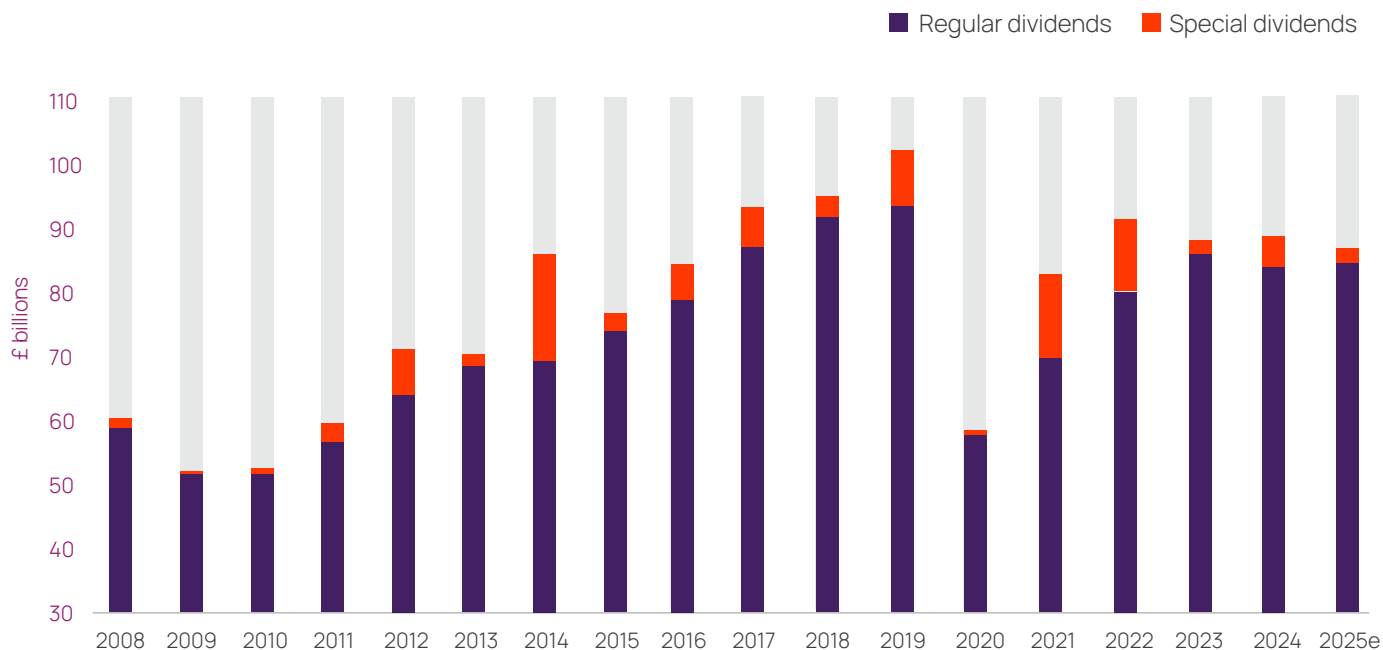
Bond markets remain very troubled by persistent UK inflation and the country's difficult fiscal position. In early October, the 10-year benchmark yield was 4.7%: up from 4.5% three months earlier.

The bond markets remain nervous about the sustainability of UK public finances, with the 10-year yield hovering at 4.5% – roughly where it was three months ago. Cash savings rates have continued to drift lower, however, reflecting a further rate cut by the Bank of England. Best buy savings sat at 4.3% in October.

Equity yield fell to 3.3% on record share prices

Viewpoint and outlook

UK dividends - annual



There is a lot of negative commentary about the UK economy at present, ranging from sticky inflation to low business confidence, high market interest rates and fears of rising taxes. 2025 has not been a vintage year for dividends, though this is only partly related to the UK's economic challenges as many of the biggest dividend payers are global multinationals.

Improvement may be on the horizon. Analyst estimates suggest 2025 will mark the nadir for mining company profits. This sector has put a significant brake on UK dividend payments in the last three years.

Meanwhile most of the banks are projected to show growth continuing during the next 12-18 months. If lower oil prices persist as analysts predict, profits from oil companies will be lower this year and next compared with the last three years.

Lower oil prices need not impact dividends, because share buybacks are more likely to bear the brunt of any efforts to preserve cash. Companies spending large amounts of money on share buybacks can simply reduce the scope of such programmes and without touching the dividend. The big consumer, defensive sectors (tobacco and food are among these) and healthcare are likely to continue their current performance by producing stable profits and slowly rising dividends. Finally, if current exchange rates persist, currency headwinds will not blow as strongly next year.

All this suggests that, after a highly unusual second consecutive annual headline decline in a row in 2025, 2026 may see a return to modest growth for UK dividend payouts.

In the short term, the outlook for the fourth quarter has worsened. For example, advertising firm WPP has announced a 50% dividend cut following a 71% fall in first-half profits owing to big corporates restraining advertising spending and cost pressures hitting margins. Meanwhile, median dividend growth has slowed, and the drag from share buyback programmes has intensified. We now expect underlying, constant-currency growth of 2.5% in 2025 (down from 2.8% three months ago) yielding regular dividends of £84.7bn.

At the headline level, although very low, one-off special dividends were already in the H2 2025 Dividend Monitor projections, their weakness in Q3 suggests greater prudence for Q4. As a result, we have reduced our Q4 estimates by two thirds to £100m. Special dividends are therefore likely to be £2.7bn lower year on year in 2025 (falling by more than half).

Headline growth has also been affected by the strong pound in 2025, though the projected exchange-rate impact in Q4 is unchanged since our last edition. A slightly weaker underlying picture combines with the lower special dividends and the exchange rate effect in the fourth quarter.

As a result, we now project total UK dividends of £87.2bn this year: down 2.3% on a headline basis compared to the 1.4% decline estimated three months ago.

Methodology

The Dividend Monitor analysed data on all the individual dividends payments made by UK companies listed on the main market of the London Stock Exchange, including those incorporated in the Channel Islands and other offshore British territories. Listed investment funds are excluded. All raw dividend data is supplied by Exchange Data International. Computershare supplemented raw data with reference to company announcements and financial statements. Dividends are calculated and included in the Dividend Monitor model based on the date they are paid, not declared, as this provides certainty that the cash actually moved from company to shareholder. Where a company produces its financial statements in a currency other than sterling, Computershare tracked the exchange rate impact on each dividend paid as part of the underlying growth calculation.

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