



Q1 2026

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 Q1 2026 edition.

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At a glance

Overview

- > UK dividends rose 21.1% to £16.4bn on a headline basis in Q1, boosted by large one-off special dividends – beating our previous forecast.
- > The underlying picture was also better than projected – regular dividends of £13.2bn (these exclude one-offs) were up 1.1% on a constant-currency basis.
- > One-off special dividends surged nine-fold to £3.3bn in Q1 2026, and a softening pound meant a smaller exchange rate penalty than projected.
- > Median dividend growth at company level was 2.8%.

Sectors and companies

- > Healthcare dominates Q1 but payouts fell slightly, along with oil and tobacco – exchange rates and share buybacks offset small increases in dividends.
- > Travel and leisure showed strong growth, led by cruise liner Carnival restarting dividends.
- > Utility payouts rose owing to larger capital bases at National Grid and SSE following equity raises.
- > Majority of sectors growing; mining signals recovery ahead after years of declines.

Top 100 v mid 250

- > Mid-250 underlying growth of 5.9% exceeded 0.9% expansion from the top 100.

Yield

- > UK equities projected to yield 3.5% over the next twelve months, up from 3.3% in January.

Viewpoint and outlook

- > 2026 upgraded projection: Headline payouts of £91.6bn, up 5.3%.
- > 2026 upgraded projection: Regular dividends £86.7bn, up 3.1% on a constant currency basis.



Overview

UK dividends started the year on a very positive note. Q1 payouts jumped 21.1% on a headline basis to £16.4bn: their best first-quarter result since 2021. Large one-offs explain the surge, but underlying growth was also a little better than we forecast in January and set the tone for a better second quarter. Regular dividends, which exclude one-off special payments, rose to £13.2bn: up 1.1% on a constant-currency basis, beating our projection of a slight fall. Median, or typical, dividend growth was faster still at 2.8%, roughly in line with inflation, though it was still in the low-single digit range we projected.

The first quarter's strength relative to our projection stems from three factors. The first is very large, and typically volatile, special dividends which came in at £3.3bn: nine times larger than Q1 2025. The second reflects the weakening of the pound as the quarter progressed, which meant the value of dollar payments was translated even more favourably than we had allowed for. These two factors boosted the headline growth rate but made no difference to the underlying picture. The third was simply a modestly better dividend performance across the majority of sectors – only four came in weaker than our projection, ten were stronger and the rest were in line. There was particular strength in the airlines, leisure and travel sector, in which cruise operator Carnival paid its first dividend since the onset of the pandemic.

As far as the outlook is concerned, the economic fallout from the conflict in the Middle East is uncertain and uneven. It represents a significant shock, but the impact on dividends is likely to be delayed rather than immediate. It is likely to pressure profits across a number of sectors, reducing cash available for payouts, but companies will typically protect dividends in the short term by cutting buybacks or even increasing borrowing. This negative pressure will not be felt universally: for example, energy producers benefit from higher oil and gas prices, as revenues rise faster than costs in the short term.

Overall, 2026 dividends are tracking ahead of our January projection after the solid first quarter and a very positive outlook for Q2. The second half looks a little softer than initially expected, but not enough to offset a strong H1.

We are currently anticipating headline payouts of £91.6bn (including one-off special dividends): up 5.3% year-on-year compared to our earlier 1.5% forecast. Underlying growth also looks better, with regular payouts of £86.7bn: up 3.1% on a constant-currency basis, compared to our earlier 2.0% projection.

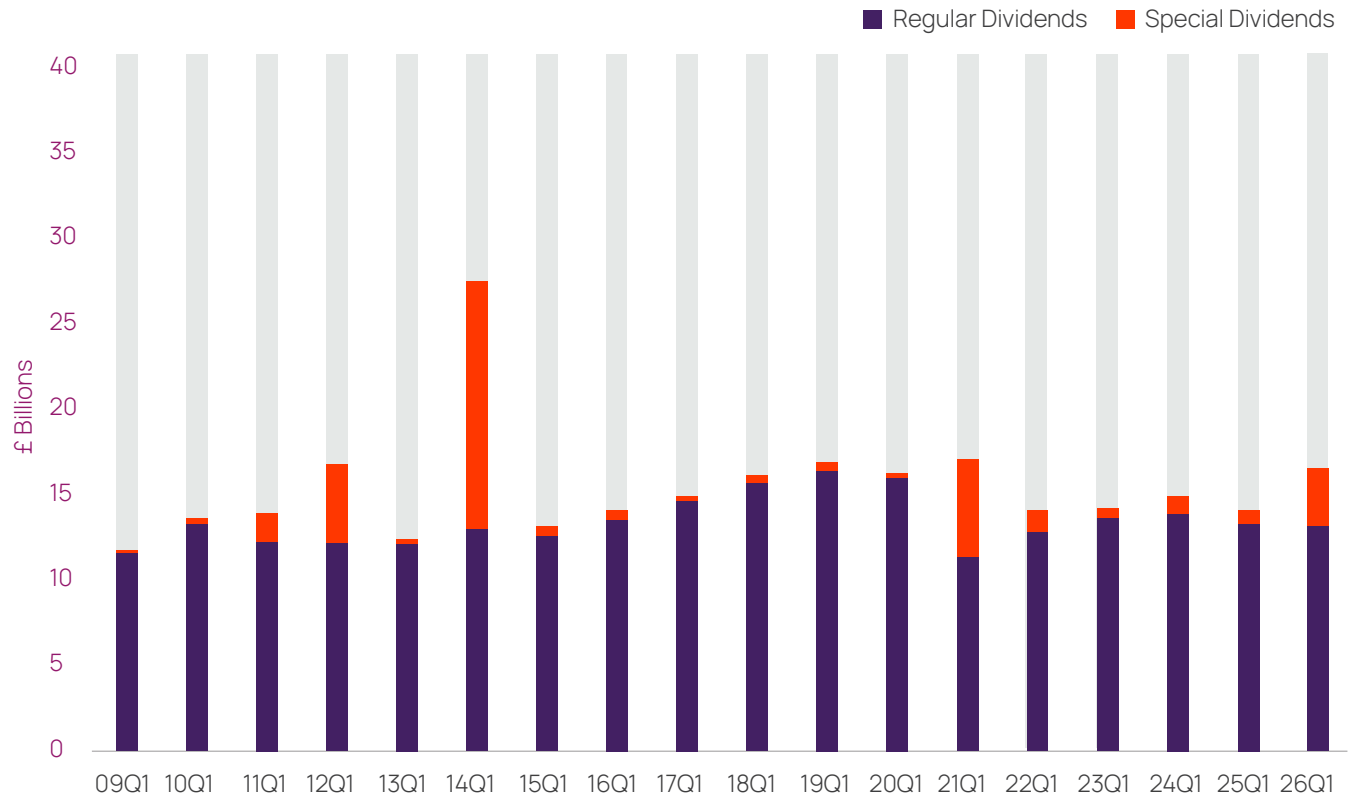
Q1 2026 dividends
jumped

21.1%

on a headline basis
to £16.4bn

Q1 underlying growth of 1.1%
was better than expected

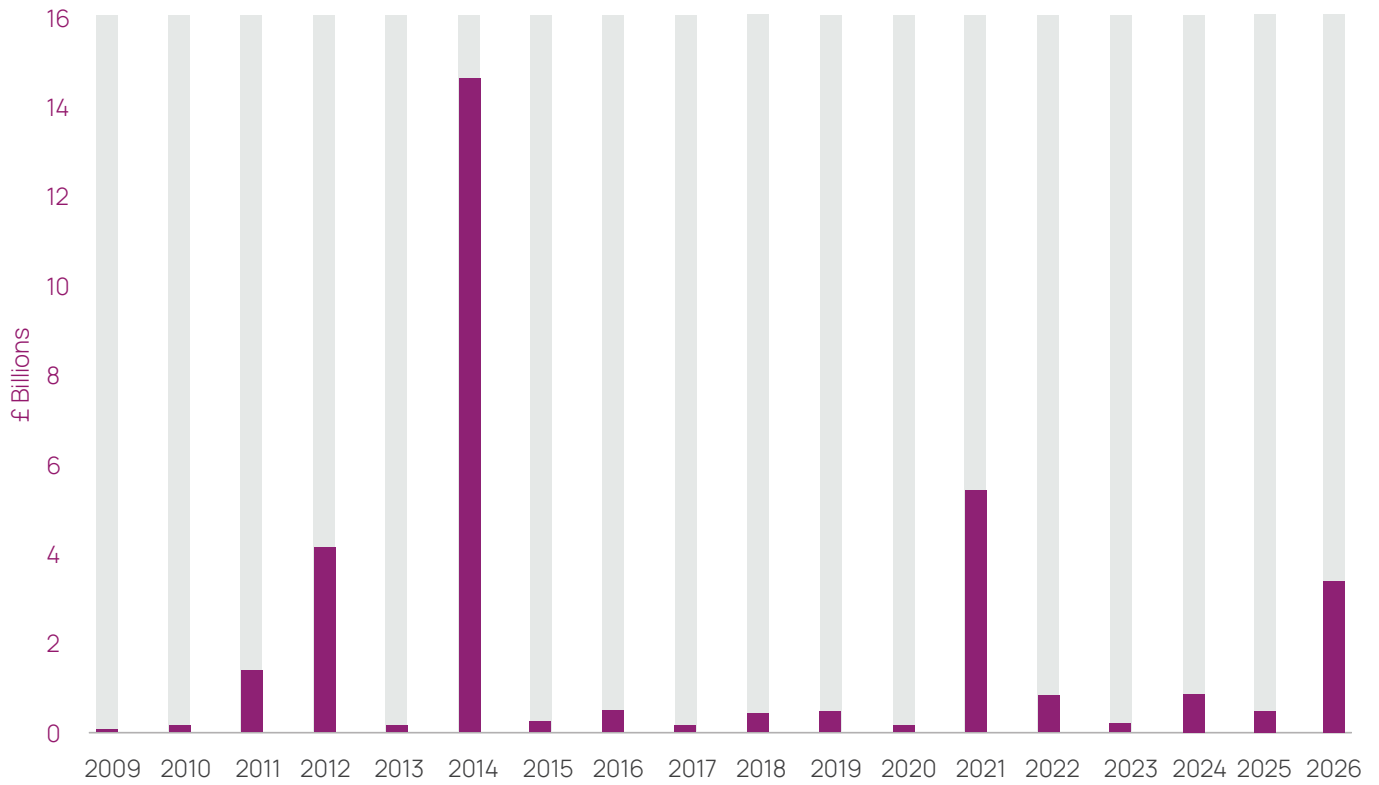
UK Q1 Dividends



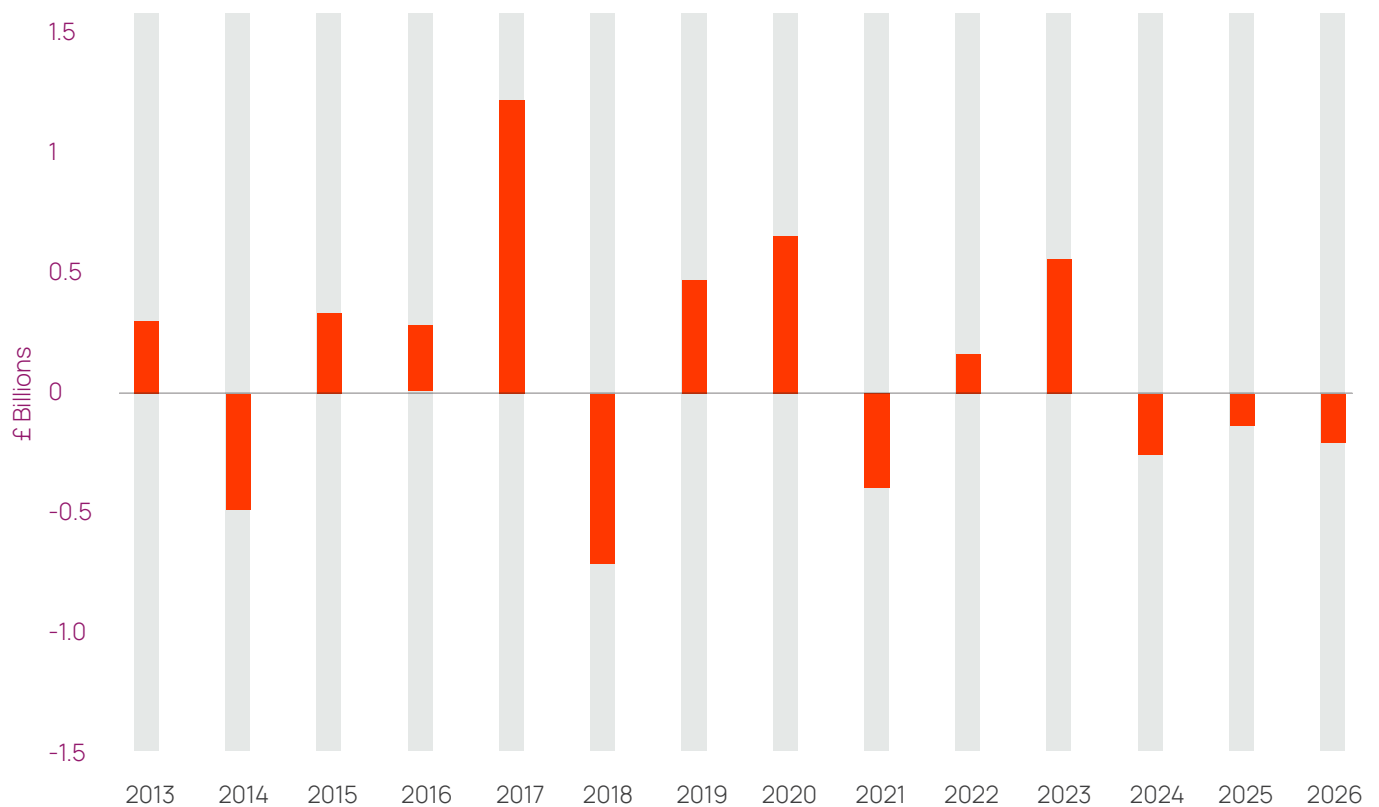
Dividends Paid £bn

£bn	2016		2017		2018		2019	
Q1	£13.7	8.4%	£14.8	7.5%	£15.9	7.8%	£16.7	4.7%
Q2	£30.1	12.7%	£33.1	10.1%	£31.2	-5.9%	£34.5	10.7%
Q3	£25.2	10.1%	£29.4	16.8%	£30.3	3.1%	£32.1	6.1%
Q4	£15.6	5.5%	£15.5	-0.7%	£16.6	7.2%	£17.4	5.0%
Full Year	£84.6	9.8%	£92.8	9.7%	£94.0	1.3%	£100.8	7.2%
£bn	2020		2021		2022		2023	
Q1	£16.0	-4.0%	£16.8	5.1%	£13.5	-19.7%	£13.9	2.5%
Q2	£15.5	-55.1%	£23.2	49.4%	£33.8	45.7%	£31.9	-5.5%
Q3	£15.9	-50.5%	£27.7	74.4%	£28.0	1.0%	£26.4	-5.6%
Q4	£10.1	-42.1%	£11.9	18.2%	£12.9	7.9%	£14.2	10.7%
Full Year	£57.5	-42.9%	£79.7	38.5%	£88.2	10.7%	£86.5	-1.9%
£bn	2024		2025		2026e			
Q1	£14.6	5.2%	£13.6	-7.0%	£16.4	21.1%		
Q2	£35.0	9.8%	£34.5	-1.5%	£36.4	5.4%		
Q3	£24.3	-8.1%	£24.6	1.3%	£25.2	2.3%		
Q4	£14.1	-1.0%	£14.3	1.3%	£13.6	-5.0%		
Full Year	£88.0	1.8%	£87.0	-1.2%	£91.6	5.3%		

Special Dividends Q1



Q1 Exchange Rate Boost / Penalty



Special dividends and FX

Special dividends are highly discretionary and are therefore very unpredictable – first quarter special dividends have ranged from just £4m in 2007 to a record £14.7bn in 2014. After a fairly normal Q1 in 2025, they surged nine-fold to £3.3bn in Q1 2026. Multi-national Reckitt Benckiser accounted for almost half the total as it distributed the disposal proceeds of Essential Home (which owns brands such as Cillit Bang) to a private equity investor. Zegona Communications likewise handed its shareholders a £1.2bn portion of the sale proceeds of its Spanish fibre-network joint ventures. The third major payout was from clothing retailer Next, which has often turned to special dividends at times of strong trading. It distributed £441m of surplus cash generated by higher-than-expected sales, strong online performance and a £54 million land sale.

The pound was strong through most of 2025, which depressed headline dividend growth during the year, because a large portion of UK payouts are denominated in US dollars. This effect continued in Q1 2026, although it was slightly weaker than we had pencilled in as the conflict in the Middle East pushed sterling down against the dollar during the quarter. Exchange-rate effects reduced the headline growth rate by 1 percentage point in Q1 compared to our projection of 1.5 percentage points.

We do attempt to forecast exchange rates but, if the pound simply maintains its current level against the dollar (\$1.32) then it will track at a weaker level than in Q2 2025. That means the Q2 headline growth rate this year will get a boost for the first time in three years.

Special dividends of £3.3bn were nine times larger than Q1 2026

Sectors and companies

The healthcare sector contributes a disproportionate one quarter of Q1 dividends (one eleventh-of the full-year total). The sterling value paid fell 3% to £3.1bn, mainly because the exchange rate effect for pharmaceutical company AstraZeneca was larger than its 3.3% per-share dividend increase in US dollars.

The oil sector experienced similar exchange-rate effects and low per-share increases (the latter driven by low pre-oil crisis profits), though this was compounded by the effect of major share buyback programmes which reduce the number of shares on which dividends get paid. All together these three factors reduced the total amount distributed in sterling terms. The food, drink and tobacco sector, the third largest Q1 payer, exhibited the same pattern.

Tough trading conditions induced home builder Berkeley Group to cancel its dividend, more than offsetting a more positive picture across the rest of the housebuilding and consumer goods and services sector.

Key positive drivers included utilities, though this mainly reflected the larger equity base at utility firms National Grid and SSE, both of which issued significant numbers of new shares in 2025 to fund heavy investment needs. It might appear paradoxical to simultaneously raise new equity and pay a dividend, but the point of continuing to remunerate shareholders is to signal confidence in the future. Utility investors are often very income-focused so maintaining the dividend is important to such companies. To limit the cash outflow, both National Grid and SSE gave shareholders the option to take shares instead of cash – a so-called scrip dividend. Among airlines, leisure and travel companies, cruise company Carnival paid its first dividend since 2020 following record revenue and cash flow in 2025 and a significant post-Covid debt reduction, and there were solid increases from almost every other company in the sector too.

Healthcare dividends dominate Q1 – exchange rates meant the sector's total fell year-on-year

Very few mining companies pay dividends in Q1, but the 62% increase in the small value paid in a seasonally quiet quarter gives a clue to what is on the horizon for the rest of the year. Certainly, we do not anticipate anything like that pace of growth across the whole sector but, after years of declines, payouts will grow in 2026. Rio Tinto and Fresnillo, for example, have already declared healthy dividend increases for the second quarter.

In Q1, 14 out of 21 sectors saw higher payouts on an underlying basis (adjusted for constant currency) and, although seven saw lower dividends, for most the declines were small.

Airlines, leisure and travel saw payouts jump by

24.1%

Median company dividend growth was 2.8% in Q1

Dividends By Industry £m – Q1

	2020	change yoy	2021	change yoy	2022	change yoy	2023	change yoy	2024	change yoy	2025	change yoy	2026	change yoy
Resources & Commodities	£205	2%	£150	-27%	£226	50%	£184	-18%	£196	6%	£96	-51%	£107	12%
Consumer Basics	£3,110	1%	£7,722	148%	£2,905	-62%	£2,908	0%	£3,065	5%	£2,217	-28%	£3,587	62%
Consumer Discretionary	£1,502	-29%	£727	-52%	£1,036	42%	£1,086	5%	£1,189	9%	£1,107	-7%	£1,428	29%
Banks & Financials	£640	1%	£936	46%	£698	-25%	£727	4%	£736	1%	£1,596	117%	£1,643	3%
Healthcare & Pharmaceuticals	£2,893	2%	£2,780	-4%	£3,214	16%	£3,089	-4%	£2,998	-3%	£3,227	8%	£3,123	-3%
Industrials	£496	-6%	£335	-32%	£611	82%	£389	-36%	£1,027	164%	£454	-56%	£469	3%
Oil, Gas & Energy	£4,521	0%	£1,920	-58%	£2,337	22%	£2,824	21%	£2,746	-3%	£2,695	-2%	£2,582	-4%
Information Technology	£150	5%	£141	-6%	£152	8%	£158	4%	£168	6%	£172	2%	£209	21%
Telecoms	£1,478	-7%	£1,073	-27%	£1,243	16%	£1,316	6%	£1,271	-3%	£727	-43%	£1,939	167%
Domestic Utilities	£1,018	-2%	£1,049	3%	£1,097	5%	£1,179	7%	£1,188	1%	£1,273	7%	£1,345	6%
Total	£16,012	-4%	£16,835	5%	£13,517	-20%	£13,861	3%	£14,586	5%	£13,564	-7%	£16,431	21%

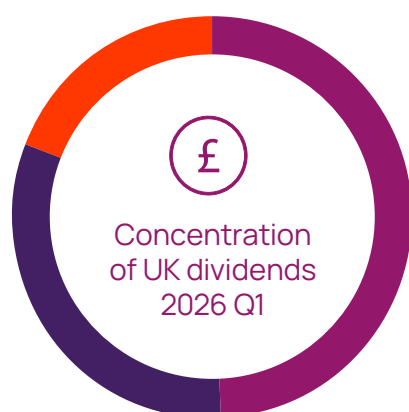
Dividends By Sector £m – Q1

Sector £m	2025	2026	Headline change year on year	Underlying change year on year
Mining	£19	£30	62.5%	62.5%
Industrial Chemicals	£77	£77	-0.3%	-0.3%
Basic Consumer Goods	£21	£1,603	7715.2%	20.4%
Food Retail	£0	£0		
Food, Drink & Tobacco Producers	£2,196	£1,984	-9.7%	-0.7%
Airlines, Leisure & Travel	£133	£165	24.1%	24.9%
General Retail	£308	£599	94.8%	0.9%
Housebuilding, Consumer Goods & Services	£663	£647	-2.3%	2.9%
Media	£4	£16	330.5%	330.5%
Motor Manufacturing & Parts	£0	£0		
Banks	£847	£831	-1.8%	-1.8%
General Financials	£271	£241	-10.9%	-10.9%
General & Life Insurance	£0	£0		
Property	£478	£570	19.2%	19.0%
Healthcare & Pharmaceuticals	£3,227	£3,123	-3.2%	-0.3%
Building Materials & Construction	£8	£4	-48.5%	-48.5%
Industrial Goods & Support	£446	£464	4.1%	6.8%
Oil, Gas & Energy	£2,695	£2,582	-4.2%	-2.1%
Information Technology	£172	£209	21.4%	21.4%
Telecoms	£727	£1,939	166.6%	-5.4%
Domestic Utilities	£1,273	£1,345	5.6%	5.6%
Total	£13,564	£16,431	21.1%	1.1%

Top companies

Top Payers – Q1

Rank	2021	2022	2023	2024	2025	2026
1	Tesco Plc	AstraZeneca Plc	AstraZeneca Plc	AstraZeneca Plc	AstraZeneca Plc	AstraZeneca Plc
2	AstraZeneca Plc	Shell Plc	Shell Plc	Shell Plc	Shell Plc	Shell Plc
3	British American Tobacco Plc	British American Tobacco Plc	British American Tobacco Plc	British American Tobacco Plc	British American Tobacco Plc	Reckitt Benckiser Group Plc
4	Vodafone Group Plc	Vodafone Group Plc	Vodafone Group Plc	Vodafone Group Plc	BP Plc	British American Tobacco Plc
5	Unilever Plc	Glaxosmithkline Plc	BP Plc	BP Plc	Unilever Plc	Zegona Communications Plc
Subtotal £bn	£10.1	£6.9	£7.5	£7.5	£7.5	£8.2
% of total dividends	60%	51%	54%	51%	55%	50%
6	Glaxosmithkline Plc	Unilever Plc	Unilever Plc	Unilever Plc	National Grid Plc	BP Plc
7	Royal Dutch Shell Plc	BP Plc	Barclays Plc	National Grid Plc	GSK Plc	National Grid Plc
8	BP Plc	National Grid Plc	National Grid Plc	CRH Plc	Compass Group Plc	Barclays Plc
9	National Grid Plc	Imperial Brands Plc	GSK Plc	Mondi	Associated British Foods Plc	GSK Plc
10	Imperial Brands Plc	SSE Plc	Imperial Brands Plc	GSK Plc	Vodafone Group Plc	Next Plc
11	Persimmon Plc	Associated British Foods Plc	Compass Group Plc	Compass Group Plc	Imperial Brands Plc	Compass Group Plc
12	Aviva Plc	Royal Mail Plc	SSE Plc	Imperial Brands Plc	BT Group	Vodafone Group Plc
13	SSE Plc	B&M European Value Retail S.A.	Associated British Foods Plc	Associated British Foods Plc	SSE Plc	Imperial Brands Plc
14	Cairn Energy Plc	Compass Group Plc	BT Group	BT Group	B&M European Value Retail S.A.	Associated British Foods Plc
15	Sage Group Plc	BT Group	B&M European Value Retail S.A.	SSE Plc	Severn Trent Plc	SSE Plc
Subtotal £bn	£4.9	£4.4	£4.8	£5.1	£4.1	£5.6
Grand Total £bn	£15.0	£11.2	£12.3	£12.6	£11.7	£13.8
% of total dividends	89%	83%	89%	86%	86%	84%



Top 5	£8.2bn	49.8%
Next 10	£5.6bn	34.3%
The rest	£2.6bn	15.9%

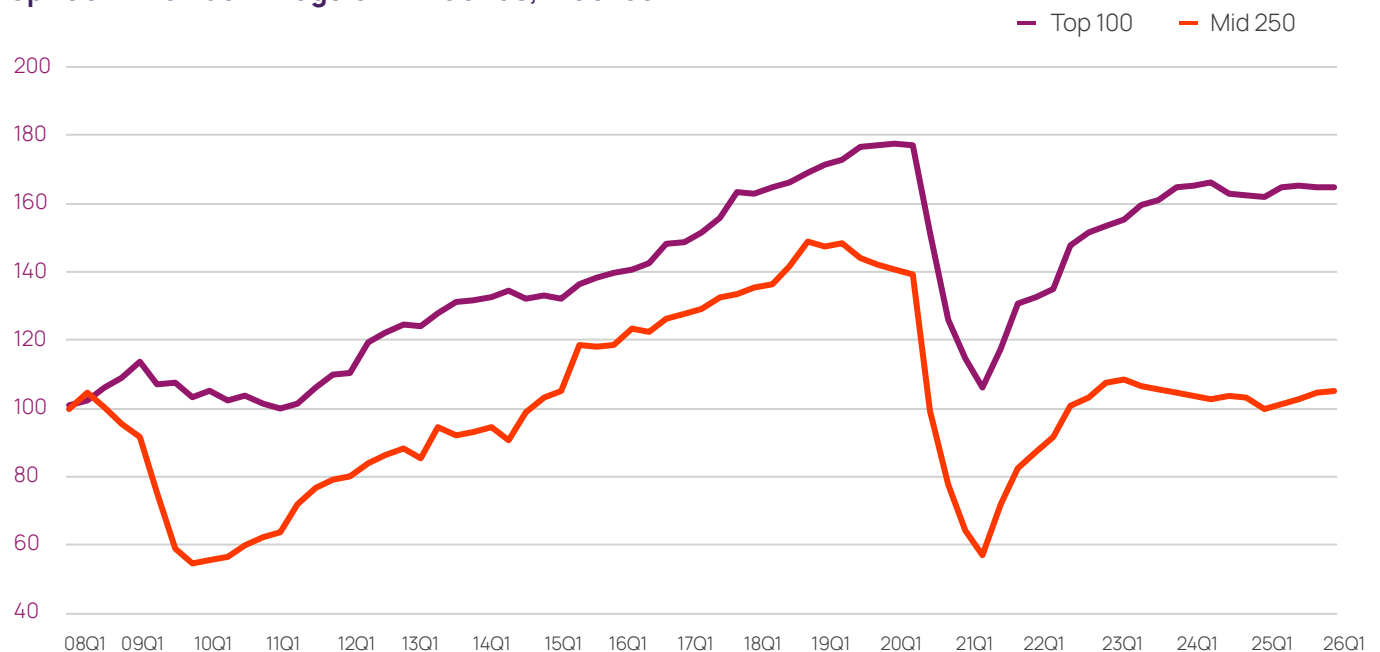
Top 100 v mid 250

The 250 index of mid-cap companies saw underlying dividend growth of 5.9% in the first quarter, significantly exceeding the 0.9% expansion among the top 100 companies that paid dividends. For the top 100, the combined effect of share buybacks and exchange rates was partly responsible for the slower rate of growth, but it also reflected a more static picture, particularly for one or two bigger Q1 payers such as

British American Tobacco and AstraZeneca. Among the mid-caps, however, median growth was 7.7% – and one third of them posted double-digit increases.

Mid-250 outpaced top 100 in Q1 2026

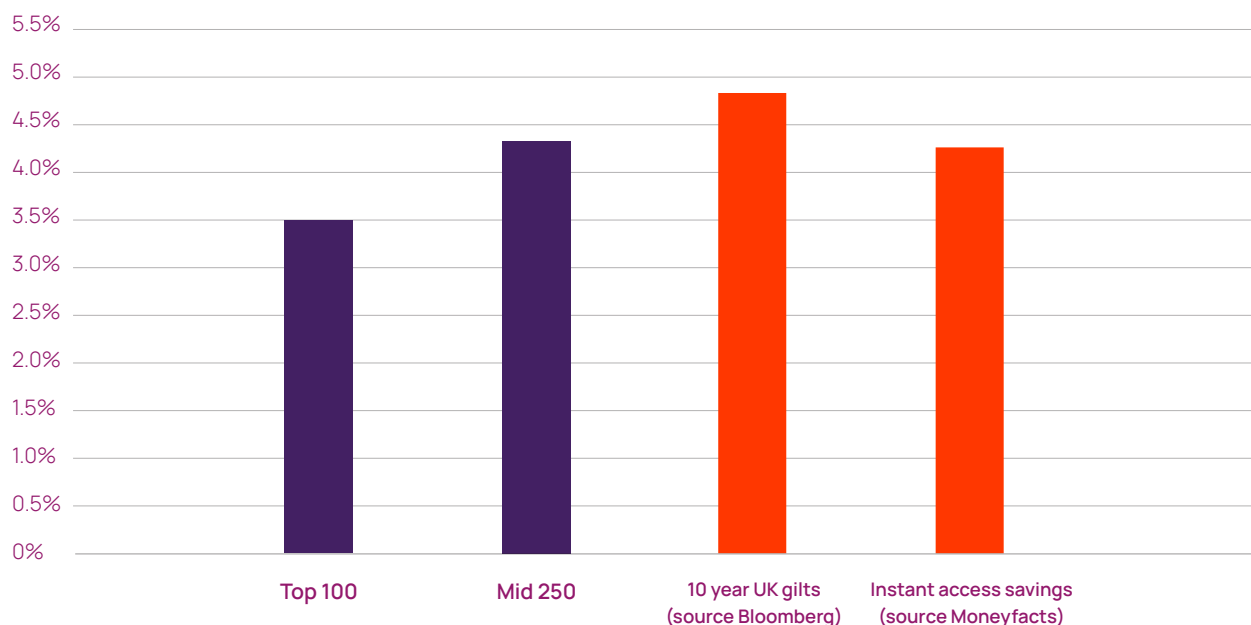
Top 100 v Mid 250 – Regular Dividends, Indexed



Top 100	87%
Mid 250	5%
The rest	8%

Yield

UK Income



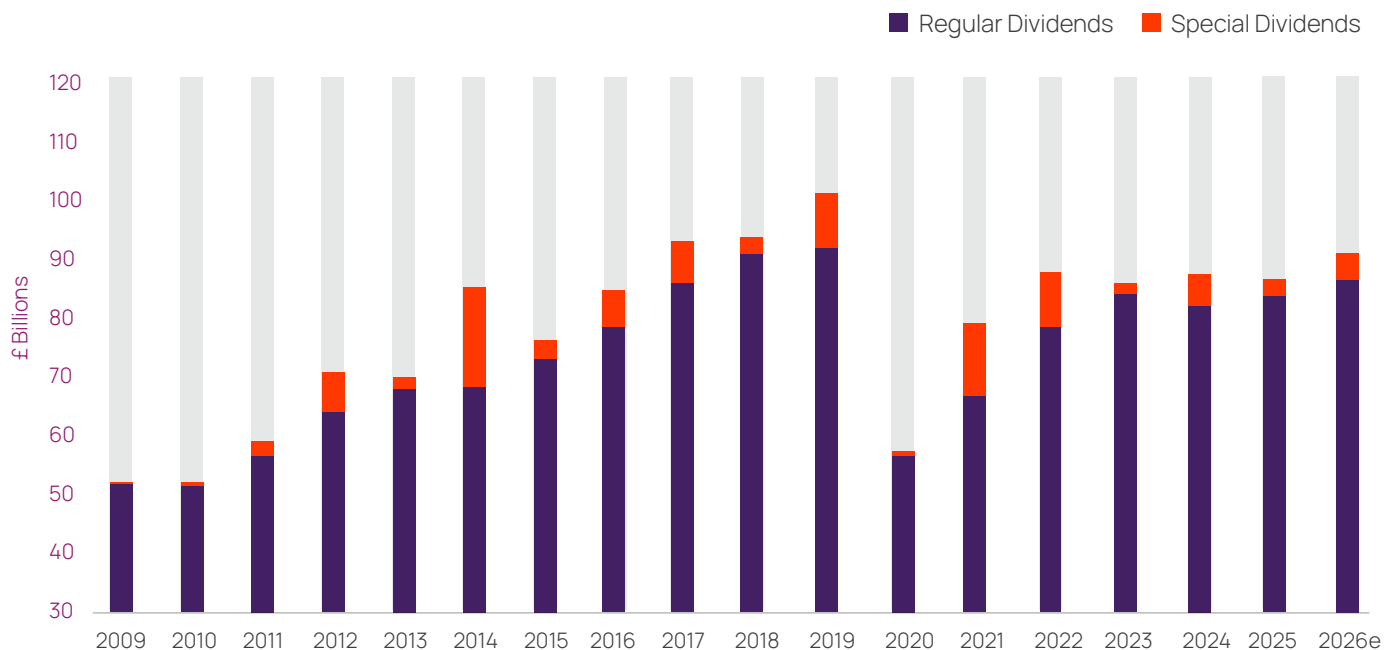
On the eve of the conflict in the Middle East, the UK stock market was once again reaching record highs. The market has weakened since then even as we have upgraded our expectations for dividends this year. Lower share prices and higher dividends mean the yield on equities rises. Over the next twelve months UK equities are set to yield 3.5%, up from 3.3% at the time of our last Dividend Monitor. The top 100 is on track for 3.5% (up from 3.3%), but the mid 250 has risen to 4.3%, mainly reflecting the greater fall in mid-cap share prices.

The comparisons have also ticked up as a result of markets having priced a deterioration in the UK's fiscal position following the crisis, pushing the UK 10-year gilt up sharply to 4.8%. By contrast cash savings accounts have returned to 4.25%, having begun to fall during the quarter.

Equity yield rose to 3.5% on lower share prices and higher projected dividends

Viewpoint and outlook

UK Dividends - Annual



Opinion varies on how serious the economic fallout from the conflict in the Middle East will be. It represents a severe economic shock that is being felt unevenly around the world.

It is not straightforward to judge how events will affect dividends. In the short term, there is likely to be very little impact. As the oil shock works through the economy, profits are likely to come under pressure across sectors, either because demand falls when consumers and businesses tighten their belts or because higher input prices squeeze margins – or both. That will mean less cash for dividends – but not immediately. Dividends lag a few months behind profits because they are declared once the books close on a period.

Moreover, companies will seek to protect their dividends as far as possible: cutting a dividend is rarely viewed positively by investors – except in extreme cases where finances are stressed and a cut is believed to be overdue and inevitable. More likely, companies will scale back share buybacks before they make any changes to dividends. Some will allow borrowing to rise for a time, if their balance sheets are strong.

Of course, there are also winners. Oil producers had been seeing profits fall as energy prices declined. In response, BP suspended its share buyback programme to protect its balance sheet. Dividend growth from the sector was stalling too. Now, energy prices have surged, transforming the profit outlook for the oil majors, especially those with fewer Gulf assets. Most experts expect energy prices to stay higher

for a while, even if the war ends. The uncertain situation means a meaningful acceleration in dividend growth may not materialise in the short term, but stronger balance sheets can support payouts longer term.

Despite the current conflict, second quarter dividends are already shaping up favourably – well ahead of our January forecast. The mining sector was benefitting from rising commodity prices even before the war began, and payouts have now begun to recover after years in the doldrums. Banks are also posting larger dividend increases than expected. The second half of the year, however, looks likely to be lighter than we had projected mainly owing to a significant cut announced recently by drinks manufacturer Diageo, which is under pressure from weaker sales and high debts. Even so, the solid first quarter and likely strong second mean we are upgrading our forecast. The surge in one-off special dividends in Q1 also pushes up the headline total.

Based on the current position, we now project headline dividend payouts of £91.6bn (compared to £88.8bn three months ago): up 5.3% year-on-year. Underlying dividend growth also looks better, with regular payouts of £86.7bn: up 3.1% on a constant-currency basis, compared to our earlier 2.0% projection.

Underlying growth upgraded from 2.0% to 3.1% for 2026

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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