
S&P Global

Market Intelligence

2025 European Dividend Outlook

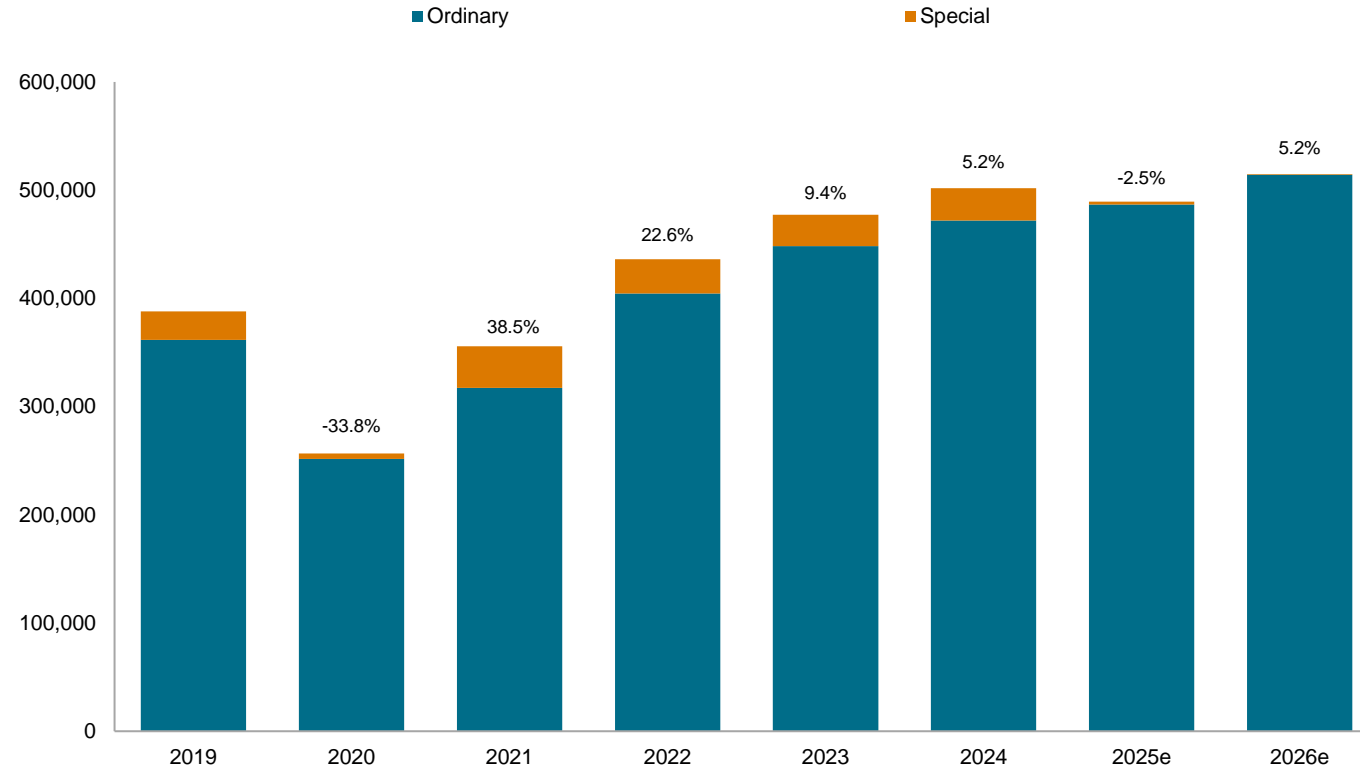
January 15, 2025



Aggregate overview

A slowdown is expected compared to 2024

Europe aggregate dividend payments (€ million)



Data compiled Jan. 06, 2025.

Source: S&P Global Market Intelligence.

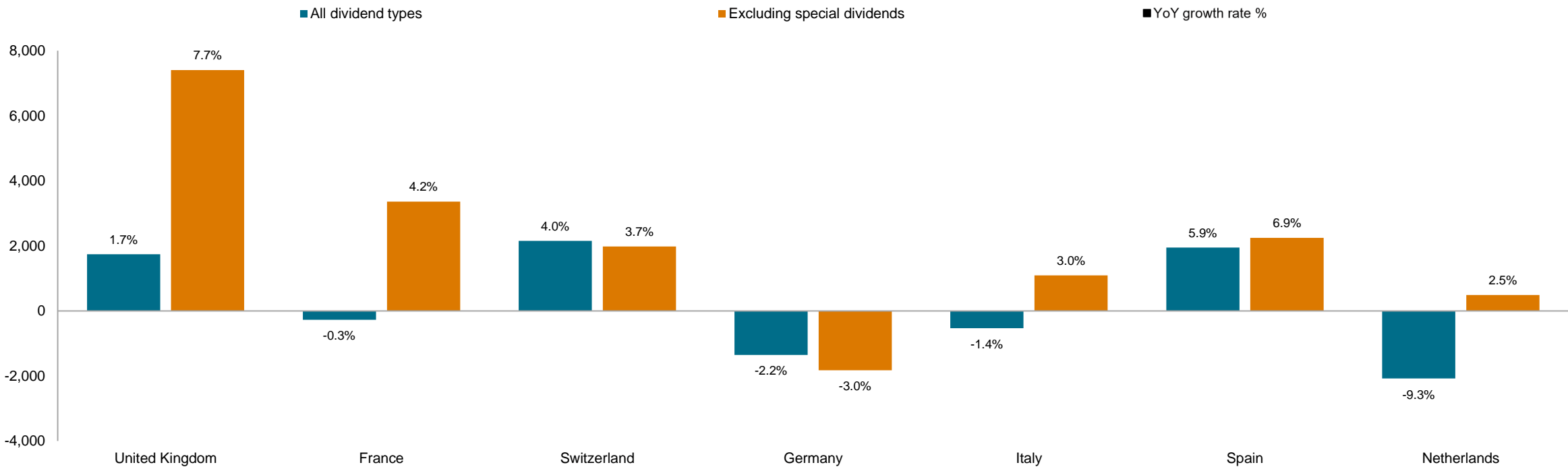
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- Aggregate dividends are forecast to decrease 2.5% YoY to €489 billion in 2025
- Excluding one-off variable dividends, the outlook improves to a 3.2% YoY growth for 2025
- This is a slowdown compared to 2024, where aggregate and ordinary payments saw a 5.2% growth
- Sizeable special dividends were paid in 2024
→ HSBC, Hermes, d'Ieteren, Airbus, OCI
- A return to growth is projected for 2026 with a 5.2% increase

Aggregate overview

Growth is expected to vary across key markets

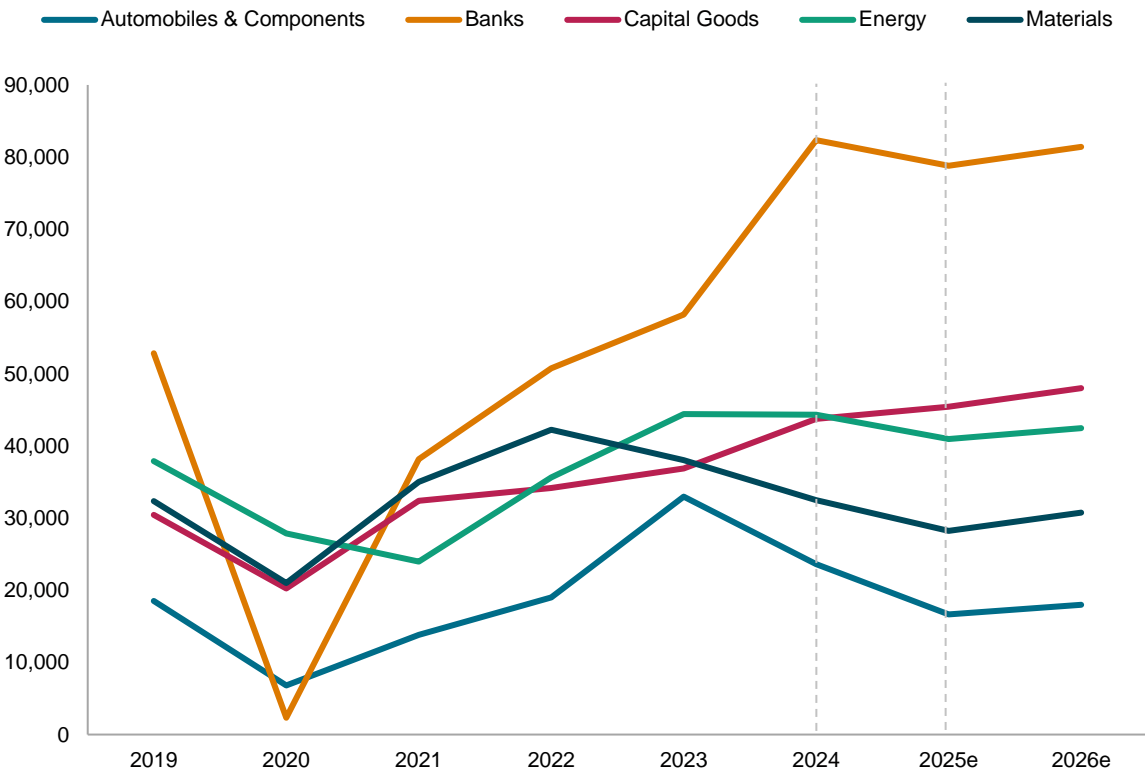
Aggregate YoY change by country, 2024-2025 (€ million)



Data compiled Jan. 06, 2025.
Source: S&P Global Market Intelligence.
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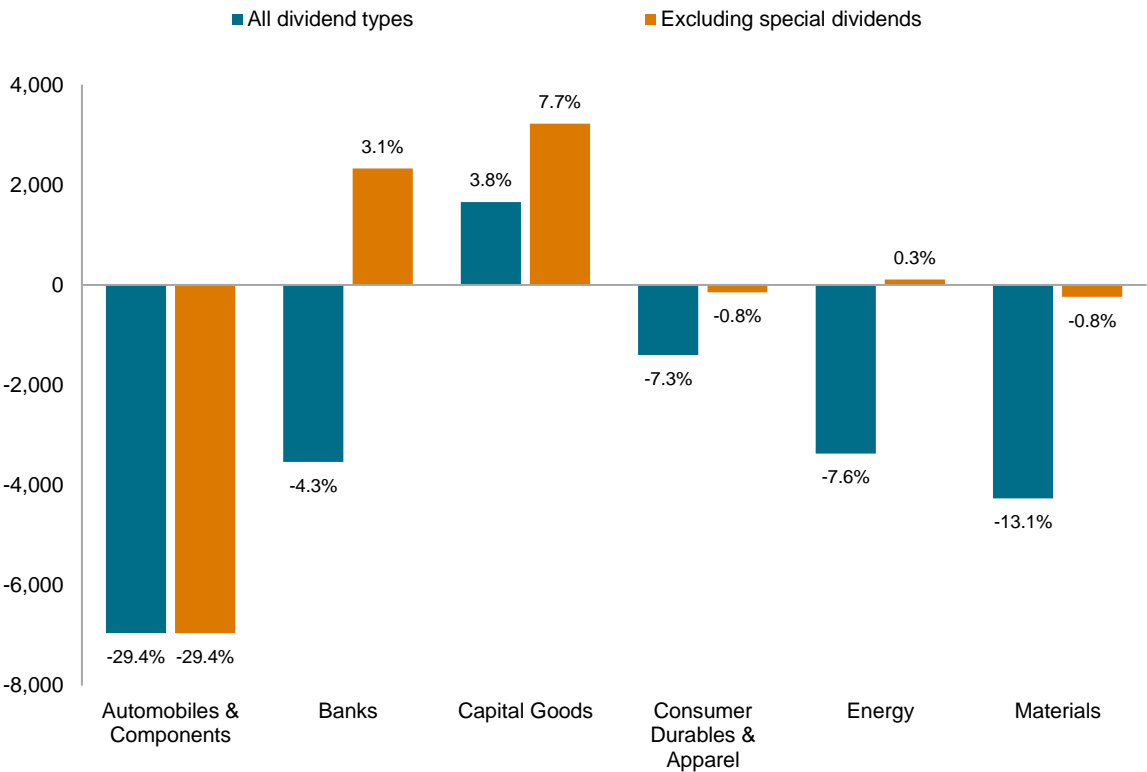
Sector trends

European aggregate dividend payments by sector (€ million)



Data compiled Jan. 06, 2025.
Source: S&P Global Market Intelligence.
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Aggregate YoY change by sector, 2024-2025 (€ million)

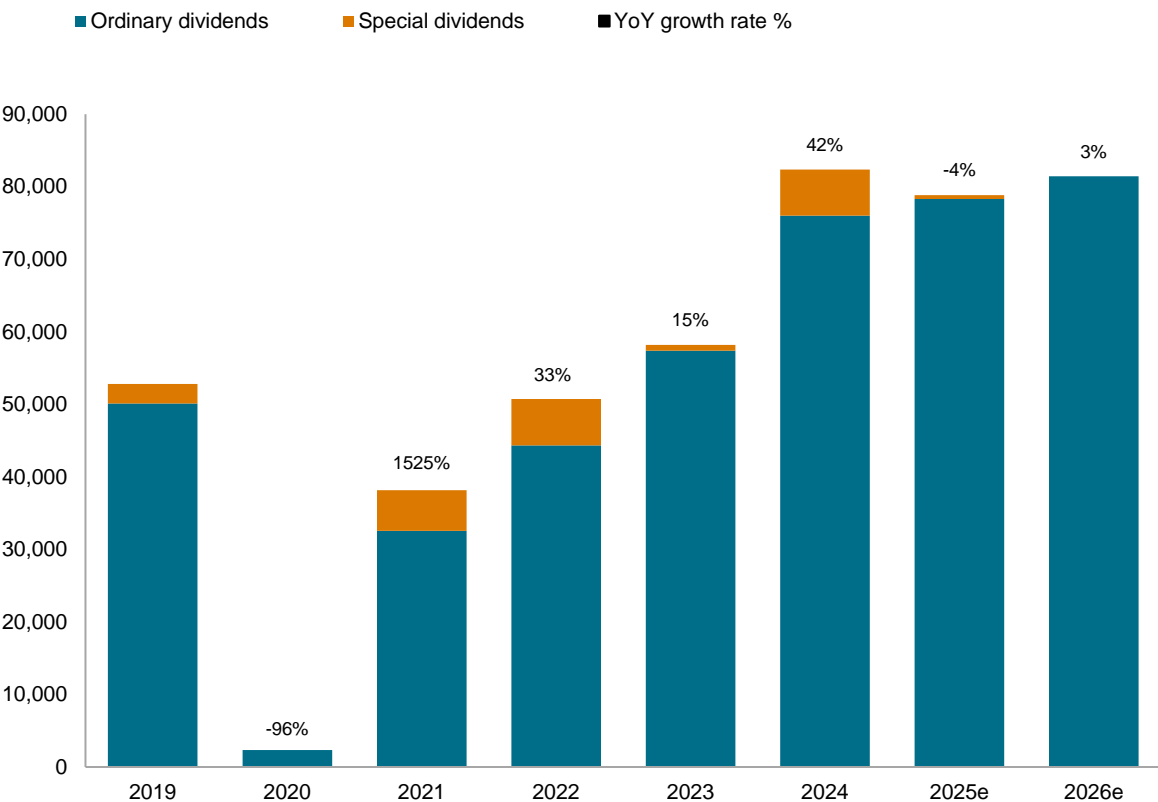


Data compiled Jan. 06, 2025.
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European banking sector outlook

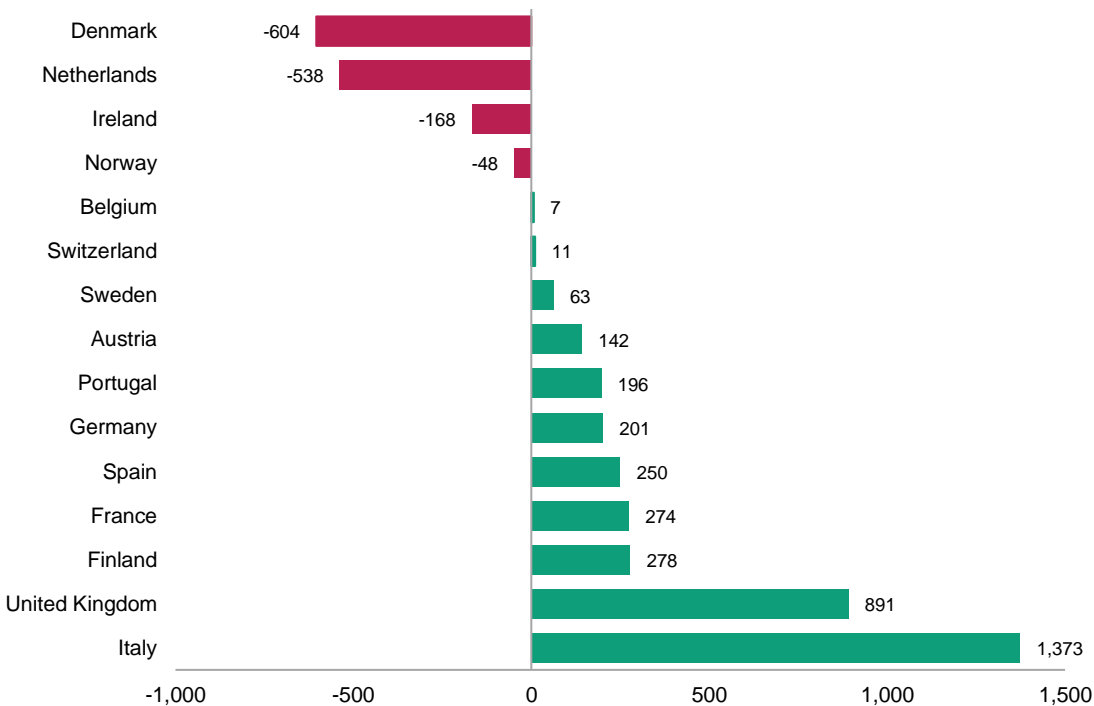
Ordinary dividends are expected to grow steadily in 2025 after a strong step up in 2024

European banking sector aggregate dividends (€M)



Data compiled Jan. 09, 2025.
Source: S&P Global Market Intelligence.
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2025e vs 2024 banking sector ordinary dividend evolution (€M)

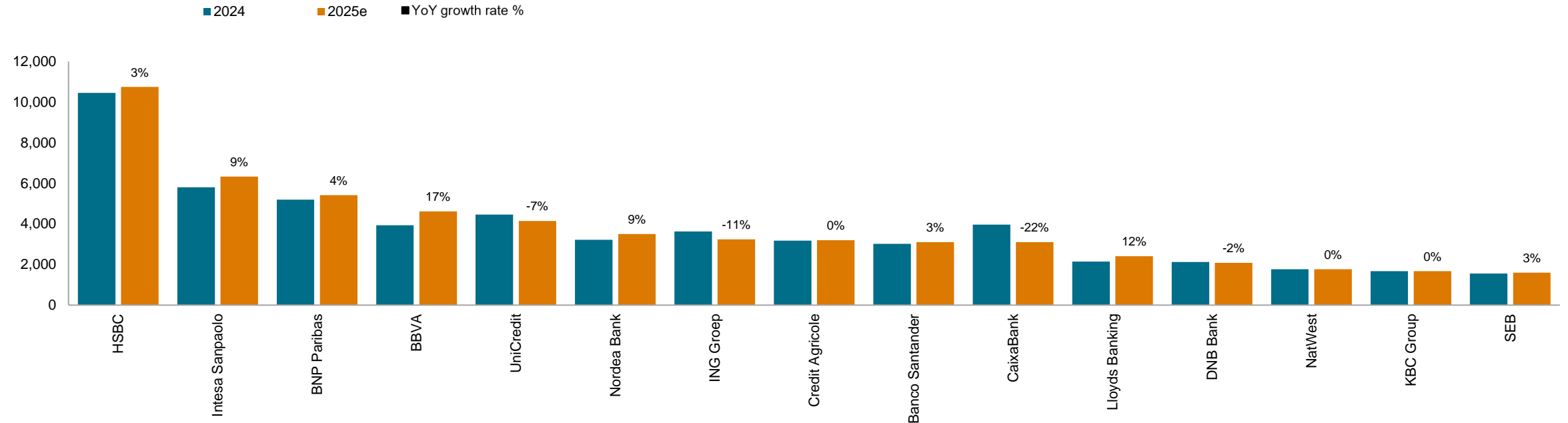


Data compiled Jan. 09, 2025.
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Banking sector's largest dividend payers

A mixed picture from the biggest contributors masks broadly steady underlying growth

European banks aggregate ordinary dividends (€M)



Data compiled Jan. 09, 2025.

Source: S&P Global Market Intelligence.

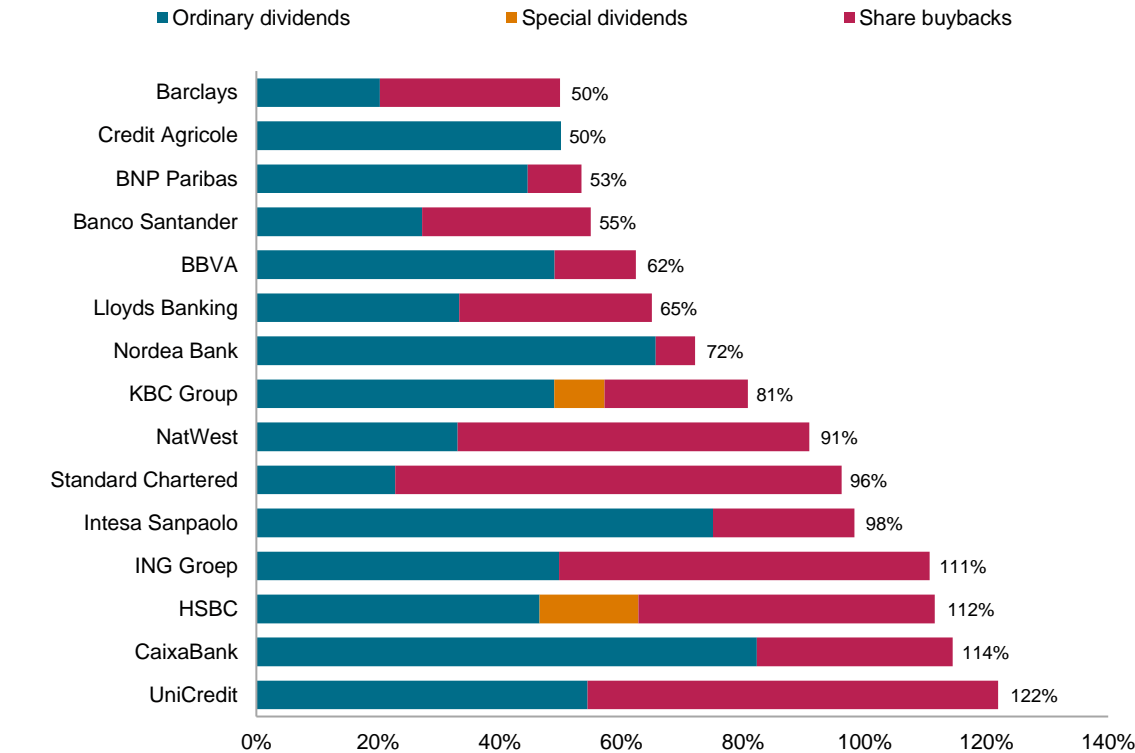
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- Many heavy hitters are expected to continue their strong performance in 2025 but falling net interest income is starting to bite
- The largest payers fall in line with the trends of their home markets and smaller contributors are increasingly supplementing the aggregate values

Banks capital allocation capacity

Share buybacks are expected to remain important for banks with the possibility of special instalments

Calendar year 2024 European banks capital allocation (% of normalised net income)

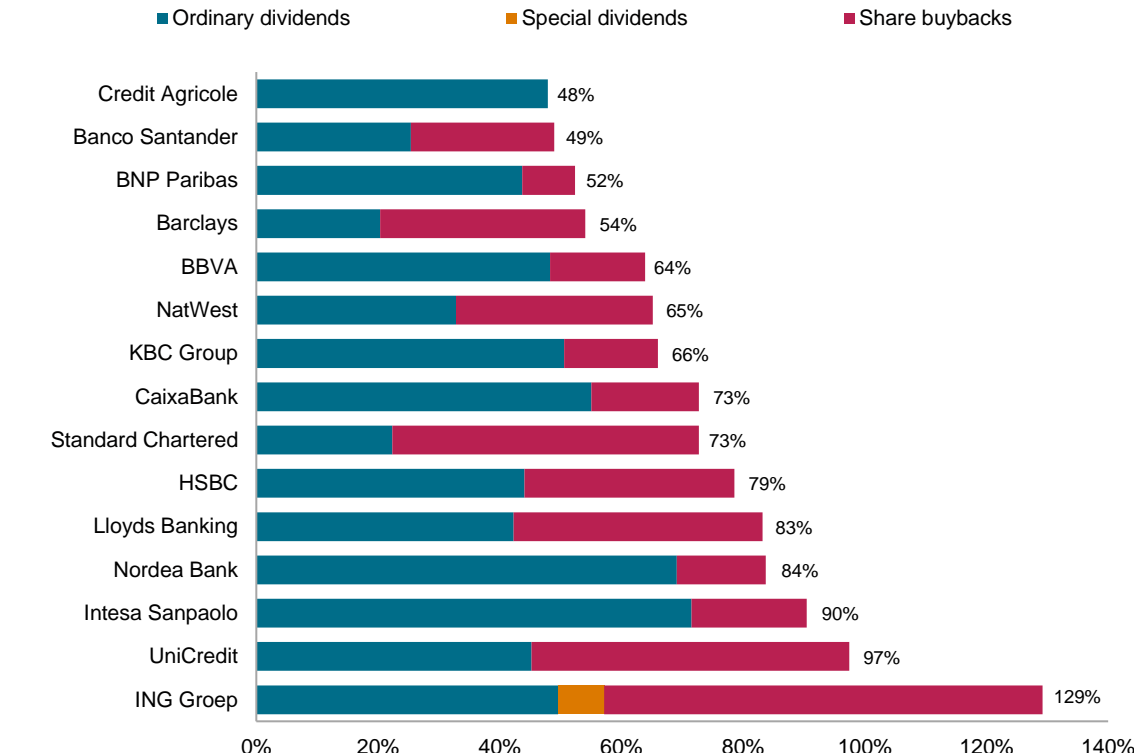


Dividends and buybacks paid in 2024 based on FY23's net income
Data compiled Jan. 09, 2025.

Source: S&P Global Market Intelligence.

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Calendar year 2025 European banks capital allocation (% of normalised net income)



Dividends and buybacks expected in 2025 based on FY24's net income
Data compiled Jan. 09, 2025.

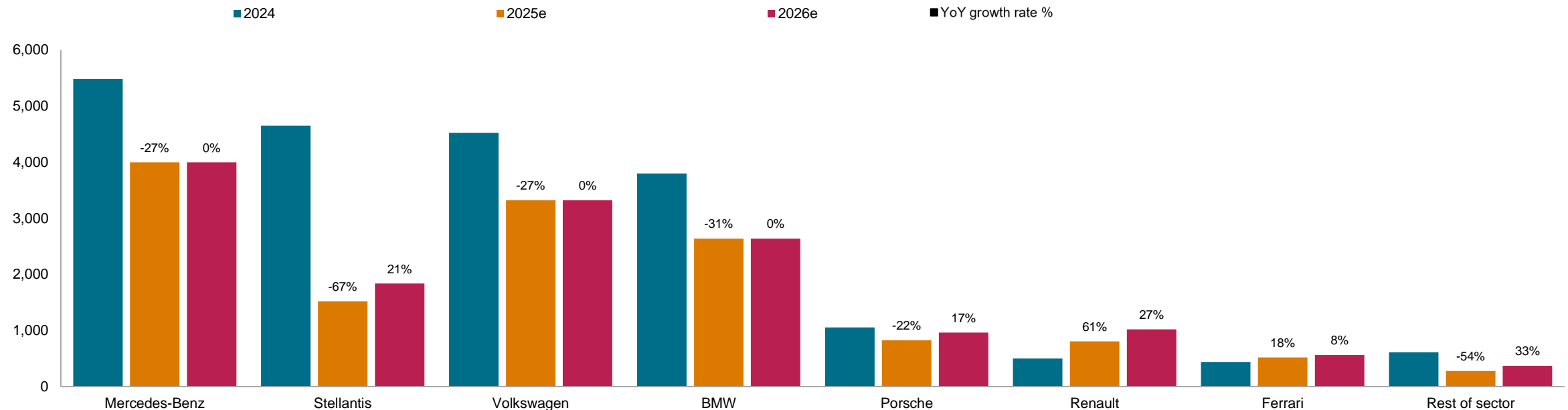
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European automakers outlook

Dividends are expected to fall from the industry leaders and remain subdued

European automakers dividend evolution (€M)



Data compiled Jan. 08, 2025.

Source: S&P Global Market Intelligence.

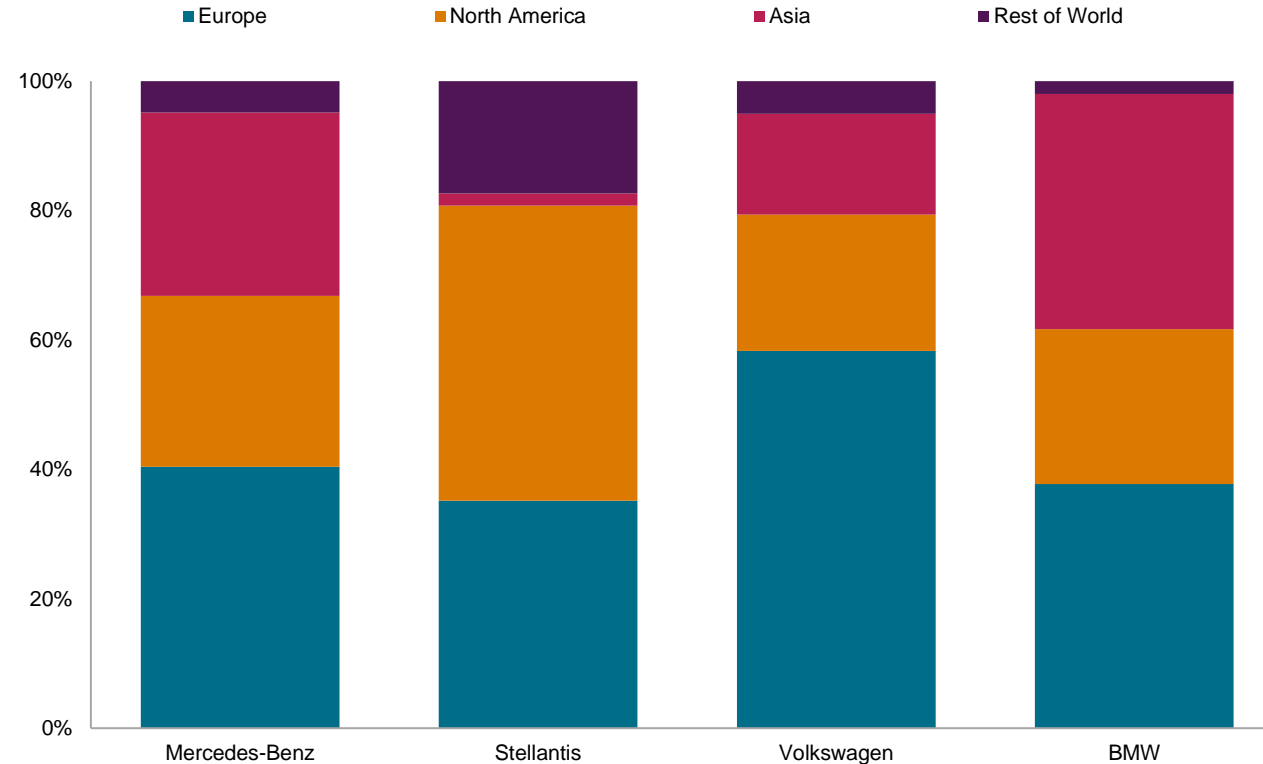
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- Automotive sector's dividends are expected to fall by 29% in 2025 against 2024's values to €16.7 billion
- Mercedes-Benz, Stellantis, Volkswagen and BMW are all expected to cut sharply, falling to pre-pandemic distribution levels

Likelihood of recovery in 2025 is limited

Europe's largest companies are facing multiple headwinds

FY 2023 revenue breakdown by region



Data compiled Jan. 8, 2025

Source: S&P Global Market Intelligence.

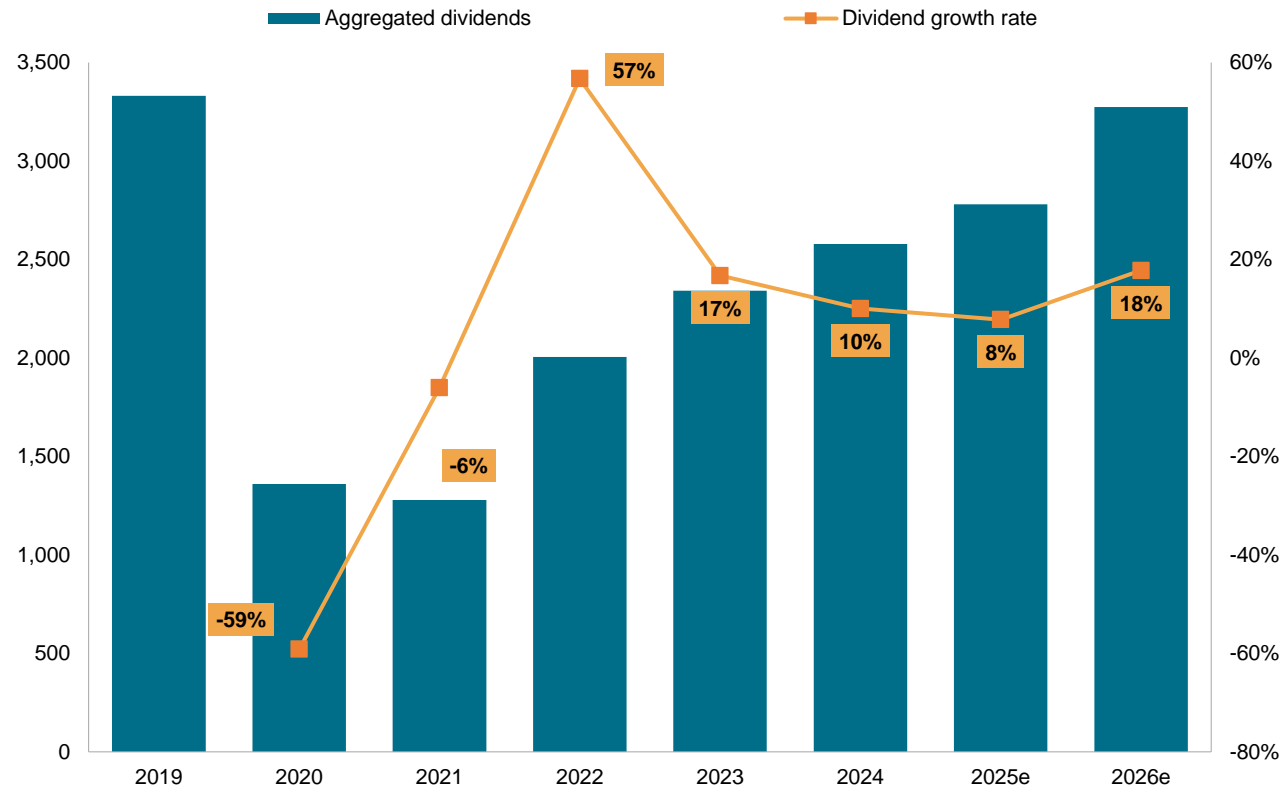
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- Macroeconomic factors are likely to harm the speed of recovery
- Government support is withdrawing whilst regulatory deadlines are maintained
- International competition increased last year with new entrants in the global market
- Tariffs and a possible trade war would have uneven effects on the sector's leaders
- Internal management and cost problems have also hindered individual performance

Automaker component firms

Component companies are forecast to grow, contrasting with the performance of OEMs

Automobile Components segment's dividend evolution (€M)



Inc. special payments

Data compiled Jan. 09, 2025.

Source: S&P Global Market Intelligence.

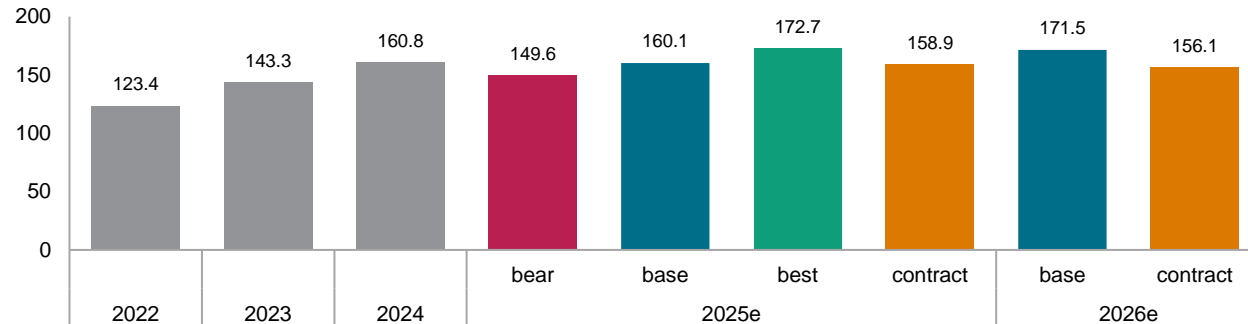
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- Dividends in the sector remain below pre-pandemic levels
- German contributors remain a lag on the sector's recovery
- Healthy growth is expected from Michelin, Pirelli and Hella

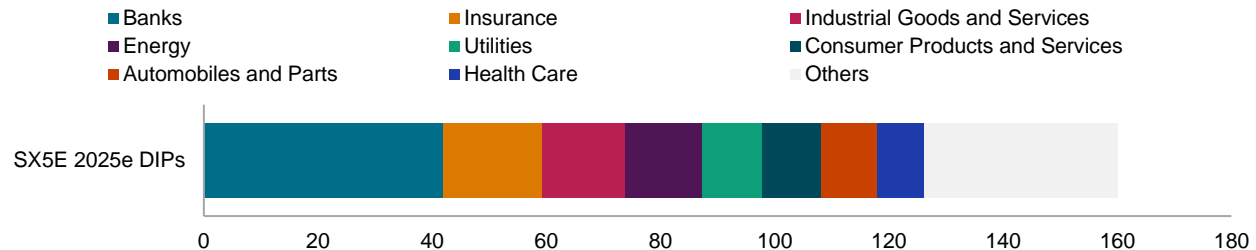
EURO STOXX 50 (SX5E) DIPs

A volatile outlook driven by automobiles, banks, and consumer products and services

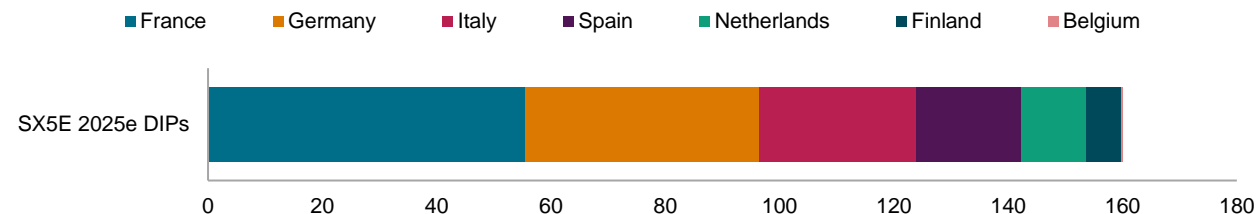
SX5E DIPs



Supersector breakdown



Country breakdown



Risky names in SX5E 2025e DIPs

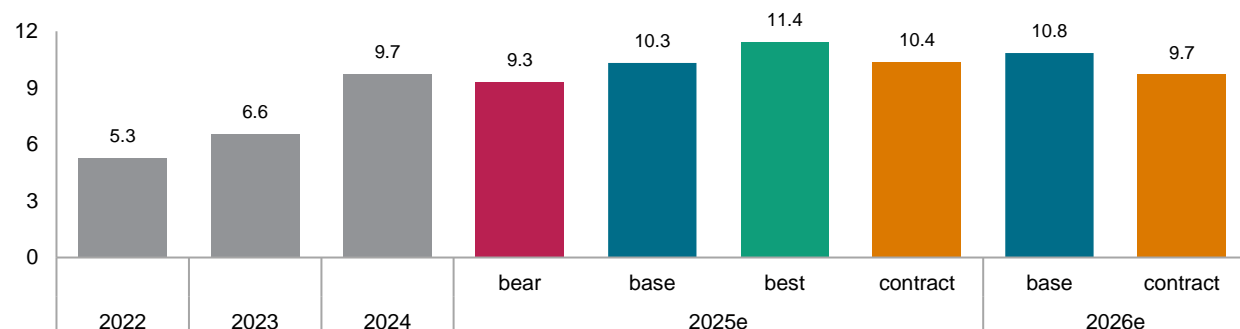
Company Name	Base DPS	Bear DPS	Best DPS	Downside	Upside
STELLANTIS	0.53	0.34	0.80	-36%	51%
VOLKSWAGEN	6.66	4.56	7.06	-32%	6%
BBVA	0.80	0.60	0.98	-25%	23%
ADIDAS	1.90	1.45	2.20	-24%	16%
PERNOD RICARD	4.70	3.75	4.70	-20%	0%
AB INBEV	1.00	0.80	1.20	-20%	20%
PROSUS	0.12	0.10	0.14	-17%	17%
BMW	4.20	3.60	4.80	-14%	14%
KERING	5.50	4.75	7.00	-14%	27%
MERCEDES-BENZ	4.20	3.70	4.70	-12%	12%
SAFRAN	2.80	2.47	3.00	-12%	7%
HERMES INTL.	17.00	15.00	18.50	-12%	9%
LVMH	13.50	12.00	15.00	-11%	11%
IBERDROLA	0.64	0.57	0.73	-11%	14%
ASML	6.66	6.08	7.64	-9%	15%
AHOLD DELHAIZE	1.19	1.10	1.35	-8%	13%
BCO SANTANDER	0.21	0.19	0.24	-7%	17%
SAINT GOBAIN	2.20	2.10	2.56	-5%	16%

Data compiled Jan. 09, 2025.
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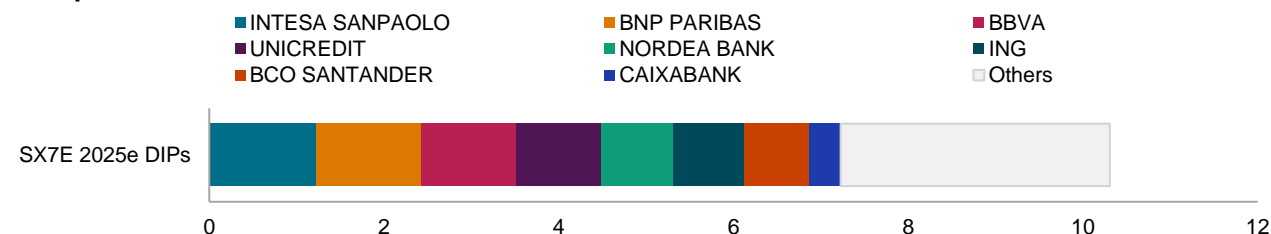
EURO STOXX Banks (SX7E) DIPs

Large upside potential driven by BBVA, Caixabank, and Banco Santander

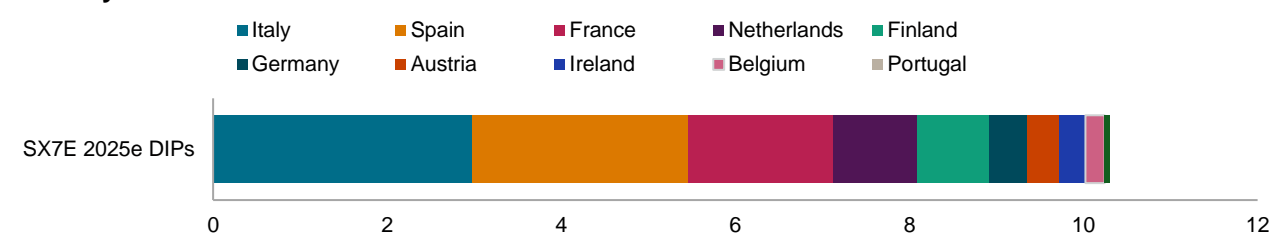
SX7E DIPs



Component breakdown



Country breakdown



Risky names in SX7E 2025e DIPs

Company Name	Base DPS	Bear DPS	Best DPS	Downside	Upside
BPER BANCA	0.77	0.38	0.81	-51%	5%
RAIFFEISEN BANK	1.25	0.80	1.99	-36%	59%
BBVA	0.80	0.60	0.98	-25%	23%
CAIXABANK	0.43	0.34	0.61	-21%	42%
BCO SABADELL	0.17	0.14	0.20	-18%	15%
BCP	0.03	0.03	0.04	-17%	23%
BCA GENERALI	2.20	1.85	2.75	-16%	25%
ERSTE GROUP	3.00	2.60	3.90	-13%	30%
COMMERZBANK	0.52	0.46	0.56	-12%	8%
ABN AMRO BANK	1.31	1.18	1.47	-10%	12%
BCO SANTANDER	0.21	0.19	0.24	-7%	17%
SOCIETE GENERALE	0.95	0.90	1.22	-5%	28%

Risky ex-dates in SX7E Mar. / June / Sept. / Annual expiry

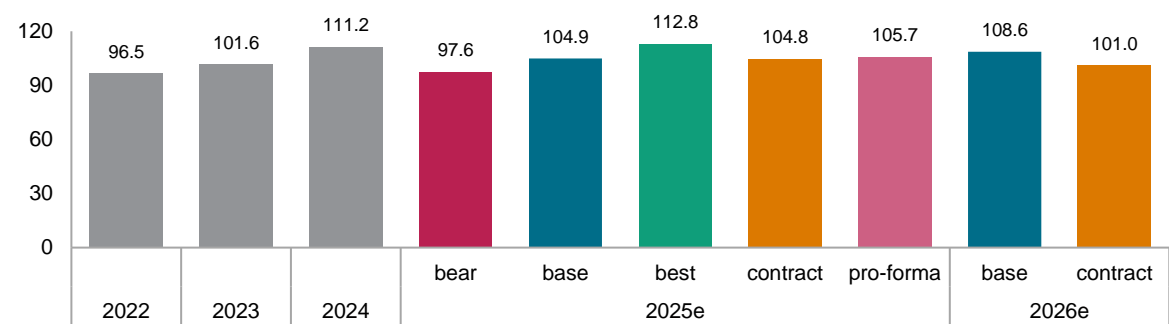
Company Name	Ex-date estimated	Comment
AIB GROUP	27/03/2025	might fall in the March expiry
BCP	19/06/2025	might fall in the September expiry
BPER BANCA	24/11/2025	the first interim dividend according to a proposed frequency change

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EURO STOXX Select Dividend 30 (SD3E) DIPs

Volkswagen set to be double weighted whereas banks and insurance faced with lower weights

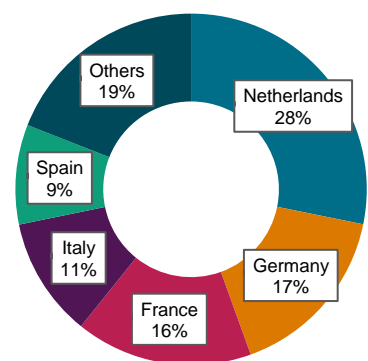
SD3E DIPs



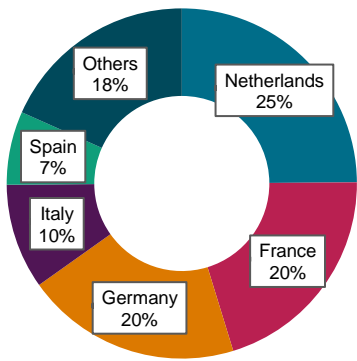
Company Name	Sector	2024 weighting	2025e weighting	Change in %
VOLKSWAGEN	Automobiles	5.22%	2.65%	97%
MERCEDES-BENZ	Automobiles	4.03%	2.62%	54%
EDP	Utilities	3.26%	2.07%	58%
BMW	Automobiles	3.89%	2.76%	41%
DEUTSCHE POST	Industrial	2.77%	1.87%	48%
ORANGE	Telecommunications	3.99%	3.13%	28%
ENDESA	Utilities	3.16%	4.04%	-22%
GENERALI	Insurance	2.36%	3.36%	-30%
AGEAS	Insurance	3.52%	4.79%	-26%
ING	Banks	4.01%	5.63%	-29%
BANKINTER	Banks	3.88%	5.53%	-30%

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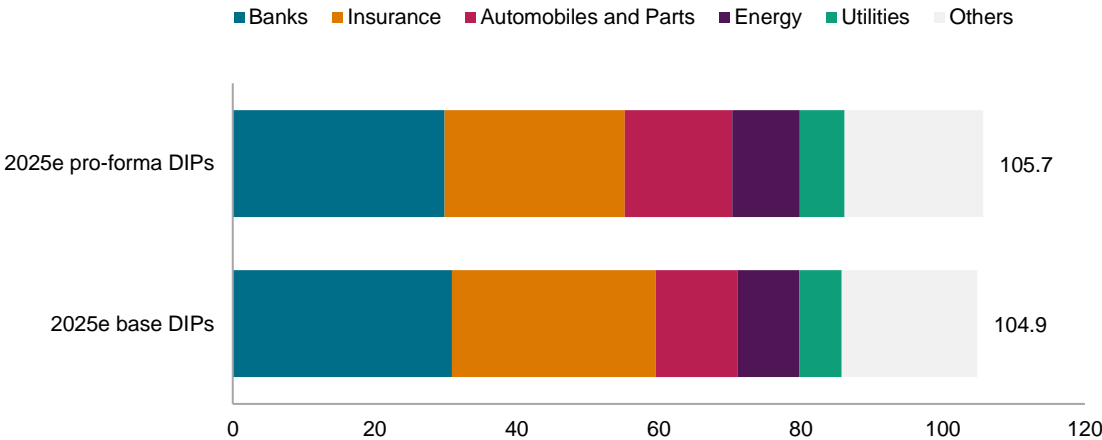
SD3E 2025e base DIPs by country



SD3E 2025e pro-forma DIPs by country



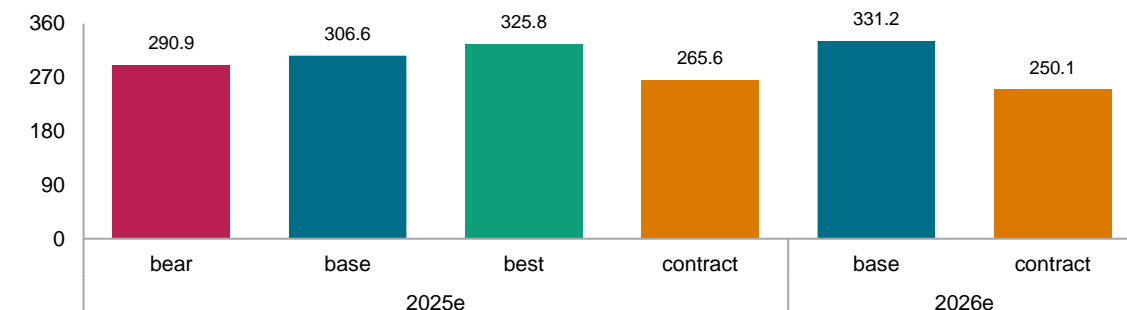
SD3E Supersector breakdown



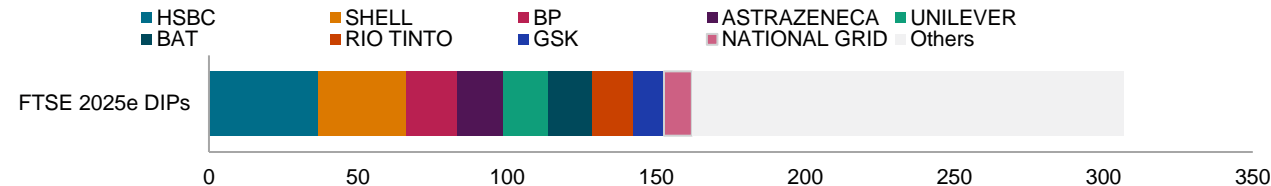
FTSE100 (FTSE) DIPs

Concentrated on largest-cap stocks and highest dividend-paying sectors like banks and energy

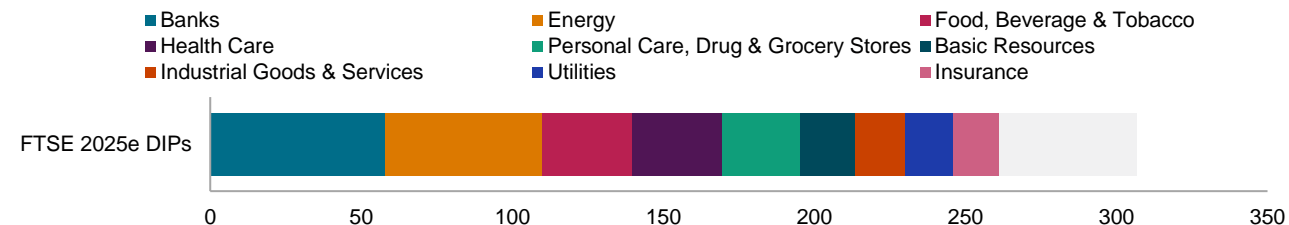
FTSE DIPs



Component breakdown



Supersector breakdown



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Top 25 constituents' scenario forecasts in FTSE 2025e DIPs

Company Name	Weighting	Base DPS	Bear DPS	Best DPS	Downside	Upside
ASTRAZENECA	8.0%	3.20	3.10	3.30	-3%	3%
SHELL	7.9%	1.46	1.40	1.46	-4%	0%
HSBC	7.1%	0.63	0.61	0.68	-3%	8%
UNILEVER	5.5%	1.82	1.86	1.75	2%	-4%
RELX	3.5%	0.64	0.58	0.71	-10%	10%
BP	3.3%	0.33	0.33	0.36	-2%	8%
BAT	2.9%	1.82	1.80	1.87	-1%	3%
LSEG	2.9%	1.29	1.16	1.42	-10%	10%
DIAGEO	2.8%	1.09	1.09	1.09	0%	0%
GSK	2.6%	0.63	0.60	0.66	-5%	5%
RIO TINTO	2.5%	4.04	3.13	4.70	-23%	16%
ROLLS-ROYCE	2.4%	0.08	0.07	0.09	0%	0%
COMPASS GROUP	2.3%	0.62	0.61	0.62	-1%	1%
NATIONAL GRID	2.2%	0.47	0.47	0.47	0%	0%
GLENCORE	2.2%	0.14	0.14	0.17	0%	21%
BARCLAYS	1.9%	0.09	0.09	0.09	-3%	2%
BAE SYSTEMS	1.8%	0.34	0.34	0.36	-2%	4%
RECKITT BNCSR	1.7%	2.06	1.96	2.06	-5%	0%
3I GROUP	1.7%	0.67	0.60	0.74	-10%	10%
LLOYDS	1.6%	0.03	0.03	0.03	0%	6%
EXPERIAN	1.5%	0.64	0.63	0.64	-3%	0%
ANGLO AMERICAN	1.5%	0.67	0.50	0.87	-25%	30%
HALEON	1.4%	0.07	0.07	0.08	-6%	9%
NATWEST	1.3%	0.18	0.18	0.21	-2%	13%
TESCO	1.2%	0.14	0.13	0.14	-6%	5%

Dividends product overview and planned enhancements

Payment description field launched recently; full five-year forecast estimates planned for end of Q1'25

Universe expansion

>32,000 stocks

9,000 by analyst, 23,000 by model

Recent China & India coverage expansion

>2,000 Equity ETFs & FI ETFs

Historical forecasts

>14-year forecast history

Dividend payments since 2010

3-year DIPs history

DIPs on major indices (since 2021)

Analytics and delivery

Dividend Updates module

Captures changes in our data for the past 7 days; Available on Eclipse

New Delivery channels

Excel add-in, Xpressfeed, Snowflake, Workbench

Latest enhancement

Payment Description

Differentiation between regular and special dividends for yield calculation purposes

Planned release Q1'25

Full 5-year forecast estimates

No gaps in forecast estimates for 5 years using advanced analytics

Appendix

Ratings outlook analysis for SX5E, SD3E, SX7E, and FTSE 100 constituents

Improved Outlook*

Company Name Industry		Prior Outlook	Current Outlook	
BASF	Chemicals	Orange	Green	
Coca-Cola HBC	Beverages			
Endesa	Electric Utilities			
Enel	Electric Utilities			
adidas	Apparel & Accessories			
BAT	Tobacco			
Entain	Casinos and Gaming			
AIB	Banks	Green	Orange	
Banco Sabadell	Banks			
Bank of Ireland	Banks	Green		
BPER Banca	Banks			
Erste Group	Banks			
KBC Group	Banks			
Tesco	Retail			
Weir Group	Capital Goods			
easyJet	Airlines			
IAG	Airlines			
Pershing Square	Asset Mgmt.			

Weakened Outlook*

Company Name	Industry	Prior Outlook	Current Outlook
K+S	Chemicals	Orange	Green
Intermediate Cap.	Asset Mgmt.		
Mercedes-Benz	Automobile		
Anheuser-Busch	Brewers		
Saint-Gobain	Building Products		
Banco BPM	Banks		
CaixaBank	Banks		
Commerzbank	Banks		
Barclays	Banks		
Deutsche Bank	Banks		
Glencore	Metals & Mining		
SSE	Electric Utilities		
LSE	Financial Svcs.		
Ahold Delhaize	Retail		
BP	Energy		
Unite Group	Real Estate		
Bayer	Pharmaceuticals		
NN Group	Insurance		
Munich Re	Insurance		
Infineon	Semiconductors		
Nokia	Telecom		
Deutsche Telekom	Telecom		
Vodafone	Telecom		
Raiffeisen Bank	Banks	Green	Orange

Weakened Outlook*

Company Name	Industry	Prior Outlook	Current Outlook
Raiffeisen Bank	Banks	Green	Orange
Fresnillo	Metals & Mining		
Eni	Energy		
Stellantis	Automobile		

*Considers movement during the 2023-2024 period.
Source: S&P Global Ratings

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