S&P Global
Market Intelligence

Dividend Forecasting

EMEA Report

May 29, 2025

2025 European dividend trends

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Nikita Chhabra, **EMEA Research Lead**

The take

- In 2025, European dividends are estimated to grow by 3.5% to €486.1 billion (excluding special dividends), driven by the banking, insurance and capital goods sectors, despite declines in the materials and automotive sectors. This is a slowdown from 2024's 7.5% growth.
- Dividends are expected to grow by 3.2% to €501.6 billion in 2026 (excluding special dividends), led by the insurance and pharmaceuticals sectors, with the automotive sector remaining a drag.
- Banking dividends have surged significantly, with a year-over-year increase of 28.5% in 2023 and 30.4% in 2024, and are projected to grow by 9.6% in 2025, driven by interim dividend initiations from BNP Paribas SA, BPER Banca SpA and Banco de Sabadell SA, despite falling interest rates. Dividend growth is expected to plateau at -0.2% in 2026.
- The aerospace and defense sector is projected to grow by 36.4% in 2025 to €7.4 billion, benefiting from geopolitical tensions, but is expected to moderate to 12.1% growth in 2026, while the automotive sector is facing a significant decline of 27.0% in 2025, followed by an additional 11.4% drop in 2026 to €15.2 billion due to intense competition and proposed tariffs.
- The materials sector's dividends are expected to fall to €25 billion in 2025, a 13.6% drop to pre-pandemic levels, after a record €34.2 billion in 2022, but are projected to rebound by 4.1% in 2026, driven by gold and other major mining companies.
- Since January 2025, our 2026 dividend estimates rose by 2.1% in banking but fell by 6.4% in insurance, 3.9% in energy and 5.7% in materials primarily due to a weakened US dollar. A notable 16.3% drop in automobiles stems from proposed tariffs on US imports.
- Between April and May 2025, the announcement of US President Donald Trump's April 2 tariffs as well as first-quarter company financial results significantly impacted earnings, with the automobile and mining sectors experiencing sharp declines in dividend per share (DPS) and earnings per share (EPS). In contrast, the capital goods and oil and gas sectors demonstrated resilience in DPS despite overall EPS declines.
- The EU is moving to a T+1 settlement cycle for securities transactions by Oct. 11, 2027, with key latest developments including regulatory amendments, a negotiating mandate and a three-phase roadmap.
- BNP Paribas' shift to semiannual dividends has influenced the sector, with Société Generale SA considering a similar move. Crédit Agricole SA remains neutral, while Axa SA's new policy includes a high payout ratio but no interim dividends yet.
- Banco de Sabadell and Bankinter SA have moved to thrice-yearly dividends, with CaixaBank SA as a potential candidate to follow this trend. Commerzbank AG and Deutsche Bank AG have maintained annual payments, with Deutsche Bank citing legal restrictions on interim dividends.

About us

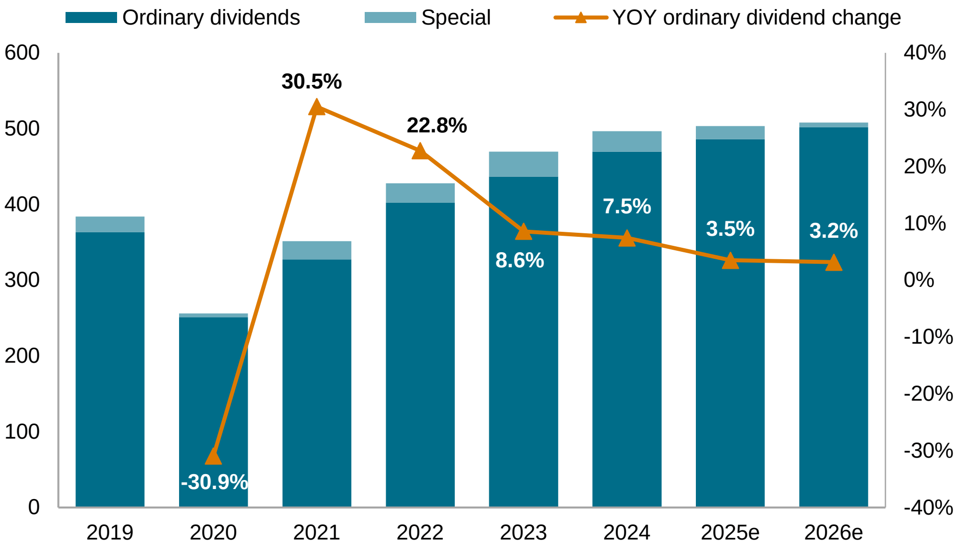
S&P Global Market Intelligence Dividend Forecasting serves top-tier financial institutions with their investment decision-making and risk management through provision of timely data, insights and commentary on dividend forecasts. We estimate the amount and timing of dividend payments for global securities based on equity research, market announcements and unique quantitative insight. Forecasting out for five years, our global forecasting universe of 32,000+ stocks offers unrivaled coverage. To learn more or to request a demo, contact dividendsupport@spglobal.com or visit https://www.spglobal.com/marketintelligence/en/mi/products/dividend-forecasting.html

2025 European dividend trends

European aggregate dividends so far in 2025 and expectations for 2026

European aggregate dividends are estimated to grow by 3.5% year over year to reach €486.1 billion by the end of 2025 (excluding special dividends). This marks a slowdown from 2024, which saw growth of 7.5% year over year in aggregate payments. In 2025, European dividends see support from the still-strong **banking, insurance and capital goods sectors more than offsetting the falls in payments from the materials and automotive sectors**. Including special dividends, which are exceptional in nature and therefore difficult to reliably estimate, aggregate dividends are forecast to remain flat, up 1.3% year over year in 2025 (previous year: up 5.8% year over year) to €503.5 billion. Notably, with 81% of dividends already confirmed in Europe, the underlying trend in the 2025 estimated aggregate dividend closely mirrors the dynamics expected for the entire year.

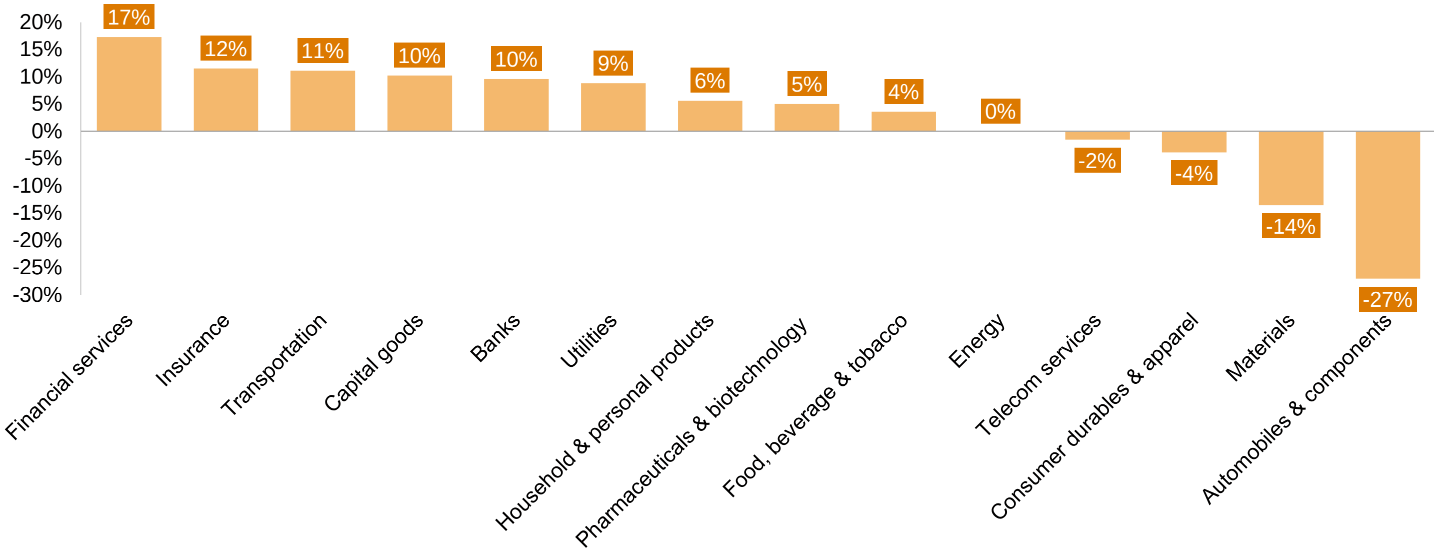
European aggregate dividends (€B)



As of May 12, 2025.
e = estimate; aggregate dividends by payment year.
Source: S&P Global Market Intelligence.

By the end of 2026, aggregate dividends in Europe are estimated to grow by 3.2% year over year to reach €501.6 billion (excluding special dividends). In 2026, European dividends are anticipated to be led by the **insurance and pharmaceuticals sectors even as the automotive sector would remain a drag**. Here, key company names to note include Novo Nordisk A/S, UniCredit SpA and ASML Holding NV on the upside, while Mercedes-Benz AG, Volkswagen AG and Engie SA exhibit significant weakness on the downside. Including special dividends, aggregate dividends are forecast to nudge up 0.9% year over year in 2026 (previous year: up 1.3% year over year) to €507.9 billion.

Expected growth / decline in aggregate dividends in 2025e — by sector



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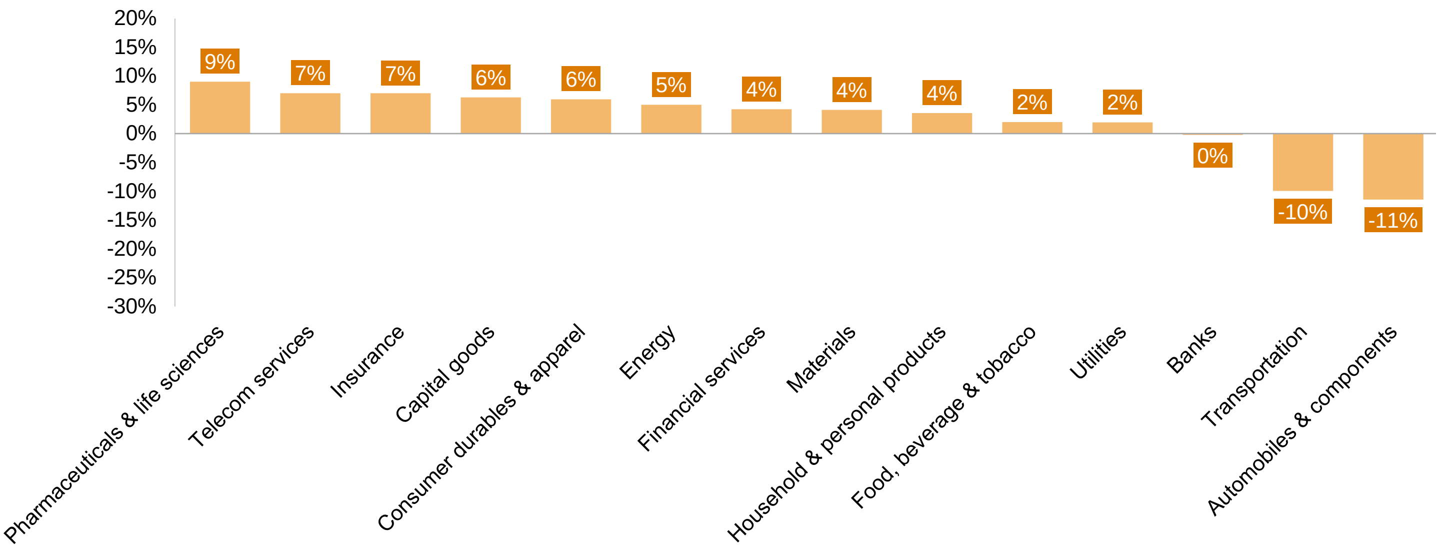
Expected growth / decline in aggregate dividends in 2026e — by sector



As of May 12, 2025.
e = estimate; aggregate dividends by payment year.
Source: S&P Global Market Intelligence.

Banking dividends have experienced significant growth over the last two years, increasing by 28.5% year over year in 2023 and 30.4% year over year in 2024. For 2025, it is estimated that banking sector dividends will grow by another 9.6% year over year, despite central banks reducing interest rates. While most banks have returned to progressive growth patterns of 5%-6%, the notable 9.6% year-over-year growth in 2025 is largely due to interim dividend initiations by BNP Paribas SA and BPER Banca SpA, as well as the addition of a third payment by Banco de Sabadell SA. In 2026, the growth in banking sector dividends is expected to plateau at -0.2% year over year as interest rates continue to fall. In 2025, payments in the materials sector are expected to decline to their pre-pandemic level of approximately €25 billion after reaching a record high of €34.2 billion in 2022, as prices for key commodities such as iron ore and crude oil retreat from high levels over 2023–25, and industry heavyweight BASF SE cuts its payments by almost a third as part of restructuring efforts. Despite an estimated decline of 13.6% year over year in 2025, materials sector dividends are expected to return to growth of 4.1% year over year in 2026, led by gold players such as Gold Fields Ltd., and mining heavyweights including Glencore PLC, Anglo American PLC and Rio Tinto Ltd.

With lackluster projections of a high double-digit decline of 27.0% year over year in 2025, payments in the automobiles and components sector are expected to fall by another 11.4% year over year in 2026 to €15.2 billion. While in 2025 the payments have come under pressure primarily due to intense Chinese competition, especially in the electric vehicle (EV) space, 2026 dividend flows are expected to further weaken due to proposed automotive tariffs by the Trump administration. The declines are broad-based across all major European automakers except Renault SA and Ferrari SpA. The aerospace and defense sector emerged strongly amid the ongoing geopolitical turmoil. It is estimated to witness growth of 36.4% year over year to €7.4 billion in 2025 with all major players in the space seeing solid double-digit growth, especially Safran SA, Rheinmetall AG, Dassault Aviation SA and Leonardo SpA. The sector's growth is projected to moderate to 12.1% year over year in 2026, although it will remain notably high.

The insurance sector distributions also saw high growth rates of around 12% year over year during 2024–25, led by strong earnings as well as high interest and inflation rates. In this space, major payers Allianz SE, Munich Re Group, Assicurazioni Generali SpA and Poste Italiane SpA delivered robust payments. However, the payments are expected to return to more measured growth of 7.0% year over year in 2026.

How have our dividend estimates changed since the beginning of the year?

In this section, we focus our analysis on payments for calendar year 2026 as a majority or about 81% of calendar year 2025 payments are already confirmed. We have slightly raised our estimates for banking sector payments in calendar year 2026 by 2.1% since January 2025. We have tapered our estimates for insurance sector payments by 6.4%. Similarly, energy and materials sector distributions have seen downward revisions by 3.9% and 5.7%, respectively, some of which could be attributed to the US dollar weakening against the euro since the beginning of 2025. Automobiles and components' revision was particularly strong on the downside at 16.3% in response of the planned tariffs by the Trump administration. Revision on the upside on 2026 payments since January 2025 spanned banks such as Swedbank AB, Banco BPM SpA and BNP Paribas, in addition to Fortum Oyj and Novartis AG. On the downside, we have lowered our 2026 payment estimates for Sampo PLC, Erste Group Bank AG, Nordea Bank Abp, Mercedes-Benz, Stellantis NV, Volkswagen, AstraZeneca PLC, LVMH Moët Hennessy Louis Vuitton SE and Glencore, among others.

Impact of Trump's April 2 tariffs and Q1 results on earnings and dividends: EPS and DPS revision between April 1 and May 2, 2025

In the table below, we present the companies showing significant median earnings per share (EPS) changes since the announcement of April 2 US tariffs by the Trump administration. The EPS change could also be driven by other business or industry-related factors prevalent during the period and/or the announcement of first-quarter results. Our universe here comprises the STOXX Europe 600 index. Median EPS and dividend per share (DPS) data have been sourced from the S&P Capital IQ Pro database.

We notice that the automobiles industry was particularly hard hit from a DPS perspective in response to EPS changes between April and May. Similarly, mining DPS also weakened significantly due to a decline in EPS. Despite a strong downward movement in EPS, DPS showed considerable resilience for the capital goods and oil and gas sectors.

Impact of US' April 2 tariffs and Q1 company financial results on earnings and dividends*
EPS & DPS revision between April 1, 2025, and May 2, 2025

Company name	DPS change	EPS change	Industry
Dr. Ing. h.c. F. Porsche AG	-31%	-43%	Automobiles
Stellantis NV	-29%	-20%	
Renault SA	-8%	-13%	
Volkswagen AG	-20%	-21%	
Mercedes-Benz AG	-16%	-16%	
Kering SA	-28%	-27%	Luxury goods
LVMH Moët Hennessy Louis Vuitton SE	0%	-11%	
Compagnie Financière Richemont SA	0%	13%	
A.P. Møller - Mærsk A/S	-25%	-25%	Transportation
Norsk Hydro ASA	-21%	-11%	Metals and mining
Anglo American PLC	-13%	-25%	
Glencore PLC	-12%	-26%	
UBS Group AG	-7%	-9%	Asset management
EssilorLuxottica SA	-6%	-11%	Healthcare supplies
Safran SA	-4%	9%	Capital goods
AB Volvo	-4%	-14%	
Bunzl PLC	-4%	-13%	
Assa Abloy AB	-2%	-10%	
Sandvik AB	-2%	-10%	
Hexagon AB	-1%	-14%	Information technology
Cellnex Telecom SA	0%	-39%	Telecommunications
Argenx SE	0%	-14%	Pharmaceuticals
UPM-Kymmene Oyj	0%	-22%	Paper products
Unibail-Rodamco-Westfield SE	0%	-12%	Equity REIT
BASF SE	0%	-9%	Chemicals
Eni SpA	0%	-20%	Oil, gas and coal
Repsol SA	0%	-15%	
Equinor ASA	0%	-10%	
Tenaris SA	0%	-11%	
TotalEnergies SE	2%	-20%	
Lifco AB	0%	-10%	Capital goods
Ferrovial SE	0%	15%	
Siemens Energy AG	0%	10%	

As of May 2, 2025.
DPS = dividend per share; EPS = earnings per share; REIT = real estate investment trust.
* Median EPS and DPS values; only major changes presented above on large-cap names in the STOXX Europe 600 index.
Source: S&P Global Market Intelligence.

Europe's move to T+1 settlement

The EU is progressing toward implementing a T+1 settlement cycle for securities transactions, aiming for a go-live date of Oct. 11, 2027. This transition will reduce the settlement period from two business days (T+2) to one (T+1), aligning the EU with other major markets such as the US, Canada and India.

Key developments in the matter since the beginning of the year include the following:

- On Feb. 12, 2025, the European Commission proposed amending the Central Securities Depository Regulation (CSDR) to mandate T+1 settlement for transactions in transferable securities executed on trading venues.
- In May 2025, EU member states agreed on a negotiating mandate, including an exemption for securities financing transactions (SFTs) due to their non-standardized nature.
- The European Securities and Markets Authority (ESMA) has outlined a three-phase roadmap: Preparation (2025–26), Testing (2026–27) and Implementation (October 2027).

Payment frequency changes in the banking sector

France

BNP Paribas' shift to semiannual dividends has influenced the French financial services sector. The first interim dividend for fiscal year 2025 will be paid on Sept. 30, 2025, based on 50% of first-half 2025 net EPS. Reasons for this decision include: shareholder preference/discussions with the investor base; many other banks paying semiannually; spreading cash flow over the year, especially as payments increase; and demonstrating confidence in the business.

We forecast an interim distribution of €2.55 per share in September 2025, aligned with the new policy. This change has sparked speculation about further interim dividend announcements in the sector. On the same lines, we have recently added a forecast of a maiden interim distribution by Société Générale SA. Our decision to forecast an interim from this year stems mainly from management's comments during first-quarter earnings. We also spoke to the company's investor relations team that confirmed that this was being considered for this year and the decision will be put to the board.

Crédit Agricole SA took a neutral stance when asked about whether it would consider paying interim dividends, saying it had "no religion" on the matter and calling it a "technicality." The deputy CEO added, "I have no, in principle, opposition and I have no, in principle, I would say, inclination to do so. We are going to see what the competitors do [...]. We'll see what we can do, we want to do, we deem reasonable to do. And we'll act accordingly." Therefore, if Société Générale's interim distribution were to be confirmed, then there is a higher chance that we will forecast the same for Crédit Agricole in the following year.

Axa SA announced a new capital management policy in February 2024, which includes "a total payout ratio of 75%, comprising a 60% dividend payout ratio and an additional 15% from annual share buy-backs." We are not currently forecasting an interim dividend, although there is some risk following BNP Paribas' announcement. During Axa's Investor Day in February 2024, management did not clarify the possibility of an interim dividend, emphasizing the higher dividend and business stability. It stated that everything had been discussed, and the new policy was what "our shareholders and the long-only shareholders wanted."

Spain

Banco de Sabadell has recently shifted its dividend distribution from a semiannual to thrice-yearly basis, marking the second such change in the Spanish banking sector. Bankinter SA also announced a transition to thrice-yearly payments at the end of 2024, reducing its previous quarterly distribution. Both banks designate the March payment as "complementary," while the earlier payments are classified as interim distributions.

With most banks in Spain having already reported their results, opportunities for further changes in the short term may be limited. However, as demonstrated by Bankinter's announcement for the first half of 2024, banks can implement these adjustments at any time. CaixaBank SA appears to be a potential candidate to follow this trend. Meanwhile, Banco Santander SA, which previously paid quarterly dividends before the COVID-19 pandemic, is unlikely to alter its distribution frequency.

Germany

Commerzbank AG has also already announced its fiscal year 2024 dividend. The bank's investor relations department stated that it currently does not plan to change the yearly dividend payment. Deutsche Bank AG has clarified that, under German Corporate Law, it is not legally permissible to pay interim dividends from the profits of the current financial year. Dividends can only be distributed from the profits of a completed financial year, and any profit distribution requires shareholder approval.

CONTACTS

Americas: +1 800 447 2273
Japan: +81 3 6262 1887
Asia-Pacific: +60 4 291 3600
Europe, Middle East, Africa: +44 (0) 134 432 8300

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