

# French dividends in 2023

## Bumper profits lead to a new record, but growth is set to decelerate

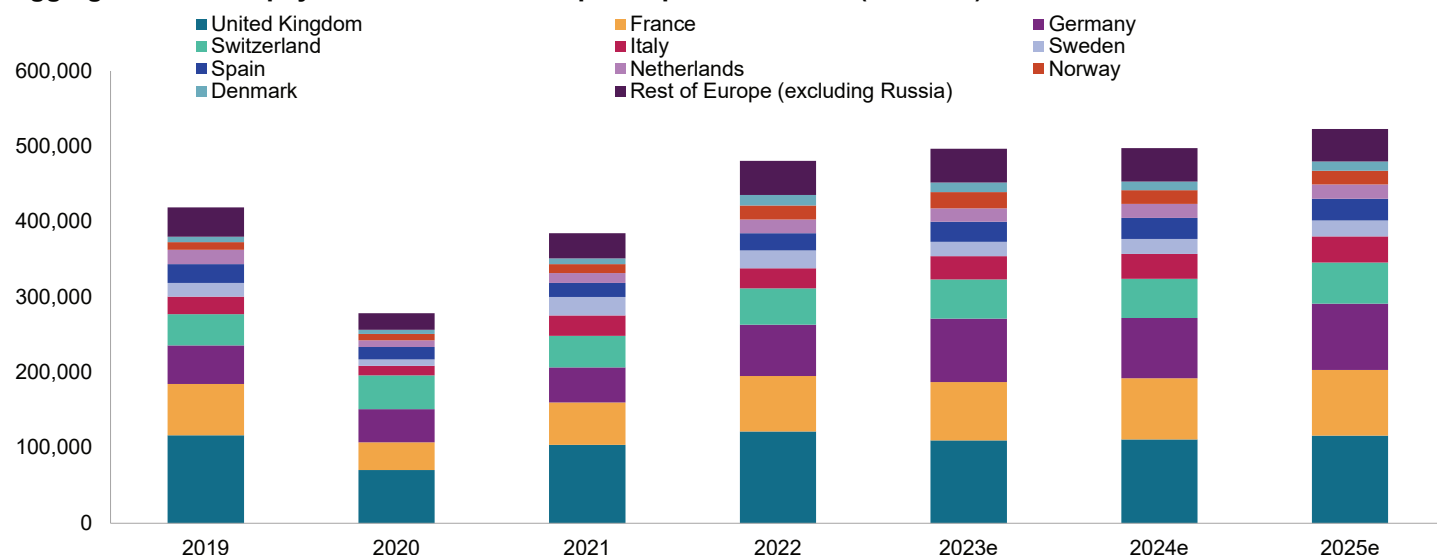
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### Introduction

- The European dividend payout (excluding Russia and including special dividends) is set to reach €497 billion in 2023, up 3.4%. This is a notable slowdown after a 24.9% increase in 2022 as the post-pandemic rebound drove fiscal year 2021 results.
- SBF 120 dividend payments are forecast to increase by 9% to a new record of €77 billion in 2023, of which €11 billion remains unannounced. Similarly, this follows a 27% increase in 2022.
- S&P Global Market Intelligence expects this moderate growth to slow again in 2024 as macroeconomic headwinds continue throughout 2023 — in particular persistent inflation. Downside risks are expected for sectors including banks and utilities.
- The top 10 companies are expected to represent 54% of the aggregate SBF 120 dividends for 2023, with the largest aggregate changes driven by Engie SA, Stellantis NV and L'Oréal SA.
- In a context of high inflation, Market Intelligence has listed 30 companies with a 12-month forward yield above 5%. Out of the top 10 yields, six are from real estate companies.

## Aggregate dividend payout evolution from top European countries (€ million)



Data compiled April 12, 2023.

Calendar years.

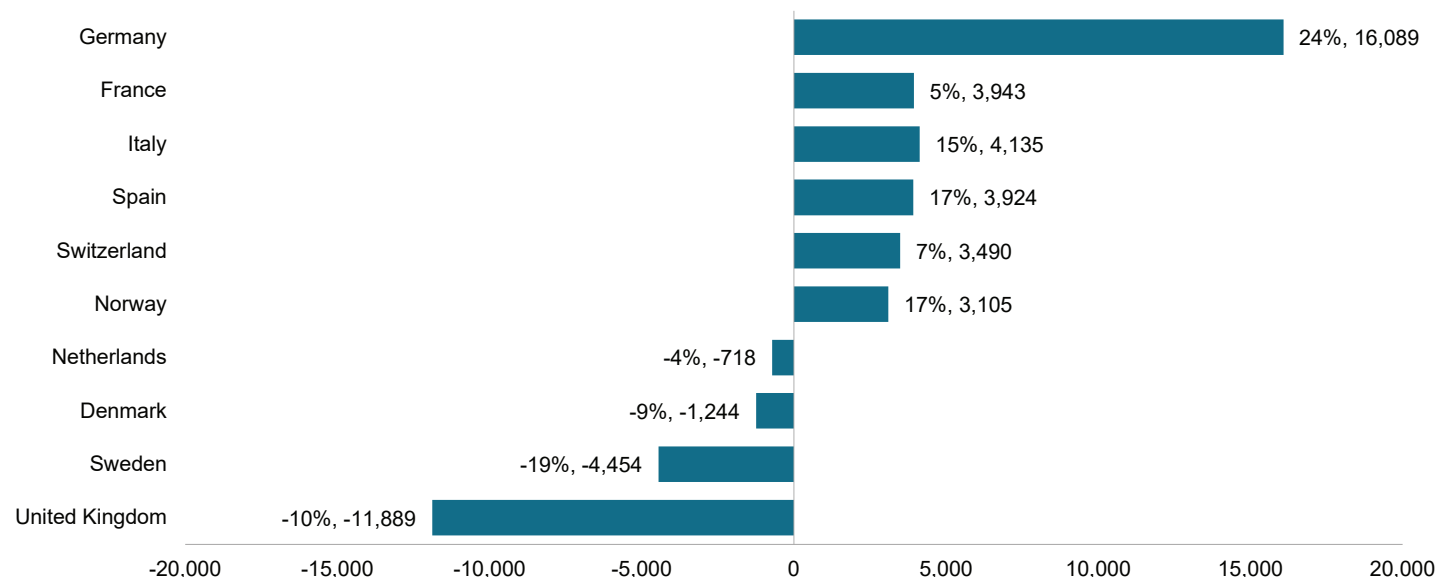
Source: S&P Global Market Intelligence.

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# France maintains a leading position within Europe

- France is the third-largest payer in the region, with payouts expected to reach €77 billion in 2023. Although it is a substantial slowdown compared with the 2022 payout, this represents a 5% increase year over year, demonstrating continued growth despite a difficult environment.
- As the post-COVID-19 rebound wears off and clouds gather over the global economy, dividend payments in European countries are expected to slow to 3.4% growth in 2023, reaching €497 billion.
- Most countries have surpassed their pre-pandemic levels, with France forecast to reach €77 billion and Germany expected to reach €84 billion. However, others are lagging, with the UK payout set to drop 10% in 2023 to €110 billion (-6% versus 2019) and countries including Sweden and the Netherlands remaining close to their 2019 payouts.
- Headwinds appeared at the start of 2022 after the Russia-Ukraine conflict created significant economic and geopolitical uncertainty. This contributed to rising inflation, which in 2023 is yet to show signs of slowing substantially and has driven the European Central Bank (ECB) to implement a series of interest rate hikes. This situation has squeezed company margins, dampened consumer spending and led to volatility in the markets.
- In France, inflation stood at 5.6% in March 2023. France's GDP is estimated to have grown by 2.6% in 2022 on the back of a carry-over effect from 2021. In 2023, it is forecast to expand by only 0.6%.

## 2022/23e top aggregate change in Europe (€ million)



Data compiled April 12, 2023.

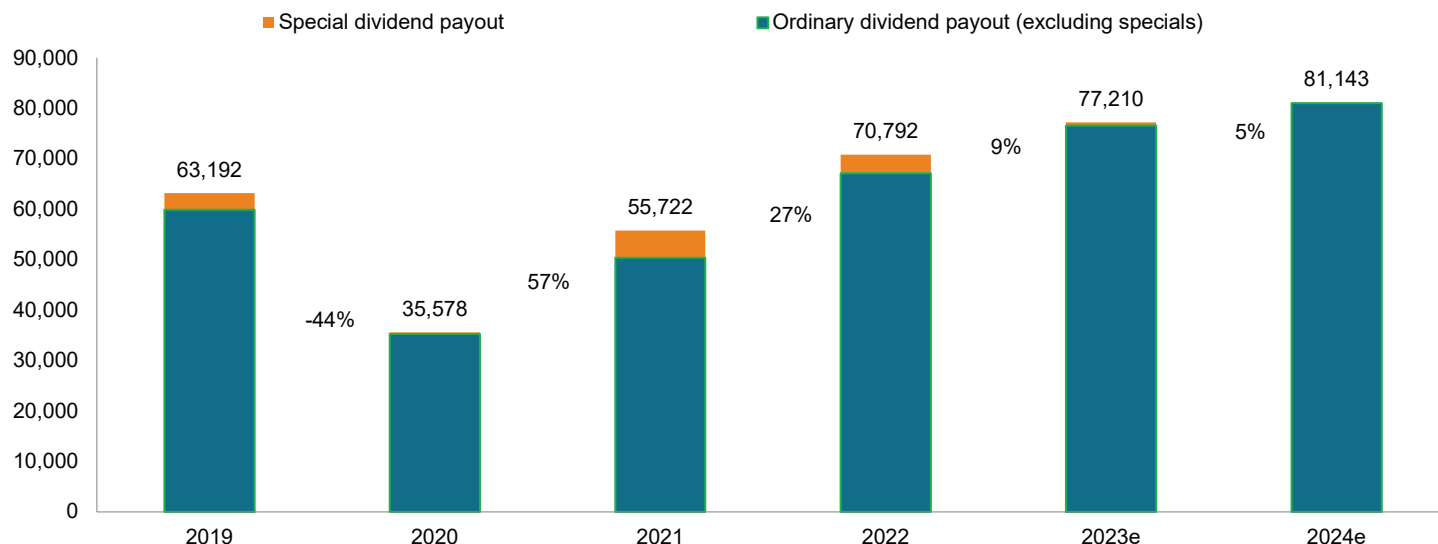
Source: S&P Global Market Intelligence.

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## SBF 120 drivers

- For the SBF 120, the aggregate payout is expected to reach €77 billion, including €626 million of special payments.
- Of this estimated amount, €66 billion has already been announced, while €11 billion remains unannounced.

## SBF 120 aggregate dividend payout and YOY changes (€ million)



Data compiled April 12, 2023.

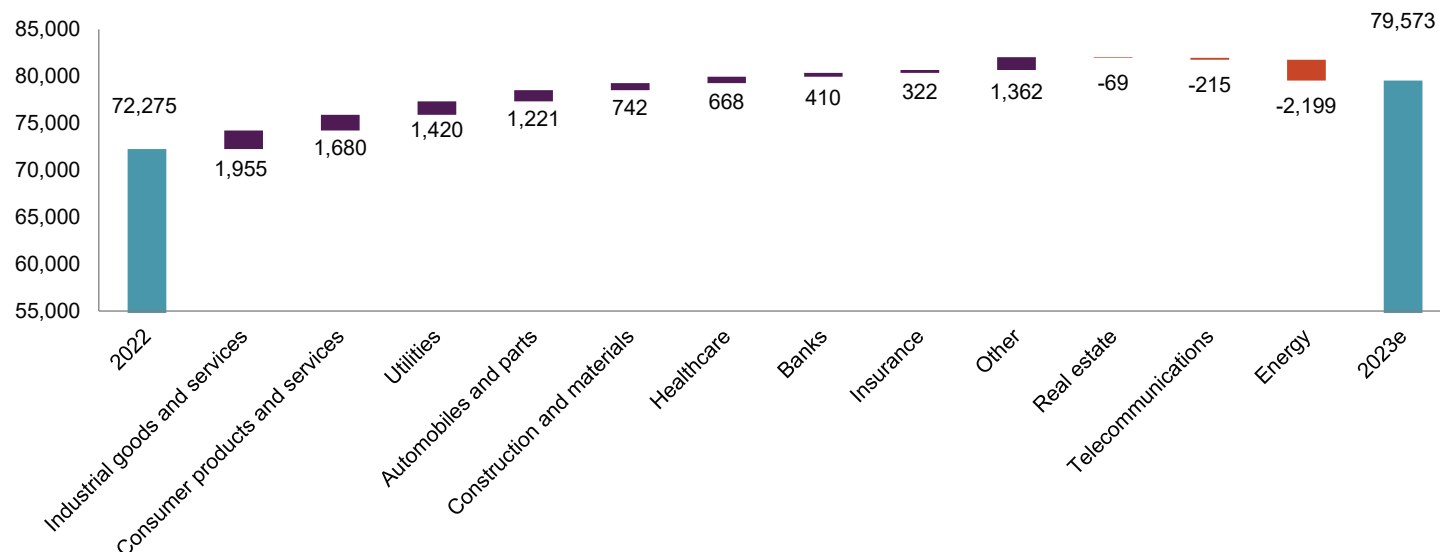
Calendar years.

Source: S&P Global Market Intelligence.

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# Industrials, consumer products and services and utilities lead the top 2023e aggregate rise

SBF 120 sector contribution in 2023e positive change (€ million)



Data compiled April 12, 2023.

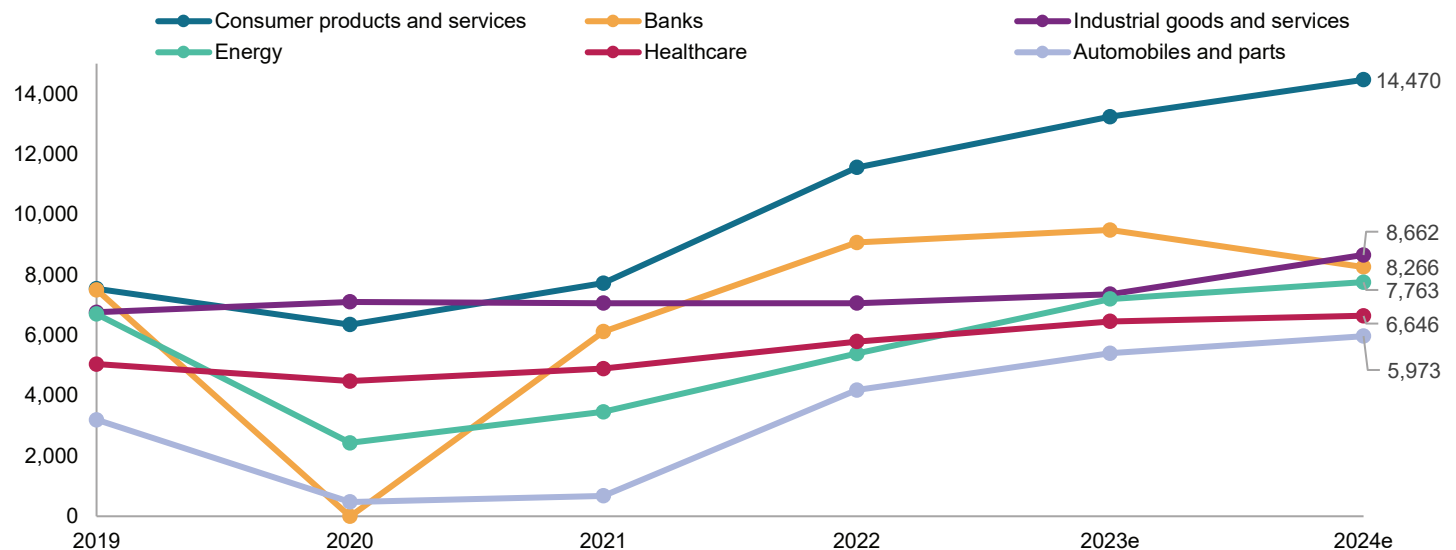
Including one-off payments.

Source: S&P Global Market Intelligence.

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- The **industrial goods and services** sector is set to record a 34% rise, particularly driven by increased payouts from Airbus SE following their resumption in 2022, as well as Safran SA, as it aims to return to its historical payout ratio of 40%.
- Following a 50% surge in 2022, **consumer products and services** sector payout is forecast to rise by a further 15% in 2023, driven by €600 million and €500 million increases from L'Oréal SA and Hermès International SA, respectively, as well as continued strong performances from LVMH Moët Hennessy Louis Vuitton SE (LVMH) and Kering SA.
- Engie SA is driving a 51% rise in payments for the **utilities** sector as the company benefited from record-high prices throughout 2022.
- **Automobile** companies are set to raise payments by 29% in 2023, in large part owing to a €1.05 billion increase from Stellantis NV. Renault SA also resumed its dividend in 2023.
- **Healthcare** companies are on course to continue their steady rise in payments with a 12% increase, driven by Sanofi SA and EssilorLuxottica SA.
- After a 50% rise in 2022 as restrictions lightened, **banks'** payouts are expected to slow to 5% growth in 2023, with relatively small increases of €331 million for BNP Paribas, €35 million for Crédit Agricole SA and €46 million for Société Générale SA.
- The **construction and materials** sector continues its growth with a 20% increase in 2023, driven by Vinci SA's return toward its historical payout ratio and Compagnie de Saint-Gobain SA's record-high 2022 results.
- On the downside, Market Intelligence expects **energy** sector payments to decrease by 23% in 2023 after TotalEnergies SE's bumper payout in 2022. The company paid a special dividend in December 2022, which could be repeated in 2023 if profits remain elevated.

## SBF 120 top 10 sectors' contributors' evolution (€ million)



Data compiled April 12, 2023.

Calendar years; excluding one-off payments.

Source: S&P Global Market Intelligence.

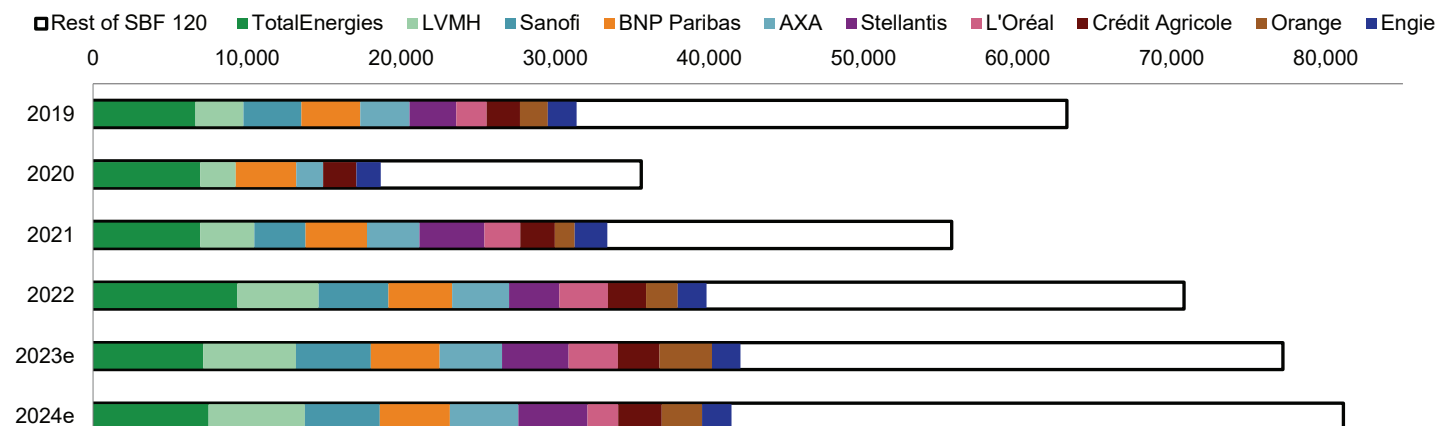
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Market Intelligence expects growing uncertainty in 2024 dividend payouts, particularly in the banking sector. The industry has been under increasing pressure as contagion risk and systemic stress persist following the collapse of SVB Financial Group, Signature Bank and now Credit Suisse Group AG. We forecast maintained dividends for BNP Paribas and Société Générale and a drop for Crédit Agricole after the bank increased payments in 2022 and 2023 owing to the catch-up for the fiscal year 2019 dividend that could not be paid at the time.

We are also cautious on the healthcare, utilities and construction sectors, which are expected to slow in 2024 with aggregate payouts of €6.6 billion (+3%), €3.5 billion (-16%) and €4.6 billion (+3%), respectively.

## SBF 120: Top 10 dividend payers

### Top 10 payers' contribution evolution on SBF 120 dividend aggregate payout (€ million)



Data compiled April 12, 2023.

AXA = AXA SA; Orange = Orange SA.

Including special dividends.

Source: S&P Global Market Intelligence.

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# SBF 120: Key unannounced dividends in 2023e

## Key unannounced dividends for 2023e

ISIN	Company	Ex-date	Type	Currency	Amount confidence	Base DPS	Bear DPS	% change	Best DPS	% change
FR0000120693	Pernod Ricard SA	July 6, 2023	INT	€	HIGH	2.06	2.06	0%	2.06	0%
FR0000130395	Rémy Cointreau SA	Sept. 21, 2023	YR	€	LOW	2.35	2.20	-6%	2.80	19%
FR0000125486	Vinci	Nov. 7, 2023	INT	€	LOW	1.10	1.00	-9%	1.30	18%
FR0000121329	Thales Group	Dec. 6, 2023	INT	€	MEDIUM	0.80	0.70	-13%	0.90	13%
FR0000121014	LVMH	Dec. 5, 2023	INT	€	LOW	5.50	5.00	-9%	6.50	18%
FR0010340141	Aéroports de Paris SA (ADP)	Dec. 7, 2023	INT	€	LOW	0.70	0.50	-29%	1.00	43%
FR0000121220	Sodexo SA	Dec. 22, 2023	YR	€	MEDIUM	2.90	2.80	-3%	3.20	10%
FR0011726835	Gaztransport & Technigaz SA (GTT)	Nov. 2, 2023	INT	€	LOW	2.00	1.55	-23%	2.10	5%
FR0000133308	Orange	Dec. 5, 2023	INT	€	HIGH	0.30	0.30	0%	0.30	0%
FR0000184798	Orpea SA	July 7, 2023	YR	€	LOW	0.00	0.00	-	0.30	-

Data compiled April 12, 2023.

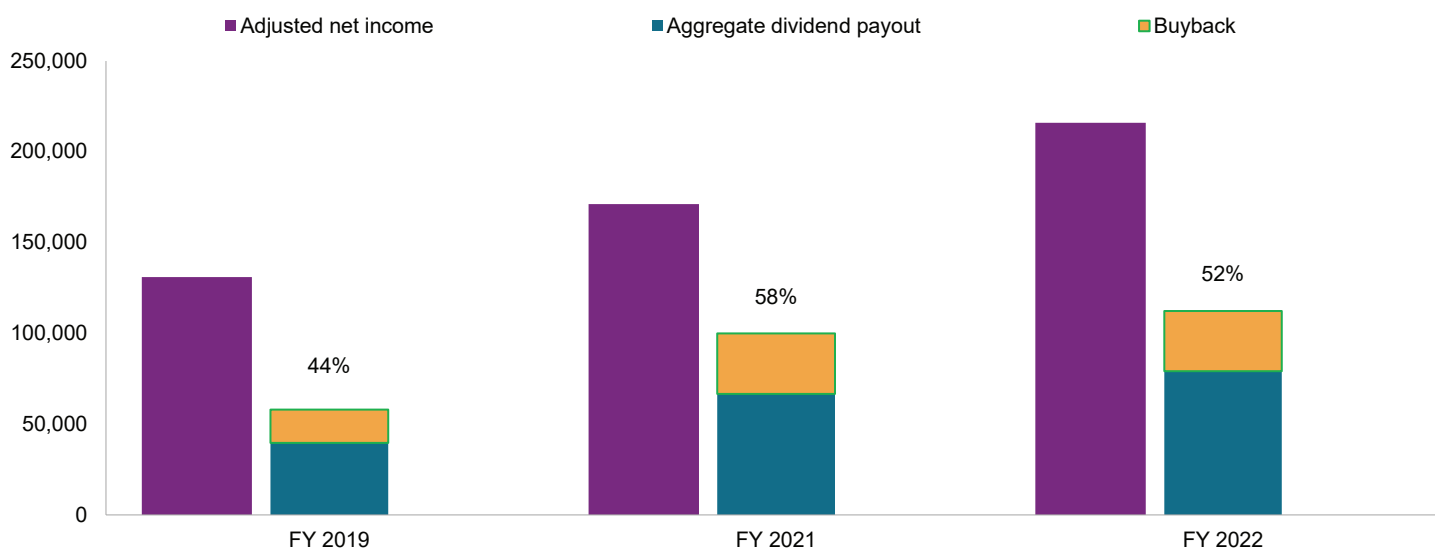
INT = interim; YR = year; DPS = dividend per share.

Source: S&P Global Market Intelligence.

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# SBF 120: Total payout versus net income

## SBF 120 total payout versus net income (€ million)



Data compiled April 12, 2023.

Financial years; % = payout ratio including buyback.

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In fiscal year 2022, SBF 120 adjusted net income reached a total of €216 billion, a 26% increase compared with the figure for fiscal year 2021. This corresponds to a dividend payout ratio of 37% (52% including buybacks), a slight decrease versus the fiscal year 2021 level, which registered a payout ratio of 39% (58% including buybacks).

## SBF 120: Top aggregate changes in 2022–23e

### Top aggregate dividend changes in 2022–23 (SBF 120)

Stock name	ISIN	Sector	2022 aggregate payout (€ million)	2023e aggregate payout (€ million)	2023e aggregate change (€ million)
TotalEnergies	FR0000120271	Energy	9,363	7,144	-2,220
Engie	FR0010208488	Utilities	2,057	3,391	1,334
Stellantis	NL00150001Q9	Automobiles and parts	3,258	4,306	1,048
L'Oréal	FR0000120321	Consumer products	2,570	3,211	641
Hermès International	FR0000052292	Consumer products	837	1,359	522
Vinci	FR0000125486	Construction and materials	1,826	2,311	486
Aéroports de Paris	FR0010340141	Industrials	0	378	378
AXA	FR0000120628	Insurance	3,680	4,057	377
Safran	FR0000073272	Industrials	213	576	363
EssilorLuxottica	FR0000121667	Healthcare	1,103	1,436	333
BNP Paribas	FR0000131104	Banks	4,527	4,857	329
Sanofi	FR0000120578	Healthcare	4,136	4,464	328
Airbus	NL0000235190	Industrials	1,182	1,417	236
LVMH	FR0000121014	Consumer products	6,030	6,264	234
Kering	FR0000121485	Consumer products	1,482	1,714	232
Eutelsat	FR0010221234	Telecommunications	214	0	-214

Data compiled April 12, 2023.

Calendar years; including special dividends.

Source: S&P Global Market Intelligence.

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TotalEnergies' 2022 payout was boosted by its special dividend paid in December 2022. Despite the subsequent dip in 2023, the aggregate payout for 2023 (estimated) remains above the 2021 payout of €6,950 million. Other notable changes include Engie and Stellantis, driven by their strong performances, and Eutelsat SA, which temporarily suspended its dividend for fiscal year 2022–23 and fiscal year 2023–24.

# SBF 120: Top forward dividend yields (12-month forward)

## Top 12-month forward yields (SBF 120)

Stock name	ISIN	Sector	Forward dividend (€)	Forward yield (%)
MERCIALYS	FR0010241638	Real estate	0.98	10.95%
NEXITY	FR0010112524	Real estate	2.50	10.63%
ICADE	FR0000035081	Real estate	4.48	10.59%
Unibail-Rodamco-Westfield	FR0013326246	Real estate	5.00	10.20%
SES.SA	LU0088087324	Industrials	0.50	8.98%
Coface	FR0010667147	Insurance	1.25	8.97%
Stellantis	NL00150001Q9	Automobiles and parts	1.40	8.72%
ALD International	FR0013258662	Consumer products	0.90	8.49%
Altarea	FR0000033219	Real estate	10.00	8.36%
Klépierre	FR0000121964	Real estate	1.80	8.28%
Carmila	FR0010828137	Real estate	1.17	7.97%
SCOR	FR0010411983	Insurance	1.80	7.86%
Société Générale	FR0000130809	Banks	1.70	7.61%
RUBIS	FR0013269123	Retail	1.98	7.56%
M6 - Metropole Television	FR0000053225	Media	1.10	7.01%
Engie	FR0010208488	Utilities	1.08	7.00%
Covivio	FR0000064578	Real estate	3.75	6.98%
Amundi	FR0004125920	Financial services	4.10	6.89%
BNP Paribas	FR0000131104	Banks	3.90	6.63%
AXA	FR0000120628	Insurance	1.86	6.35%
Orange	FR0000133308	Telecommunications	0.72	6.27%
Aperam	LU0569974404	Basic resources	2.00	6.09%
Television Francaise 1	FR0000054900	Media	0.50	6.07%
Crédit Agricole	FR0000045072	Banks	0.65	5.92%
Gecina	FR0010040865	Real estate	5.50	5.66%
Bouygues	FR0000120503	Telecommunications	1.80	5.52%
Korian	FR0010386334	Healthcare	0.40	5.50%
ANTIN INFRASTRUCTURE PARTNERS	FR0014005AL0	Financial services	0.82	5.42%
TotalEnergies	FR0000120271	Energy	2.96	5.14%

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Source: S&P Global Market Intelligence.

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