

15:31 15 Jun 2020

Cancelled and cut FTSE 100 dividends now total over £26bn, with £25bn still to be decided in 2020

The number of FTSE 100 dividends that have been cancelled or cut amid the disruption caused by the coronavirus pandemic has now reached around £26.5bn, although the status of another £25bn in blue-chip payouts is still to be decided as 2020 reaches its halfway mark.

According to data compiled by broker Peel Hunt, the £26.5bn figure for the cancelled and cut divis is around 42% of the total scheduled for the 2020 calendar year, with the £10.9bn figure already paid amounting to just over 17%.

It is an even worse picture in the mid-cap FTSE 250, where around 56% of 2020's scheduled dividends have been cut or cancelled, while as of June 12 only 5.5%, or £0.46bn, have been paid out to investors.

Lower down in the small caps, companies have axed or taken the scissors to £350mln in dividends, equivalent to 53% of the £666mln total, while only £16mln has been paid out so far this year.

The picture is slightly better among the AIM 100, where only 29% of planned dividends have been cut or cancelled while £67mln, or 14.5% of the total, have been paid.

Pharma firms, tobacco and supermarkets among likely payers

The broker highlighted around 38 FTSE 100 companies that they thought were the most likely to payout dividend before the year ends.

These firms included oil giant BP PLC (LON:BP.), which on Monday announced that it will make write-offs of between US\$13bn to US\$17.5bn due to what it said was the "enduring impact" of the coronavirus pandemic on the global economy, leading some analysts to mull the possibility of a cut.

READ: BP set for massive write offs as coronavirus aftermath predicted to accelerate global low-carbon transition

Other likely payers among the blue-chips were pharma giants AstraZeneca PLC (LON:AZN) and GlaxoSmithKline PLC (LON:GSK), mobile operator Vodafone Group PLC (LON:VOD), cigarette maker British American Tobacco PLC (LON:BATS) and supermarkets J Sainsbury PLC (LON:SBRY) and WM Morrison Supermarkets PLC (LON:MRW).

Among the FTSE 250 firms making the cut were retailer Pets at Home Group PLC (LON:PETS), gold miner Centamin PLC (LON:CEY), ingredients firm Tate & Lyle PLC (LON:TATE) and antivirus software group Avast PLC (LON:AVST).

Big cutters include travel, insurance, financials

In terms of sectors, those with the largest amount of payouts due also seemed to be the ones with the deepest cuts.

Price: 282.35

Market Cap: £564.82 m

1 Year Share Price Graph



Share Information

Code: BP.

Listing: LSE

52 week High Low
489.95 188.52

Sector: Oil & Gas

Website: www.bp.com

Company Synopsis:

BP is one of the world's largest oil and gas companies with operations in more than 100 countries across six continents.

action@proactiveinvestors.com

Insurance firms, the sector with the largest amount of dividends due in Peel Hunts coverage at around £9.94bn, have cancelled £8.25bn of these, while the second highest-paying sector, financials, has cancelled £7.9bn of its planned total of £9.27bn.

However, some of the sharpest reductions came from the travel sector, which has been particularly hard hit by the pandemic and as a result has seen £2.11bn, around 84%, of its planned dividends cancelled.

Meanwhile, retailers were one sector to have retained most of their payouts despite the disruption, having only cancelled £428m of its planned £7.5bn total.

The traditionally defensive utilities sector and other miscellaneous firms have also held up relatively well, cancelling just £217m of their planned £5.91bn total so far.

Looking ahead, while Peel Hunt said the pace of cuts and cancellations had "slowed materially", this was mainly due to quieter reporting schedule and that the market focus would turn back to dividends into the late summer reporting season.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.