

# BP PLC

21:10 04 Aug 2020

## BP's cut means half the FTSE 100 dividends hit by coronavirus

BP PLC's (LON:BP.) dividend decision today means that half the FTSE 100 has scrapped or cut their payout during the coronavirus pandemic, with total payouts in the second quarter falling by £22bn year on year.

The oil supermajor cut its dividend in half but this was, as some analysts said, the worst kept secret in the market.

### READ: BP 'resets' dividend by 50% as it promises to cut oil production by 40%

Meanwhile, alcoholic drinks maker Diageo PLC (LON:DGE), reported a **halving of annual profits**, which would seem a good enough reason to cut its dividend, but instead insisted on keeping its payout topped up.

BP's cut, however, means that total dividends for the second quarter of 2020 have made a dizzying 57% dive compared to the same period last year, down £22bn to £16.1bn, according to data from the Link Group.

The reduction since March is not far off £40bn, according to research by AJ Bell, with £6.6bn scrapped since last Monday, thanks to the likes of Shell (LON:RDSB), HSBC (LON:HSBA), Lloyds (LON:LLOY), Standard Chartered (LON:STAN) and Barclays (LON:BARC).

This is the lowest second-quarter total since 2010, and the decline itself is by far the biggest ever recorded.

Excluding special dividends, which were unusually high last year, the decline was 50.2%, from £32.1bn to £16.0bn.

In spite of BP's cut, Link forecasts the full year will see payouts fall at best 38% to around £60.5bn on an underlying basis and at worst they will fall 42%, excluding special dividends.

## The FTSE fifty

So far, 176 companies cancelled payouts and 30 more have cut them, according to Link, together representing three-quarters of expected payers for the quarter, versus two-fifths of companies in the global financial crisis.

The top 100 dividend payouts fell 45% in the second quarter, compared to 76% for the mid-caps.

The 50 Footsie members that have cut or dumped their dividend because of the COVID-19 crisis are:

Admiral  
 Anglo American  
 Antofagasta  
 Associated British Foods  
 Auto Trader

**Price:** 272.3

**Market Cap:** £545.73 m

### 1 Year Share Price Graph



### Share Information

**Code:** BP.

**Listing:** LSE

**52 week** **High** **Low**  
 508.43 188.52

**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.au

Aviva  
BAE Systems  
Barclays  
Barratt  
BP  
British Land  
BT  
Bunzl  
Burberry  
Centrica  
DS Smith  
Ferguson  
Flutter  
Fresnillo  
Glencore  
HSBC  
Imperial Brands  
Informa  
Intercontinental Hotels  
International Consolidated Airlines  
ITV  
JD Sports  
Johnson Matthey  
Land Securities  
Lloyds  
Meggitt  
Melrose  
Mondi  
Morrisons  
Next  
Persimmon  
Rentokil  
Rightmove  
Rolls-Royce  
Royal Bank of Scotland  
RSA  
Sainsbury  
Shell  
Smiths Group  
Smurfit Kappa  
St James's Place  
Standard Chartered  
Taylor Wimpey  
Whitbread  
WPP

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 +61 (0)2 9280 0700 [action@proactiveinvestors.com.au](mailto:action@proactiveinvestors.com.au)

### 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.