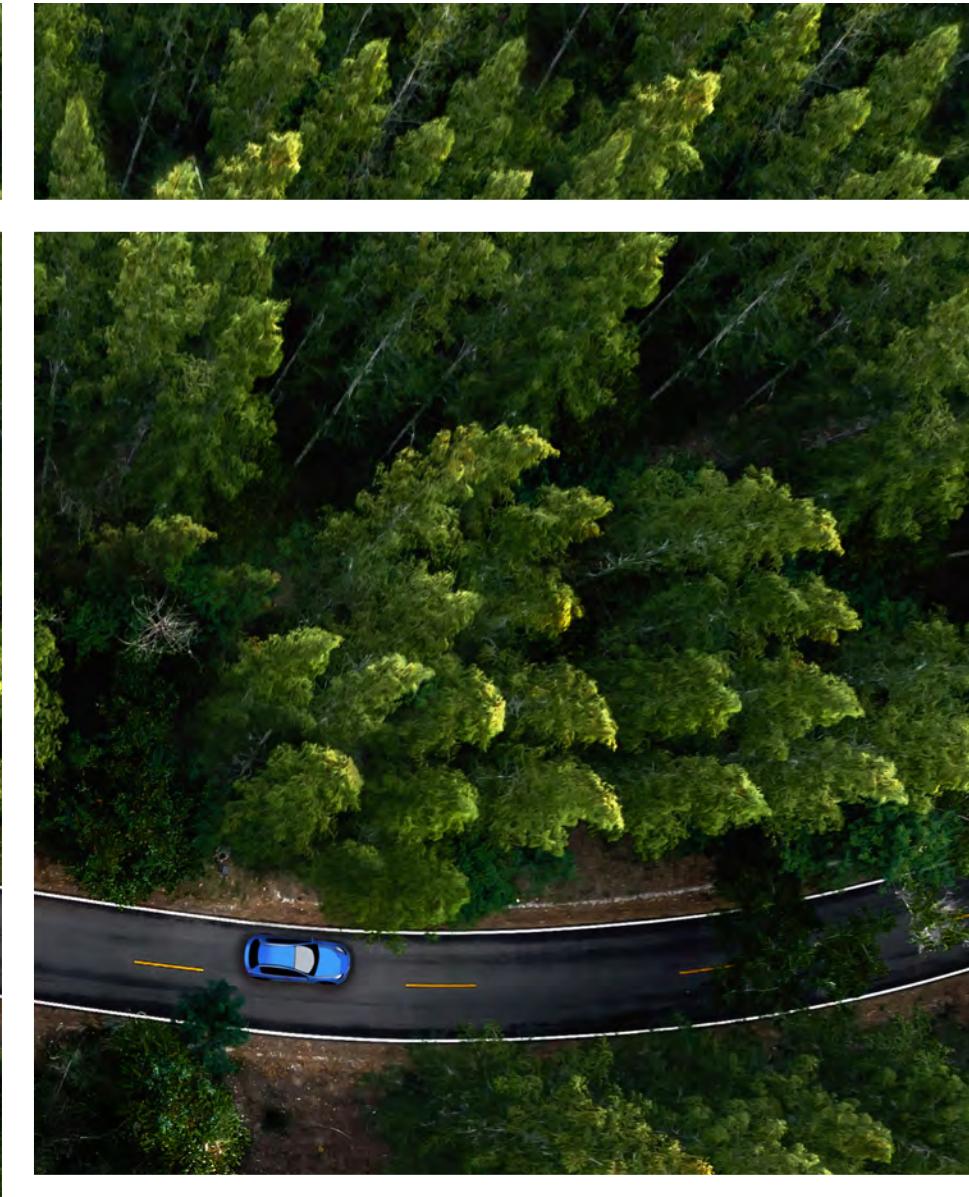


FOR PROFESSIONAL INVESTORS ONLY
Marketing communication



Capital Group Global Equity Study

Profit Watch

Edition 1 - January 2026

Contents

Introduction	3
About the study	3
About Capital Group	3
Methodology	4
Key highlights	5
Overview	7
Sector trends	10
Why cash flow matters	12
Viewpoint: Dividends, buybacks, and the sustainability question	13
Outlook 2026	14
Regional trends	15
Appendix	30
Glossary	33

Introduction

About the study

The Capital Group Global Equity Study is a comprehensive exploration of the world's major equity markets, examining how companies generate, grow, and return value to shareholders.

Our Profit Watch examines the big trends in company earnings and cash flow and thereby measures how comfortably share buybacks and dividends can be sustained. Our separate Dividend Watch tracks those key dividend trends on a quarterly basis, while our forthcoming annual Buyback Watch will capture in detail how much companies are spending repurchasing their shares.

The Profit Watch measures company revenues, profits and cash flow since 2015 and compares them to total shareholder distributions over the same period. It examines these trends across different sectors and geographies, revealing how rapidly and steadily companies are delivering growth, both over the long term and right now. Growth in earnings and cash flow is not only essential to sustainable increases in distributions to shareholders, it is also a fundamental pillar of company valuation and is therefore crucial to long-term capital gains.

About Capital Group

Capital Group is one of the oldest and largest investment management companies in the world, managing multi-asset, equity and fixed income investment strategies for different types of investors. Since 1931, Capital Group has been singularly focused on delivering superior, consistent results for long-term investors using high conviction portfolios, rigorous research and individual accountability. Today, Capital Group works with financial intermediaries and institutions to manage more than \$3 trillion in long-term assets for investors around the world.

Methodology

Capital Group analysed the financial results of the world's largest 1,600 companies by market capitalisation over the last 10 years. For 2025, the analysis takes the latest half-yearly or quarterly results (reported up to the end of November 2025) and makes projections based on consensus analyst expectations published on FactSet to scope a projection for the full year.

No account is taken of exchange rates because so many companies in the top 1,600 operate globally. Tracking where all their revenues and profits are made and in what currencies is beyond the scope of this exercise.

Dividend data in some markets, notably China, may differ from data presented in our Dividend Watch¹. In China this is because this analysis is matching profits made by the entire entity to dividends paid to all shareholders, whereas the Dividend Watch captures dividends readily available to international investors. The restricted access to large parts of the Chinese stock market limits the extent to which Chinese companies are included in our tracker of the world's dividends. This mirrors the treatment major global market indices give to such companies. Calendar treatment can also give rise to differences in individual periods. Separately, Rio Tinto is captured in this analysis entirely in Australia, whereas in the Dividend Watch the dual listing is reflected in payments split across both Australia and the UK. Finally, FactSet data is pulled directly from company financial statements, and a handful of companies do not split out dividends on common stock (also known as ordinary shares) and preferred shares in the cash flow statement itself, so this can again lead to differences between the Dividend Watch, which tracks pure common stock dividends. The purpose of this analysis is to understand profit trends and therefore how well supported shareholder distributions are. Those needing detailed analysis of pure dividend trends should refer to the Dividend Watch.

\$ refers to US dollars throughout the report unless otherwise indicated.

1. The Dividend Watch is published every quarter and looks at the dividends the world's largest 1,600 companies pay to their shareholders. These companies represent around 85% of global market capitalisation.



Key highlights

Overview

- **Profit:** Global profits rose 12.2% in 2025 to a projected record \$4.85 trillion – more than doubling in nine years
- **Revenue:** Revenues reached an all-time high projected to be \$44.2 trillion in 2025 (+5.3%), with the global net profit margin rising to 11.0% but still slightly below the 2021 peak
- **Earnings quality:** One-third of earnings growth was low quality – driven by lower one-off costs, mostly with no cash-flow benefit – but the remainder denotes real strength
- **Distributions:** Dividends and share buybacks (i.e. total distributions) hit a provisional \$3.50 trillion in 2025, up from \$3.25 trillion in 2024 year
- **Distributions vs. profit:** 2025 total distribution cover (profits divided by total distributions) remains comfortable at 1.39x profits – slightly ahead of historical averages
- **Cash flow:** Free cash flow (excluding financials) is estimated to have surpassed \$3.0 trillion in 2025, up from \$2.84 trillion in 2024.
- **Distributions vs. cash flow:** 2025 free cash flow is 1.2x dividends and share buybacks of the ex-financials sectors (i.e. a cash flow total distribution cover of 1.2)
- **2026 outlook:** Earnings growth is set to accelerate globally, led by emerging markets, as lower interest rates and policy clarity support resilient fundamentals–though risks like inflation and geopolitical uncertainty mean diversification and active stock selection remain vital.

All growth rates quoted in the text are year-on-year unless otherwise stated.

Sector trends

- **Technology:** Profits rose strongly in 2025, projected at \$744 billion; buybacks outweighed dividends 3:2 and total distribution cover was 1.3x in 2024 (in line with the global average) and likely tracked higher in 2025
- **Media:** Alphabet, Tencent, and Meta generated 72% of sector profits in 2025 and cover was at least as strong as the 1.4x last level in 2024
- **Financials:** Largest global profit engine, nearly one-third of total earnings. Sector profits projected up 8.6% in 2025 to \$1.49 trillion; payouts of \$985 billion mainly via dividends; cover 1.5x in 2024 and 2025
- **Oil, gas & energy:** Revenues flat, profits soft; some firms may rely on debt to maintain distributions; cover 0.9x-1.0x since 2023
- **Consumer defensives:** Steady profits and high distributions; cover is tight (1x) reflecting sector stability

Regional trends

- **US:** Earnings projected at \$2.16 trillion in 2025 (+16%). Buybacks dominate distributions 3:2; and cover is 1.2x in 2025, less than global average.
- **Canada:** 2025 profits boosted by banks and gold miners; cover is lower than the world average - projected at 1.15x for 2025
- **Europe:** Profits rose in 2025, but were boosted by exchange rates and one-offs; buybacks growing in importance and total distribution cover is slightly below the global average
- **UK:** Much stronger 2025 profit picture (projected \$170bn, +33%), though half the growth coming from lower one-off costs and exchange rates also provided a boost
- **Asia:** Japanese profits held back by weakness in the car sector but cover is strong; Singapore distribution cover very strong - 1.5x in 2025
- **China & Hong Kong:** Profit estimated at \$769 billion profits (+6.8%) in 2025. Buybacks have nearly tripled after central-bank support; cover still very high (2.0x)
- **Emerging markets:** Distribution cover is generally high in emerging markets - most countries see cover above 1.5x

All growth rates quoted in the text are year-on-year unless otherwise stated.

Overview



Global profits rose to
\$4.85 trillion
in 2025

Strong profit growth

Global profits grew strongly in 2025, reaching a projected record \$4.85 trillion, up 12.2% year-on-year. 2025's strong showing follows an 8.0% increase in 2024, demonstrating that in the real world, companies carry on operating and creating value for shareholders, whatever the ups and downs of volatile stock markets. Between them, the technology and media sectors delivered half of 2025's profit growth, with financials accounting for a quarter (see the Sector trends section for detail). Consensus earnings estimates suggest growth will continue in 2026.

Driven by higher revenues and cost control

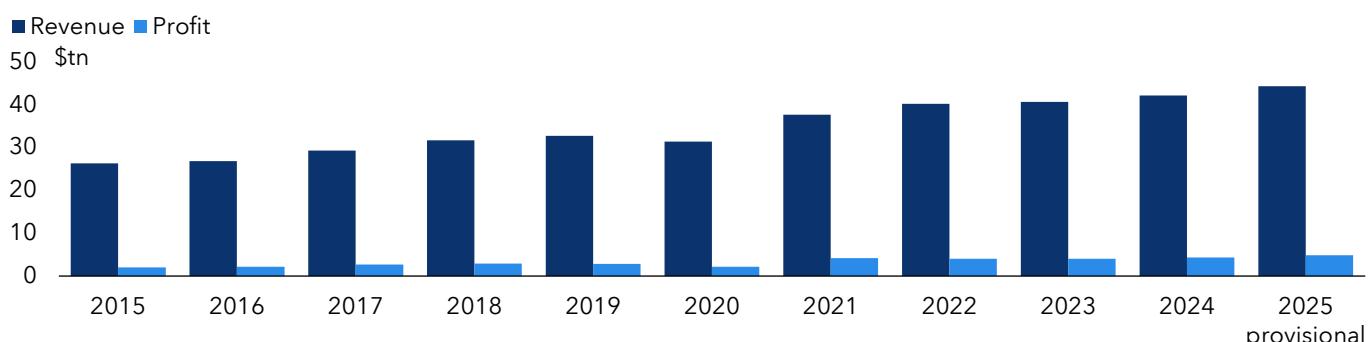
Higher profits are driven by rising revenues and/or lower costs. Revenue growth explains just under half the growth in profits in 2025. Companies booked collective revenues of \$42.0 trillion in 2024 (up 3.6%) and our projections indicate sales rose to a record \$44.2bn in 2025, up 5.3%.

Around one-third of the increase in profits came from lower one-off costs (for example for restructuring, asset impairments or litigation). Favourable exchange rates were also a factor. Both of these represent lower quality growth that help explain why profits expanded so quickly in 2025 relative to sales. But even without this artificial boost, earnings grew faster than the top line as companies successfully

Global revenues, profits and distribution cover

Fiscal year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 provisional
Revenue, \$bn	26,211	26,701	29,169	31,558	32,597	31,303	37,524	40,050	40,546	41,998	44,179
Net profit, \$bn	1,998	2,159	2,657	2,861	2,767	2,107	4,123	4,025	4,000	4,320	4,847
Dividends, \$bn	1,037	1,048	1,156	1,272	1,368	1,233	1,490	1,647	1,710	1,814	1,921
Share buybacks, \$bn	689	648	669	1,020	961	634	1,158	1,382	1,173	1,440	1,575
Profits / dividends & share buybacks	1.16	1.27	1.46	1.25	1.19	1.13	1.56	1.33	1.39	1.33	1.39
Cash flow / dividends & share buybacks	1.03	1.18	1.19	1.07	1.15	1.53	1.40	1.14	1.28	1.22	1.23
Net profit margin	7.6%	8.1%	9.1%	9.1%	8.5%	6.7%	11.0%	10.1%	9.9%	10.3%	11.0%

Revenue vs. net profit, \$tn





Dividends and share buybacks were a record
\$3.50 trillion
 in 2025

turned more of their sales into profit – in other words cost were well controlled. This positive underlying dynamic helps explain why stock markets were strong in 2025.

Margins expanded most between 2015 and 2021

This margin expansion is part of a long-term trend. Earnings growth of 143% since 2015 has outstripped revenue (up 69%). Margins widened sharply between 2015 and 2021, and this was evident across most sectors and in most parts of the world.

Margin trends have been more mixed since 2021

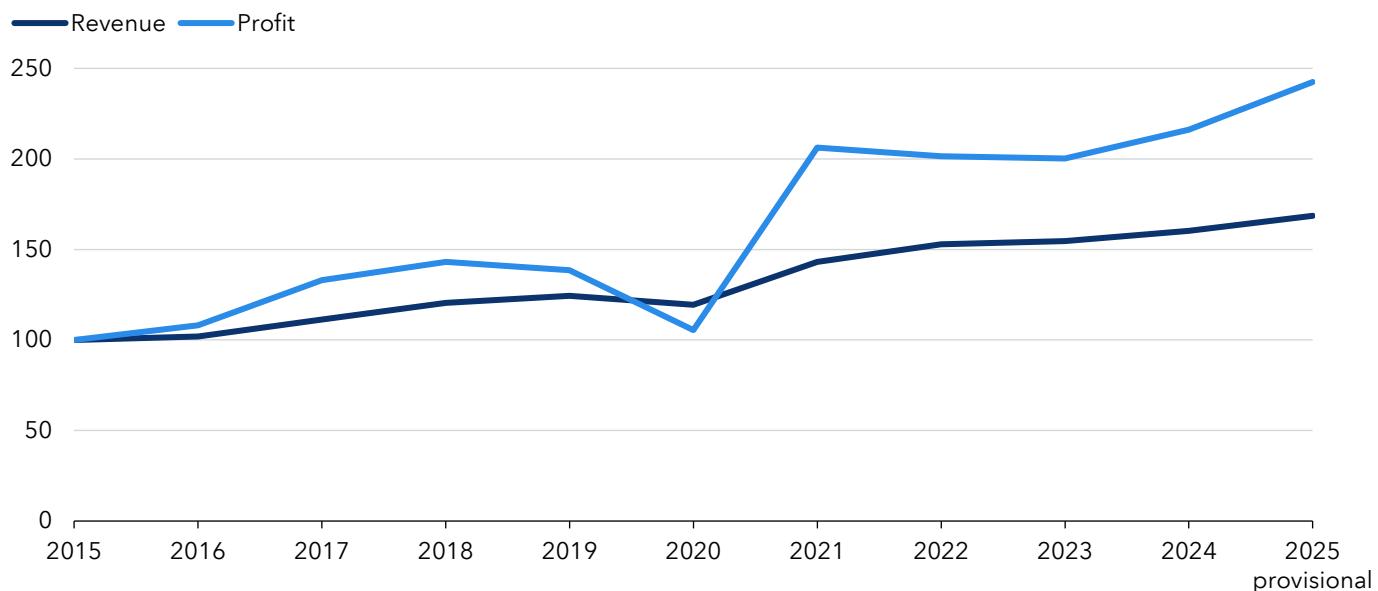
Since then, the picture has been more mixed as the fortunes of different industries and regions have diverged. Collectively the 11.0% projected global profit margin for 2025 is tracking better than 2024's 10.3% and is in line with 2021's multi-year high. A flat overall profit margin compared to 2021 means revenue growth has been the key driver of profit over the last four years.

Cash flow is more important than profit and has also grown strongly

Cash flow (see Why cash flow matters) has followed the same trend as profits. Excluding the financial sector, for which cash cannot be measured in the same way, companies generated free cash flow of \$2.84 trillion in 2024, a figure which we estimate breached the \$3 trillion threshold for the first time in 2025. (See Glossary for definitions).

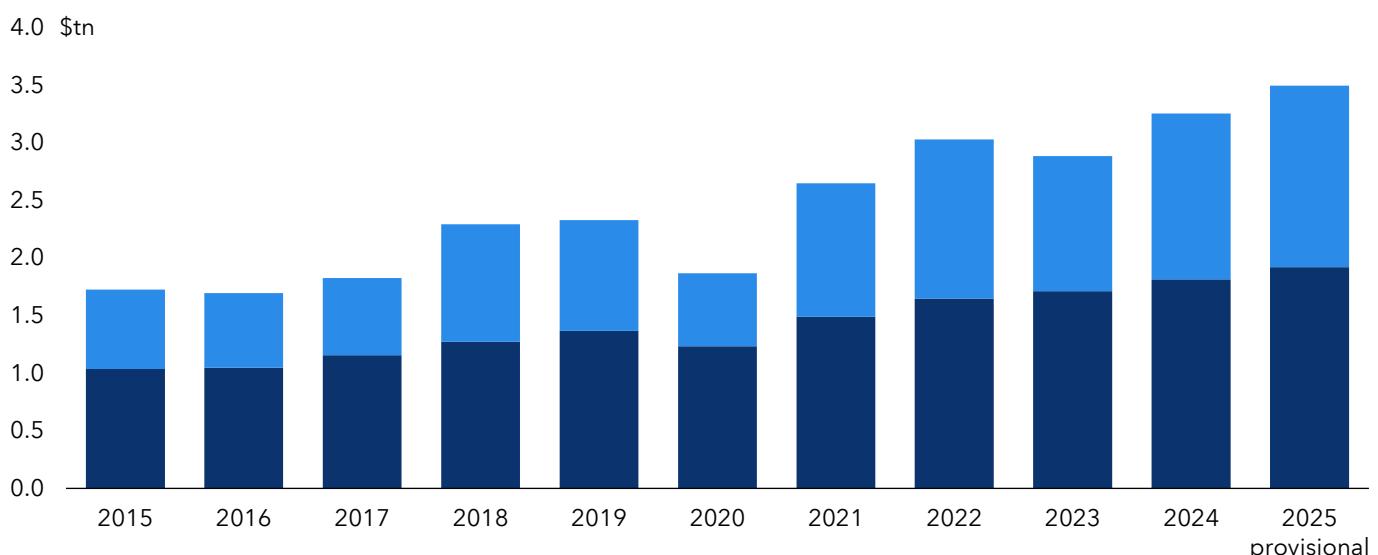
Revenue vs. net profit

Rebased to 100 as at CY 2015



Dividends and share buybacks, \$tn

■ Dividends ■ Share buybacks





Total distribution cover was **1.39x** in 2025

Companies are distributing most of the money they make to shareholders
Most of the money companies are making in profits and generating in free cash flow is being returned to shareholders either via dividends or share buybacks.

Total distribution cover was a projected 1.39x in 2025 meaning dividends and share buybacks are well-backed in aggregate by profits (and cash flow)
Having spent \$3.25 trillion on dividends and share buybacks in 2024, our projections indicate that they will reach a record \$3.50 trillion this year, up 7.7% year-on-year and double their 2016 levels. Buybacks alone were on track to hit almost \$1.58 trillion for the year, up by 9.4%.

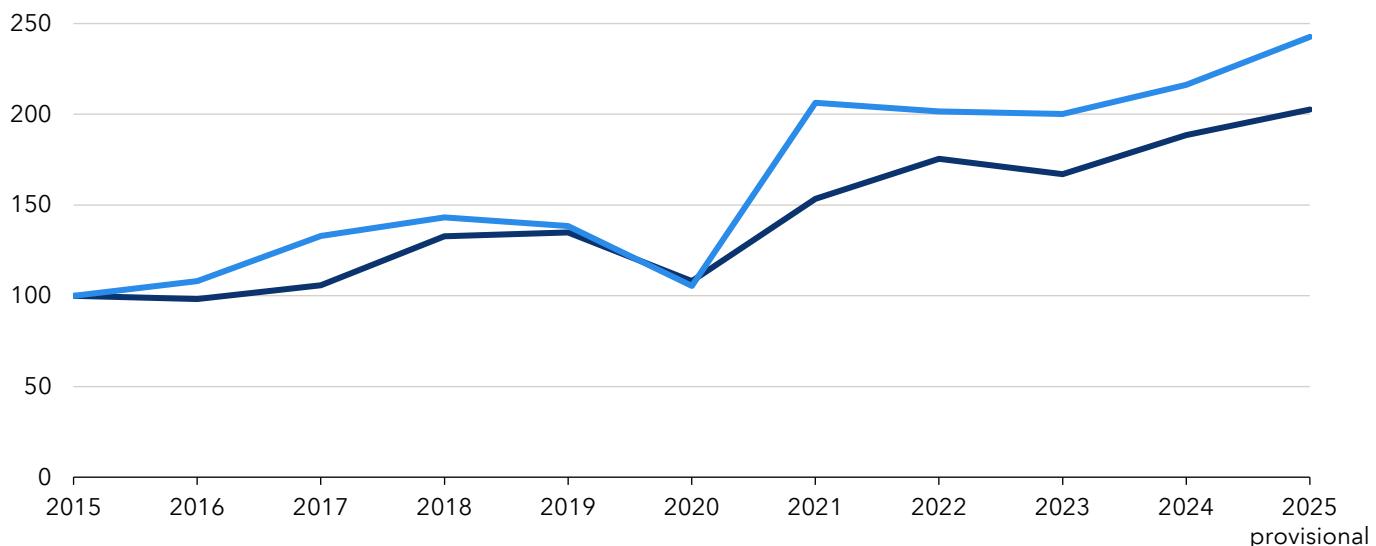
Despite this rapid growth, total distribution cover, which measures the extent to which profits are larger than the cash handed back in dividends or spent on buybacks, was 1.39x in 2025, slightly better than the 1.31x average of the last 10 years. Distributions were covered by 1.2x cash flow in 2025 (excluding the financial sector).

These global aggregates are useful for grasping the big picture, and are especially relevant for diversified investors, yet they obscure notable differences between industries and regions. The following sections examine these in more detail. See p10 for Sector trends.

Dividends and share buybacks vs. net profit

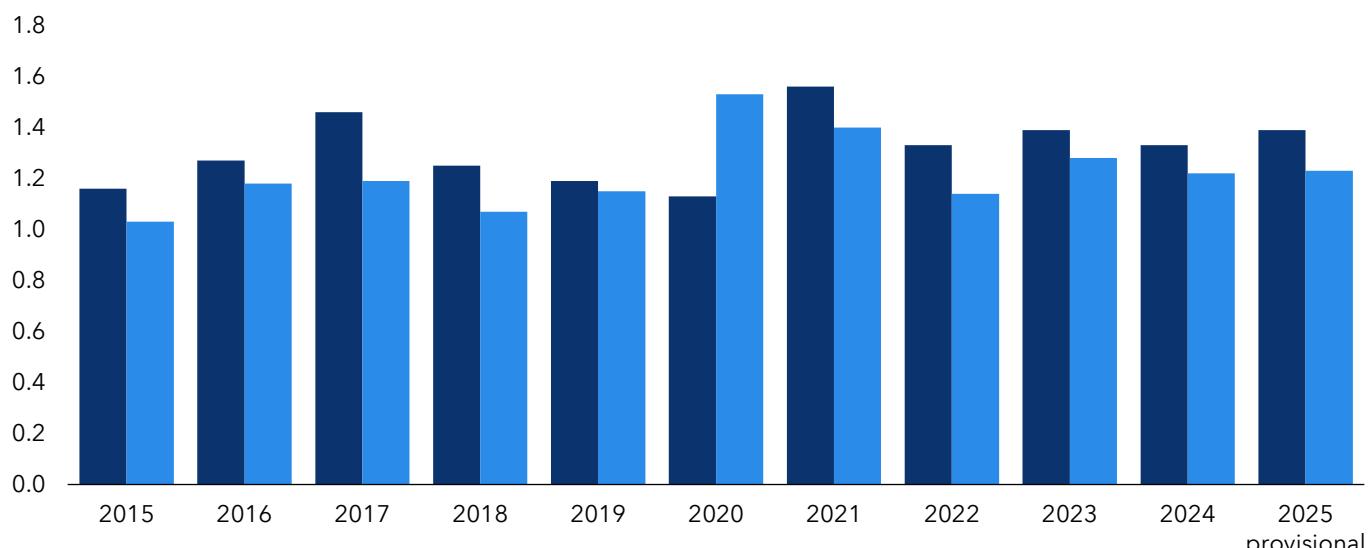
Rebased to 100 as at CY 2015

— Dividends plus share buybacks — Profit



Dividends and share buybacks cover

■ Net profit / dividends & share buybacks ■ Cash flow / dividends & share buybacks (excludes all financials)



Sector trends



Technology companies delivered **one-third of global profit growth** in 2025

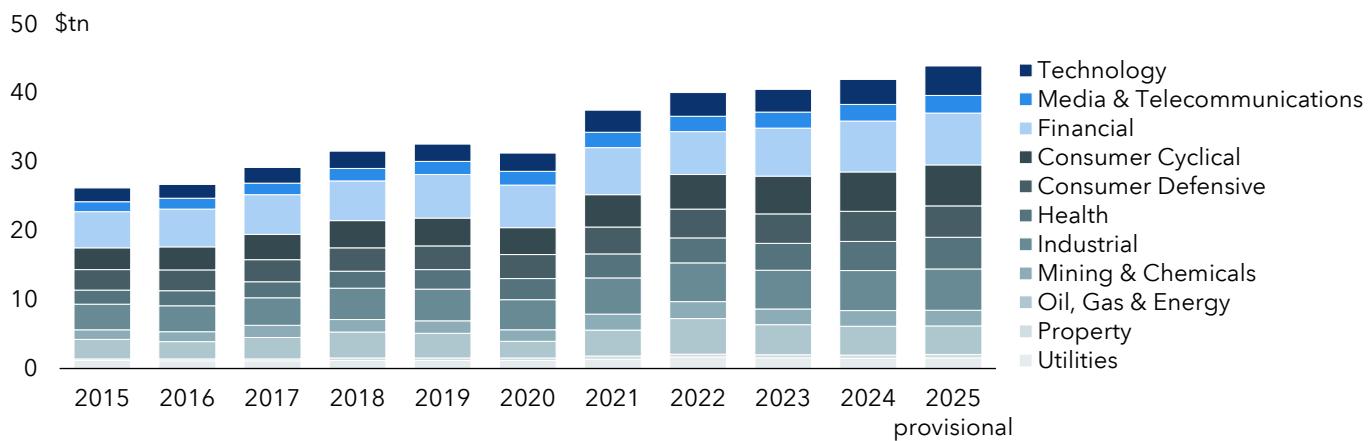
Technology and media companies were key 2025 profit drivers

The key drivers of 2025's profit growth were the technology and the media sectors, notably Nvidia, Apple, Microsoft and TSMC in the former and Alphabet and Tencent in the latter, but most sectors saw higher earnings.

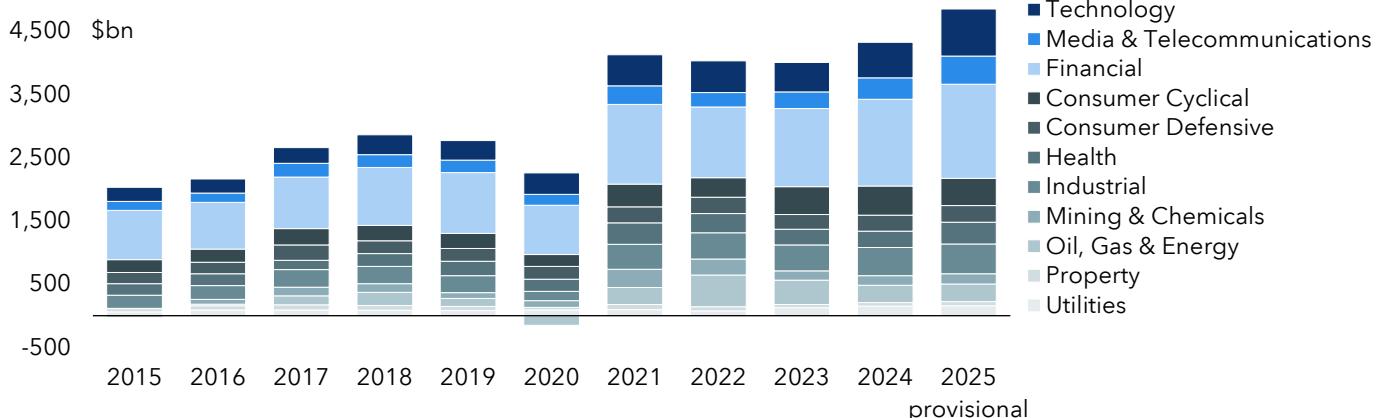
Technology sector accounts for \$1 in every \$7 of global profits

The technology sector is the second largest profit generator after financials and is now streets ahead of the industrial and consumer sectors - having roughly matched each of them a decade ago. Technology profits are projected at \$744 billion for 2025, up by one-third (33%) year-on-year, though around one-fifth of the growth came from lower exceptional costs for example at Intel and SAP. The semi-conductor sub-sector was the key driver. Microsoft, Apple, Nvidia and TSMC accounted for half the sector's earnings in 2025 and \$1 in \$14 of all the profits for companies in our global index. Overall, technology companies delivered one-third of the world's earnings growth in 2025.

Revenue by industry, \$tn



Net profit by industry, \$bn



Technology sector favours buybacks over dividends

Technology-company distributions are heavily weighted towards share buybacks, which made up over three-fifths of the total \$456 billion we project the sector's firms handed back to shareholders in 2025. Cover is comfortable too, up from just 1x in the five years before the pandemic to 1.33x profits in 2024 (cash flow cover was the same) and a projected 1.63x in 2025, suggesting ample scope for higher distributions.

Technology companies in the retail sector

A number of large companies often thought of as part of the technology group now inhabit other sectors. Amazon and Alibaba, for example, dominate the general retail sub-sector, accounting for 45% of the world's listed retailers' \$1.96 trillion sales between them and 46% of profits. Amazon's focus on capital investment means it pays no dividends and buys back no shares, which pushes general retail's distribution cover above 2x; excluding Amazon, it is 1.37x profits, in line with the global average.

Technology companies in the media sector

In the media sub-sector, Alphabet, Tencent and Meta make up half the projected \$1.35 trillion of revenues for 2025 and more than seven-tenths (72%) of the profits, projected at \$307 billion. Alphabet is the sector's key profit-growth driver, and leans heavily on share buybacks, which are several times larger than its dividends. Media-sector distributions were comfortably covered by profits 1.40x in 2024 (and a similar level relative to cash flow), a ratio that is likely to have been even stronger in 2025 based on our projections.

More traditional sectors are still extremely important.

Financials are the largest profit contributors and have made a big comeback

Financials are easily the largest contributors to the world's profits, accounting for just under one-third of total earnings in 2025; banks alone contribute just under a fifth. Higher interest rates, solid credit demand, buoyant stock markets, rising insurance premiums and strong balance sheets have widened profit margins significantly and pushed financial-sector earnings up by a third in the last three years, and mean financials have delivered almost half (45%) the world's profit increase over the same period. In 2025, we have projected 8.6% earnings growth delivering a record \$1.49 trillion at the bottom line.

As the largest profit makers, financials (especially banks) are also the biggest distributors of cash to shareholders, on track for \$985 billion in 2025, split 11:9 in favour of dividends over buybacks. Total distribution cover has been trending down in the last two years, driven in particular by higher share buybacks, but it was still a comfortable 1.51x profits in 2025. (Cash flow measures are not meaningful for this sector)

Oil sector distributing all its cash flow to shareholders

The oil sector has failed to generate enough cash or make enough profit to fund its dividends and share buybacks several times in the last decade, including in 2024 and 2025. In 2024 the sector distributed 100% of its free cash flow. Revenues and profits were flat in 2025 and though dividends and buybacks tracked a little lower (we estimate -2%), some companies may have needed to borrow to top up their distributions, depending on how they managed their cash flow. Cover levels have been 0.9x-1.2x since 2023 on both cash and profit measures.

Stable consumer companies saw modest growth in 2025 and distribute most of their profits

Consumer defensives, which include food retailers, household products and food, drink and tobacco, are relatively stable businesses with large, predictable cash flows. They typically distribute almost all their profits (and most of the cash they generate) mainly in dividends supplemented by some share buybacks, particularly in the US. Profits rose 4.3% in 2025, though this was a feature of lower one-off costs at the sector level. Profits from consumer cyclicals fell, owing to weakness in the auto sub-sector.

Healthcare saw strong profit growth in 2025 and comfortably covered their distributions

Healthcare companies are big drivers of global profits – and their profits were up by a projected 35% in 2025, but a little under half the increase is due to one-off items, mainly at three US groups so it is lower quality growth that will not all be reflected in cash flow. Total distribution cover was a healthy 1.50x profits in 2025 based on our projections. It is likely to be similar relative to cash flow.

Why cash flow matters

Profits and cash flow often move in the same direction, and over the lifetime of a company they should converge. But on an ongoing basis they measure fundamentally different things and can differ significantly in the short term. Profit is an accounting construct over which companies have significant discretion. It reflects revenue minus expenses, shaped by rules on depreciation, amortisation, accruals, and non-cash charges. Profit is a useful indicator of a company's progress, but it is not a complete one.

Cash flow, by contrast, tracks the actual movement of money in and out of the business. Operating cash flow shows how much cash the company generates from its core activities before investment needs. Free cash flow goes further by deducting capital expenditure, revealing what is genuinely available to reinvest, repay debt, buy back shares, or pay dividends.

Investors rightly focus on cash flow because it answers important questions: can the company fund its growth, meet its obligations, and return money to shareholders without relying on extra borrowing or new equity? Cash flow is harder to manipulate, exposes the quality of earnings, and provides early warnings when profits are masking strain.

Cash flow is a superior metric but it cannot be applied to financial companies, and quite often interim or quarterly results do not come with a complete cash flow statement making it hard to track during the year. Equally, consensus estimates tend to focus on profits. For this reason and to avoid excessive repetition this report has focused more on profits, even though we recognise its drawbacks.



Viewpoint

Dividends, buybacks, and the sustainability question

Profits, cash flow and shareholder distributions have all more than doubled since 2016, expanding more than twice as fast as global inflation and hitting new records in 2025. This long-term growth has driven up share prices bringing large capital gains and generated cash to return to shareholders - in 2025, companies (excluding financials) generated around \$3.0 trillion of cash, similar to their \$3.4 trillion of profits.

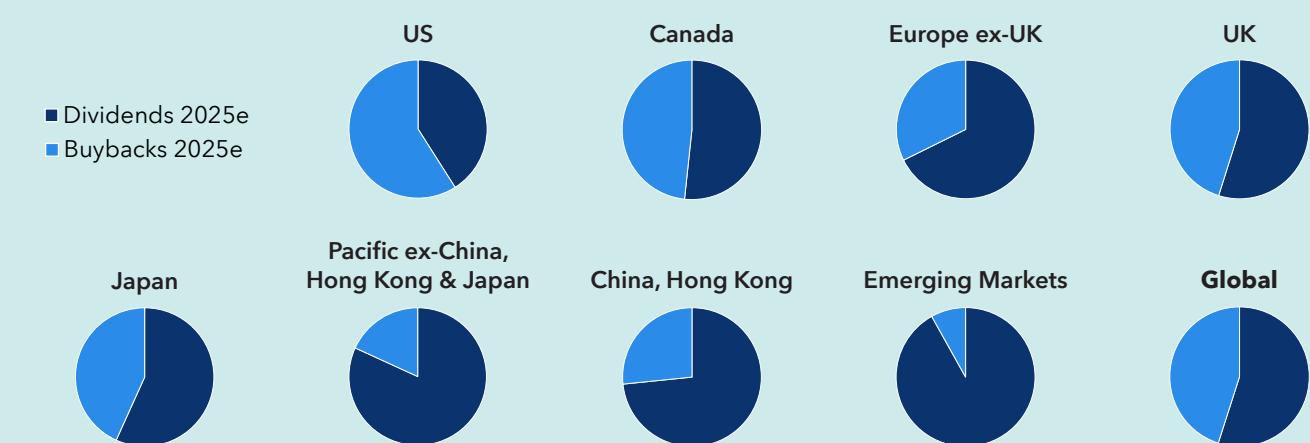
Cover ratios slightly above their ten-year average suggest that payouts are not overstretched despite their rapid growth. Profits and free cash flow are broadly sufficient to fund distributions, and in markets such as Japan and China headroom is still overly generous, meaning payouts can grow even if profits do not. In markets like the US cover ratios are much tighter so earnings growth is key to sustainably higher distributions. In some pockets of the market, the use of borrowing to supplement dividends or buybacks can smooth short-term profit fluctuations or can help reengineer balance sheets for greater capital efficiency, but it can only ever be a temporary phenomenon and is not sustainable in the long-term.

The balance between dividends and buybacks is equally important. Buybacks can be seductive: they offer management flexibility, can boost per-share earnings, and, in the right conditions, create genuine value, though there is no direct 1:1 link between the amount spent on a buyback and the value potentially created for shareholders. For some investors, they are also more tax-efficient in many markets. But they lack permanence. A dividend builds trust precisely because it is almost a promise - and companies know the reputational cost of breaking it. Buybacks, by contrast, can be turned off overnight. There is also the risk that they are executed at market peaks, rewarding executives more than long-term shareholders. And they are not really a cash return to shareholders, even though they are often equated with dividends.

So, is today's payout boom good or bad? For now, it is good: corporate balance sheets are stronger than they were pre-pandemic, and the discipline of capital return has spread beyond the US. Cover ratios at the global level are comfortable - a ratio above 1.2x suggests companies have a good financial buffer, while the actual 1.39x level indicates a good margin of safety that provides room to grow distributions without jeopardising financial stability.

Even so, investors should not mistake record payouts for a guarantee of durability. Where buybacks dominate, distributions are only as reliable as the next profit cycle. Buybacks have their place, but dividends remain the truest measure of a company's willingness - and ability - to reward its owners.

The balance between dividends and share buybacks, %



2026 Outlook: If 2025 was defined by tariff-induced uncertainty weighing on earnings expectations, 2026 could mark a return to clarity. Consensus earnings estimates for 2026 have improved, driven by declining interest rates, government stimulus, and a series of trade agreements that have reduced policy uncertainty. A resilient macroeconomic environment provides the backdrop. Global GDP is expected to expand at a moderate pace of approximately 2.3%-2.5%, with US growth remaining resilient at 2.1%, aided by AI-related investment and government stimulus. Europe is projected to maintain steady growth near 1.4%, supported by increased spending on national defense and infrastructure while Asia is set to benefit from structural corporate governance reforms aimed at enhancing shareholder value, particularly in Japan and Korea.

Despite persistent inflation, interest rates are likely to decline in 2026 as the Federal Reserve responds to sluggish job growth. Historically, non-recessionary easing cycles have coincided with strong equity performance.

Emerging markets are expected to lead earnings growth at 18.0%, followed by the United States at 15.6% and Europe at 12.2%. Earnings momentum and strong cash flow generation should help mitigate downside risk, though intermittent volatility and valuation-driven corrections remain possible.

In 2026, key risks remain, including persistent inflation, elevated sovereign debt, geopolitical uncertainty, and potential policy missteps. Against this backdrop, active stock selection, underpinned by rigorous research, will be critical to identifying companies with resilient fundamentals and attractive valuations in an environment that remains volatile.

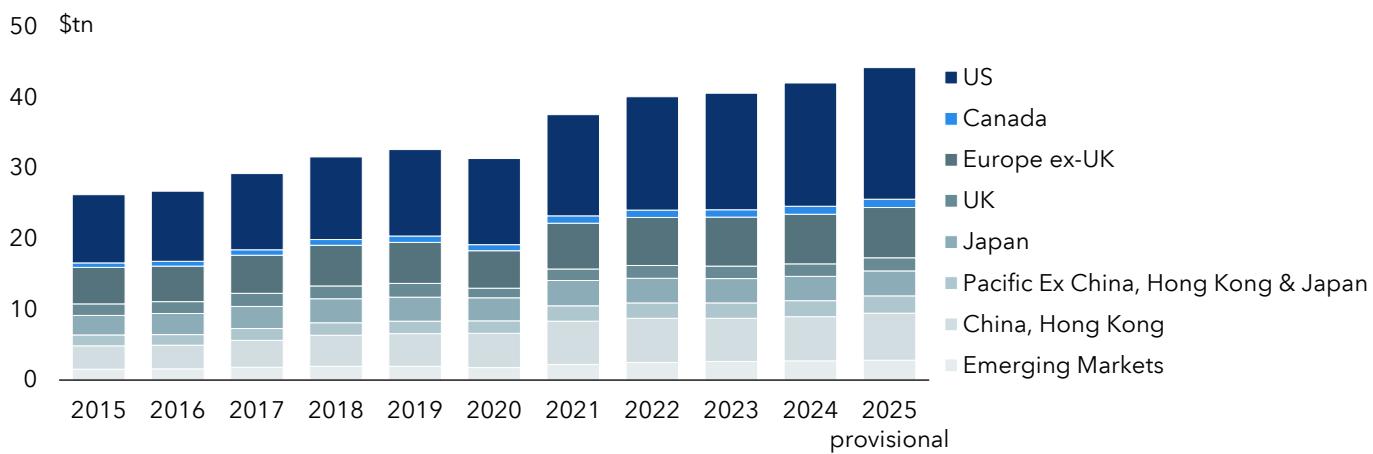
Diversification across geographies and sectors remains essential, as markets have started to see non-US equities offer compelling opportunities. Dividend-paying stocks should also continue to play a core role in diversified portfolios, offering historical resilience during market downturns while delivering positive returns in advancing markets – providing both downside protection and upside participation.



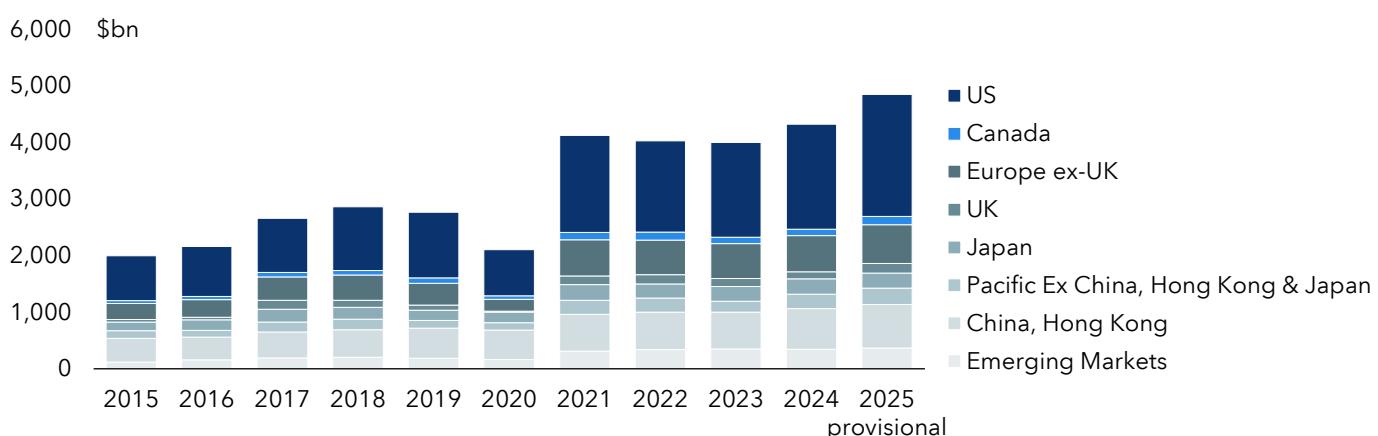
Regional trends

Among major nations, the US and Canada saw some of the strongest profit growth in 2025. In the US, this growth was and remains heavily reliant on a handful of large companies, some of which we have touched on in the sector commentary above, while the banks are providing more than half the growth in Canada. In the Pacific, chip makers are driving profits higher in Taiwan and Korea. Japan and the UK are in the middle of the pack, with diverging fortunes across their major companies. Meanwhile, troubled car manufacturers are keeping Europe in the slow lane, masking better growth elsewhere.

Revenue by region, \$tn



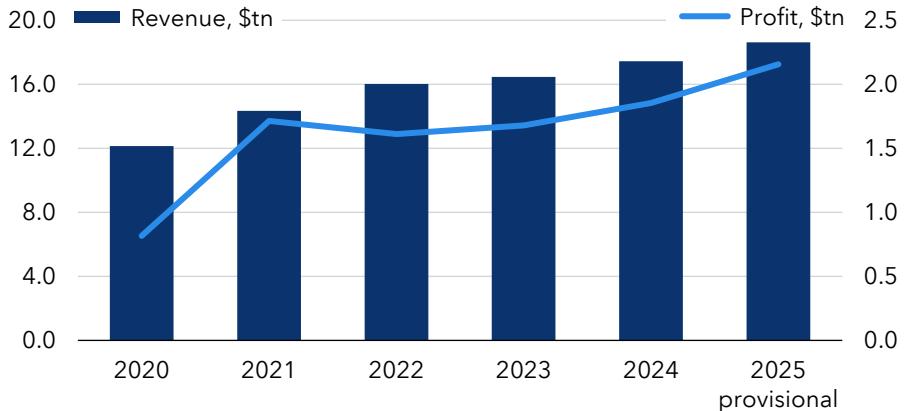
Net profit by region, \$bn



United States



Revenue and profit, \$tn



US companies account for two-fifths of global profits but **three-fifths of market value**

US revenues were up 6.0% to \$17.44 trillion in 2024 and our projection shows they rose 6.7% in 2025 to a record \$18.62 trillion. This meant earnings comfortably broke through the \$2 trillion threshold for the first time – to a projected \$2.16 trillion (+16.3% year-on-year). Growth is concentrated – the 20 most profitable companies accounted for two fifths of 2024's total US earnings, but three fifths of 2025's growth.

US companies account for just over two-fifths of the world's revenues and profits, with the collective profit margin only slightly above the global average. Since the US stock market makes up for over three-fifths of global market capitalisation, much more than its share of profits, the difference is accounted for by higher valuations for US companies.

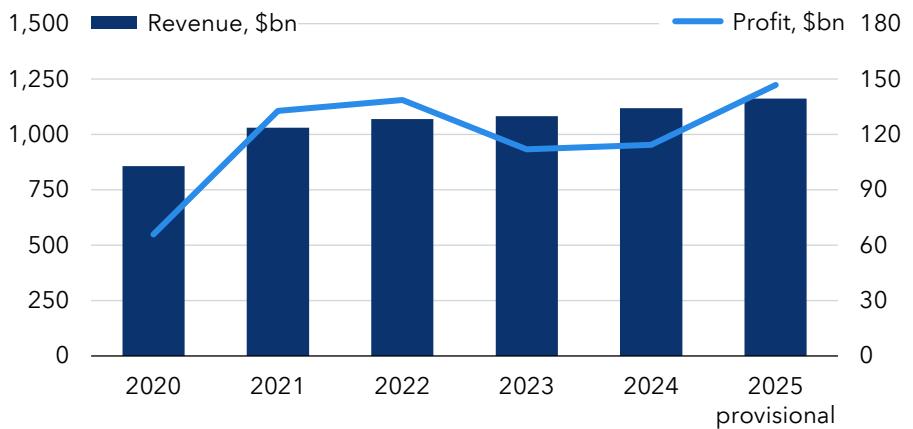
The US is the only major market where share buybacks are larger than dividends – and by a wide margin. In 2024, \$952 billion of buybacks represented almost three-fifths of the total \$1.64 trillion in shareholder payments last year. This compares to less than a third in the rest of the world. US buybacks are likely to top \$1.0 trillion this year for the first time, of which just under one-fifth will be undertaken by Apple, Nvidia and Alphabet. Even without these three companies, buybacks are still the preferred use of cash over dividends.

US total distribution cover – projected at 1.23x in 2025 – is weaker than the global average, though not in the danger zone. Moreover, it has improved from an average of below 1x between 2015 and 2022, when rock-bottom interest rates meant cheap debt could support payouts. Distributions are therefore more sustainable now than in the recent past.

Canada



Revenue and profit, \$bn



Canada's total distribution cover of 1.15x is **below the global average**

Sharply higher profits in Canada in 2025 were influenced heavily by Toronto Dominion Bank's sale of its stake in Charles Schwab, as well non-cash one-offs in the telecoms sector and lower exceptional costs across the market. Gold miners are a key contributor, with profits soaring on the back of record prices for the metal. We calculate total profits of \$147 billion, up 28% year-on-year, or around a tenth if we strip out the one-offs.

Canada's banks spent more on dividends and share buybacks in 2024 than they made in profits, after several years of comfortable cover and this has brought the average across the market lower (1.06x in 2024 and 1.15x in 2025). Excluding the banks, total distribution cover was a projected 1.26x in 2025. This is slightly below the international average, but cash flow measures are more in line, indicating that payouts are sustainable.

Europe ex-UK



European profits
up by 7.3%
in 2025

Company revenues reached \$7.00 trillion in 2024 for the first time and rose to a projected record \$7.11 trillion in 2025. Record profits of \$683 billion in 2025 were 7.3% higher than 2024, though this partly reflected favourable exchange rates and sharply lower exceptional costs, many of which had no cash impact - lower exceptionals accounted for most of the reported profit increase. Car manufacturers across the continent are all suffering severe pressure on their profits and reduced Europe's 2025 profit total by around \$26 billion, impacting the region's earnings growth for the year by around four percentage points.

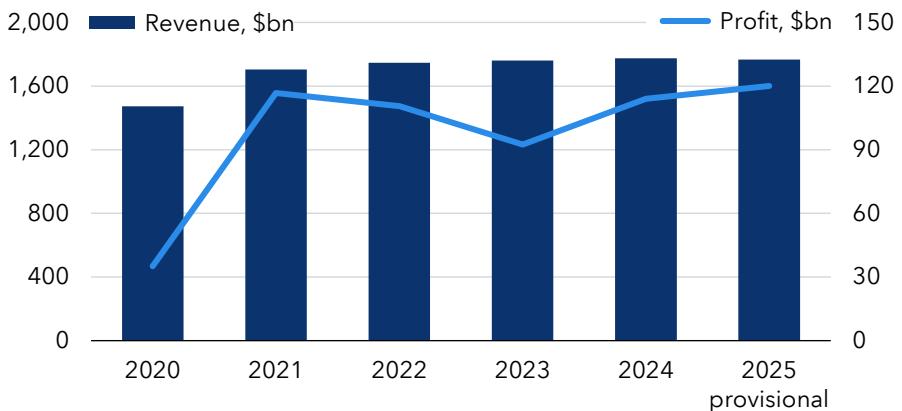
Listed companies paid their shareholders a record \$512 billion in dividends and share buybacks in 2025 and we believe this rose to \$548 billion in 2025. These distributions covered profits 1.25x in 2025, slightly lower than the global average but higher than in North America, the UK and Australia. Cover in Europe has declined steadily since 2021 as distributions have taken time to catch back up to high post-pandemic profits and is now back in line with the long-run average.

Germany



Dividends and
share buybacks
covered 1.42x
in Germany

Revenue and profit, \$bn



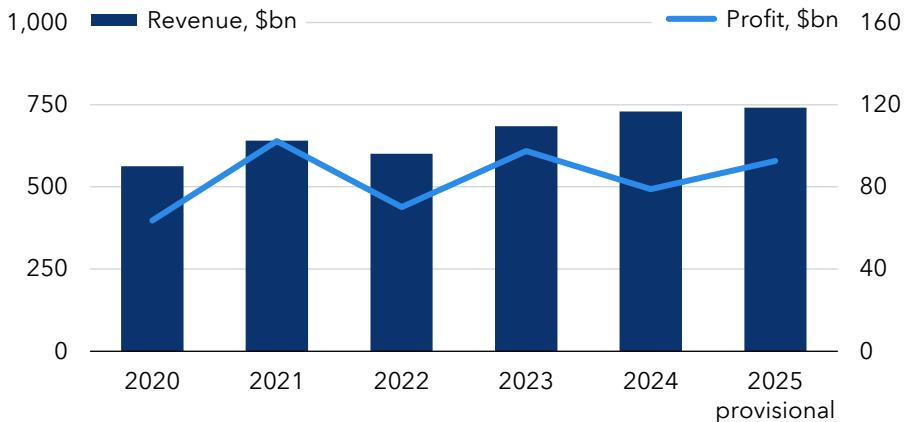
Profits from German companies have ranged between \$120 billion (2025) and \$92 billion (2023) over the last five years in US dollar terms, though they may break out of those bounds in 2026, based on consensus estimates. Falling sales and plunging margins among Germany's car manufacturers mean sharply lower profits from the sector in 2025 (after a big decline in 2024 too), largely offsetting more encouraging single-digit growth from the wider market.

Share buybacks are playing a larger role in Germany nowadays - in 2024 they totalled \$25 billion, almost double the average over the previous five years and we expect them to have risen in 2025 too. German companies are prudent about distributing cash to shareholders. Many operate dividend policies that see payouts rise and fall with profits over the cycle, keeping cover ratios relatively stable. Across the whole market, dividends and buybacks were covered comfortably 1.42x by profits in 2024, significantly higher than European and Anglo-Saxon peers. We expect that level to have been roughly the same in 2025 too.

Switzerland



Revenue and profit, \$bn



Swiss profits
have grown just
4% per annum
over 10 years

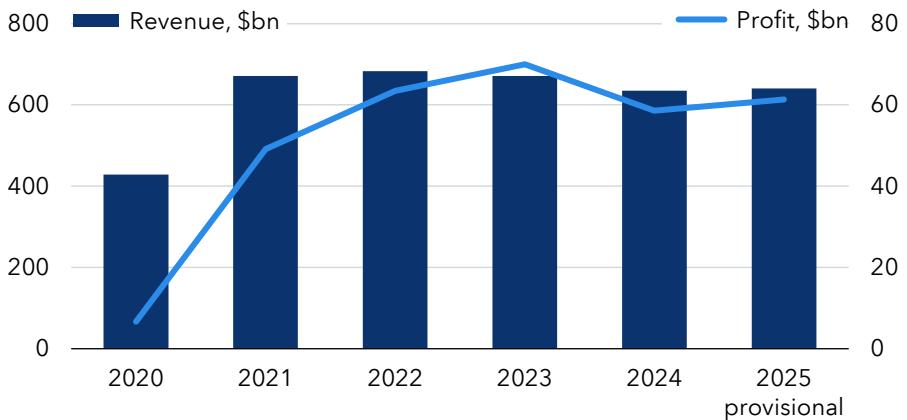
Across the market, growth is relatively slow reflecting Switzerland's contingent of large defensive companies. Three big companies - Roche, Nestle and Novartis - typically make up around two fifths of total Swiss listed-company profits and are on track to do so again this year. Over the last ten years, revenues in Swiss franc terms have inched ahead at just over 2% per year, with profits rising at twice that pace, though in US dollar terms, growth has been around 1pp per year faster, reflecting the long-term strength of the Swiss franc. 2025's total profits reached a projected \$92.6 billion, up 17.6% year-on-year, though half that growth was due to lower one-offs, mainly with no cash impact, while exchange rates also provided a marked boost.

Swiss companies are generous payers. In 2024, they distributed \$77 billion of their \$79 billion of profits in dividends and via share buybacks, the latter comprising \$26 billion of the total. 2024's 1.02x cover is equal to the long-run average, and is low compared to the wider world. Compared to cash flow, the 1.16x multiple is more in line with the global average though it is still tighter than the European norm. Cash-generative defensive companies like those in Switzerland can generally sustain lower cover ratios. For 2025, cover is likely to have been stronger than 2024 against profits, though fairly stable against cash flow.

Italy



Revenue and profit, \$bn



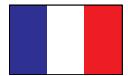
Italy's banks profit growth in 2025

Large losses at Stellantis have masked decent profit growth across the wider market, in particular among Italy's banks, whose share of Italy's listed company earnings has risen from one-third in 2019 to almost half in 2025 as they have benefited from widening interest margins. Italian profits for companies in our index rose 4.8% to a projected \$61.3 billion in 2025, partly thanks to a stronger euro and lower one-off costs, but growth was almost three times faster if we exclude the troubled car manufacturer.

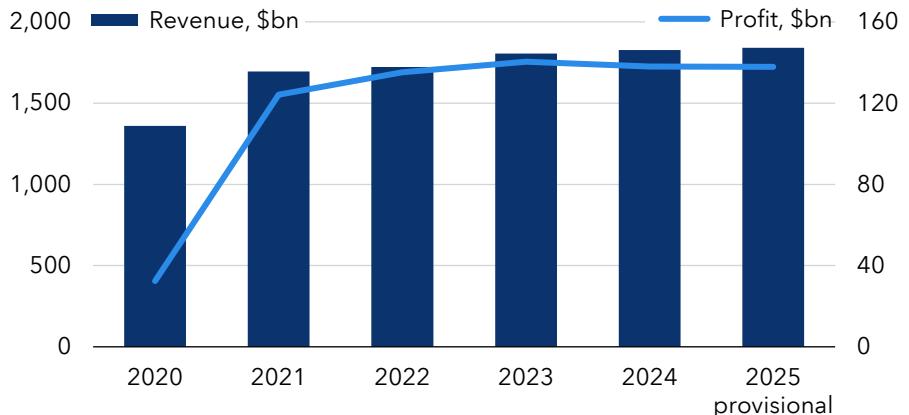
Higher profits and burgeoning cash flow have driven sharply higher dividends and share buybacks which together doubled between 2021 and 2024 in euro terms and totalled a record \$54 billion in 2024. Buybacks, in particular, have ballooned, thanks mainly to Unicredit and energy groups ENI and Tenaris. They comprised one-third of total shareholder distributions in 2024, up from just one-fifteenth in 2019. Dividends and buybacks are set to have been a little higher in 2025 (despite a \$3 billion cut from Stellantis).

As Italian corporate profits surged in the aftermath of the pandemic, initially outstripping distributions, cover ratios rose significantly, peaking at 1.97x profit in 2022. Payouts have caught up more recently, however, pushing cover in 2024 to 1.08x, below the European and global average. In 2025 this level is projected to have strengthened mainly thanks to the Stellantis dividend cut.

France



Revenue and profit, \$bn



French profits flat at **\$138bn** in 2025 thanks to impact of auto sector

Profits in France have been broadly flat since 2022, as a handful of large groups across a range of sectors have suffered sharp declines, even as earnings growth across the wider market has been good, especially in the banking sector. Luxury groups Kering and LVMH, oil company Total and semiconductor manufacturer STMicroelectronics have all suffered significant drops in profit due to individual industry factors and company-specific problems.

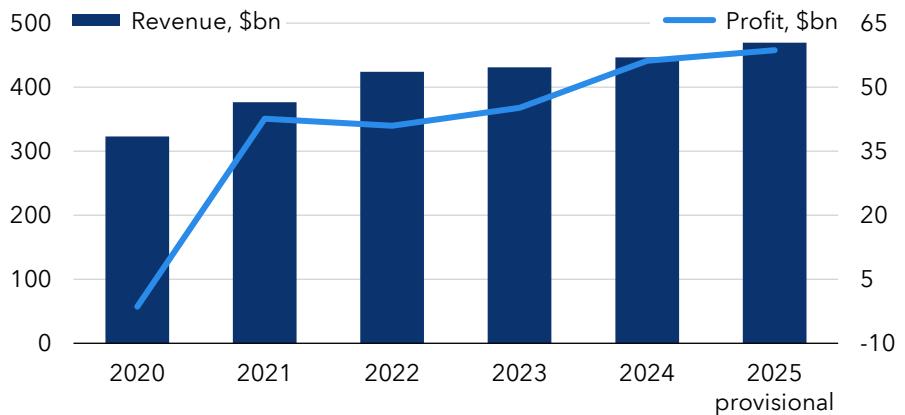
The biggest single impact in 2025 was from Renault, which has written down the value of its stake in Nissan, on top of a squeeze on its margins. This writedown does not affect its cash flow, but it is indicative of the problems traditional car makers currently face. Renault helps explain why French listed company profits were unchanged at \$138bn in 2025, based on our projections. Despite the flat trend of the last three years, overall profitability is nevertheless coming off a high base - more than a third higher in euro terms than during the three-year period before the pandemic.

Dividends and share buybacks have continued to grow, taking some time to catch up to higher post-pandemic profits. Share buybacks have been tracking at more than double pre-pandemic levels since 2021, reflecting large increases from banks, insurers, and oil company Total in particular; buybacks totalled \$39 billion in 2024 and are likely to at least have matched that in 2025 - full figures will emerge in February 2026 and will be compiled in our forthcoming Buyback Watch. Sanofi, for example, is buying back €5 billion of its shares in 2025, more than in the previous seven years combined. Dividend growth has been slower than buybacks (up by half in 2025 compared to pre-pandemic levels). Total distribution cover was 1.28x in 2024, in line with the global average but is likely to have fallen slightly in 2025 with flat profits set against higher distributions.

Spain



Revenue and profit, \$bn



Banks have driven
**three-fifths of
profit growth**
in Spain since 2019

Three-fifths of the rapid growth in Spain's listed company profits since 2019 (+139%) has come from the banking sector, whose margins have expanded along with the higher interest rates that have followed the pandemic. Spanish companies in our index saw their profits rise by a 4.4% in 2025 to a projected record of \$58.7 billion. The relatively modest increase reflects a high base from 2024, inflated by a one-off profit from Ferrovial's sale of its stake in Heathrow airport, though we expect to see most companies in Spain post higher profits for the year.

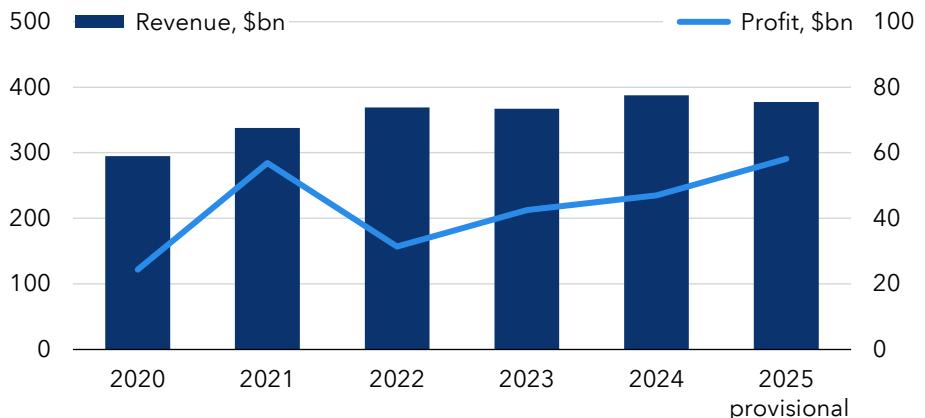
Buybacks and dividends have each doubled since 2021 to a record total distribution of \$41.5 billion in 2024, though buybacks have flattened out since 2022. For 2025, dividends have continued to rise so total distributions are projected to have risen modestly.

Cover ratios are good. At 1.35x dividends and buybacks in 2024 and projected to be similar in 2025, Spain is in line with the international average and payouts at this level are sustainable even if profits show some short-term volatility.

Netherlands



Revenue and profit, \$bn



\$58bn profits
in the Netherlands
topped their previous
2021 high in 2025

Dutch companies in our index saw their profits reach a projected \$58.2 billion in 2025 (up 23.7% year-on-year), finally topping their previous 2021 high, when Prosus made a big gain on its disposal of a 2% stake in Tencent, the Chinese social media company, much of which it spent buying back its shares the following year. Semiconductor maker ASML is growing particularly strongly, but improving profitability at Phillips and Aegon among a number of others all made a positive contribution in 2025. One-offs help explain why 2025 profits jumped so strongly, notably at Aercap which has recovered (mainly via insurance settlements) some of the losses it suffered on aircraft stranded in Russia in 2022.

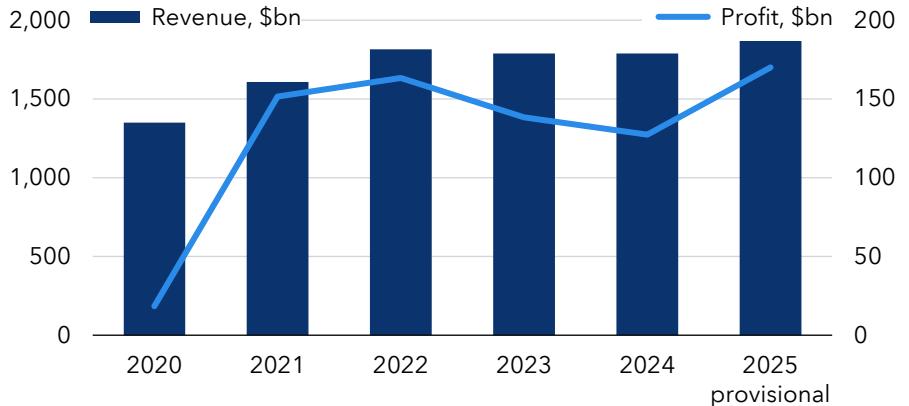
In common with a changing distribution culture across Europe, share buybacks have grown in importance, totalling \$19.6 billion in 2024, in line with 2023 but more than double the average level in the few years before the pandemic. That total is likely to have climbed a little in 2025. With dividends also having grown in 2025, total shareholder distributions might just beat the 2022 record of \$39.1 billion when full data becomes available.

Dividends and share buybacks were covered 1.27x in 2024, in line with the global average (and strong compared to cash flow too), though in the previous three years, companies outside the financial sector distributed all their cash flow. We project the cover level to have remained strong in 2025.

United Kingdom



Revenue and profit, \$bn



UK company profits of **\$170bn for 2025**, but distribution cover is low at close to 1x

Revenues from listed UK companies flatlined between 2022 and 2024 as weaker commodity prices in mining and energy offset strong growth from financials and solid progress among industrials, consumer cyclicals and healthcare. Profits were hit harder as high fixed costs in oil and mining amplified the downturn: UK earnings of \$127.3 billion were over a fifth lower in 2024 than in 2022 (\$163 billion). Cash flow measures (which exclude financials) also showed a decline though it was more modest - down by a sixth.

The picture is improving. In 2025 data from interim and quarterly results along with analyst projections suggest revenues rose at a similar pace to the global average, while profits recovered markedly. UK companies in our index made projected profits of \$170.1 billion in 2025, up by a third year-on-year. This was flattered by non-cash factors however, many relating to charges booked in 2024 that were not repeated in 2025 - Vodafone, BP, Shell, Anglo American and GSK were among a number of large companies to book significant asset impairment writedowns in 2024, while BAT made a large provision for the anticipated settlement of Canadian litigation (which will have an eventual cash impact). Overall more than half the projected increase in profits in 2025 was therefore 'low quality' owing to one-offs. 2025 does nevertheless look better - financials were a notable bright spot, and in the industrials sector, Rolls Royce is enjoying rising sales and expanding margins.

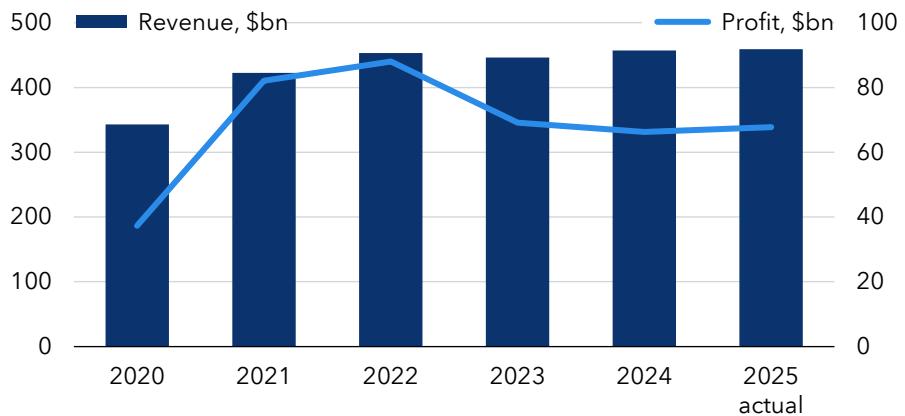
Dividend growth has been hard to find in recent years, partly as companies such as Shell reset payouts in 2020, but also because of a shift in how cash is deployed. Dividends remain below pre-pandemic levels, but total distributions have risen thanks to share buybacks, which more than doubled between 2018 and 2024 to \$77 billion, lifting their share of shareholder payouts from 28% to 46%. Companies returned \$166 billion in dividends and share buybacks in 2024, though this total is likely to have been broadly flat in 2025.

UK firms are distributing more than they earn in profits. Cover fell below 1x in 2023 and to 0.77x in 2024 (thanks to those one-offs) though it looks likely to have recovered again to around 1x in 2025. Free cash flow cover is healthier across most sectors, however, reflecting the burden on profits of the large non-cash charges outlined above. At 1.34x in 2024, UK cash flow cover of dividends and buybacks (which excludes financials) was slightly above the global average and is likely to have remained so in 2025. This indicates that UK companies are comfortably generating enough cash to fund their payouts.

Australia



Revenue and profit, \$bn



2025 profits
were flat
in dollar terms

Australia shows some similarities to the UK. Profits have fallen in the last three years from the exceptional levels reached in 2021 and 2022 when high metal and energy prices meant record earnings for Australia's large commodity companies. The inevitable normalisation in those markets has brought profits back down. The weak Australian dollar has more recently translated profits for domestically orientated companies into USD less favourably too.

Annual profits in 2025 were \$67.7 billion for companies in our index, up from \$66.3 billion in 2024, with revenues up 0.4% in US dollar terms. Profit growth was boosted by lower one-off costs, which meant it was relatively low quality. Profits in the key mining and energy sectors were lower year-on-year, while banking profits were impacted by a combination of restructuring costs, lower non-interest income and the weak Australian dollar and so were also lower year-on-year. The remaining sectors contributed less than one third of Australia's profits in 2025 and most of the companies in our index reported higher earnings.

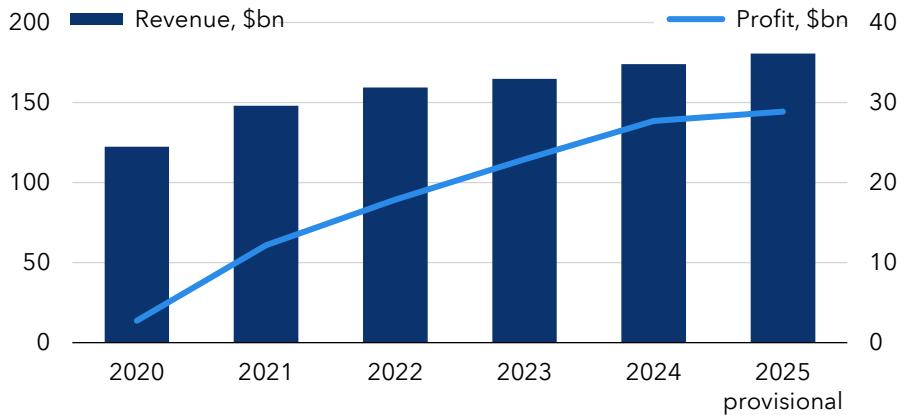
Dividends and share buybacks have fallen in tandem with profits in recent years reflecting distribution policies in the commodity sectors that keep them closely linked and keeps them affordable. Australian companies in our index distributed a total \$53.5 billion last year (down from \$56.4 billion in 2024), with buybacks only comprising \$6.5 billion of this total, a much smaller proportion than among similar nations. Favourable tax treatment for dividends skews distributions in their favour in Australia.

At 1.25x profit, cover ratios have improved from only just exceeding profits in 2024 and are higher for companies in our index than across the wider market.

Singapore



Revenue and profit, \$bn

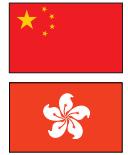


**Cover of
1.4x in 2025**
follows rapid growth
in dividends
and buybacks

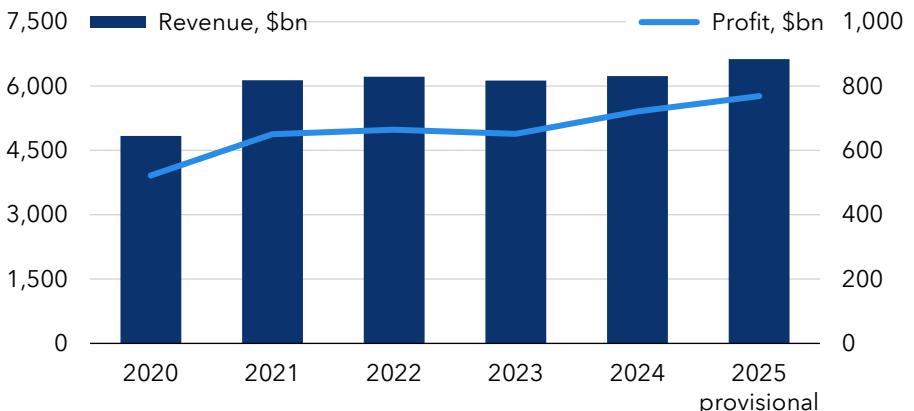
Singapore's companies in our index booked projected profits of \$28.9 billion in 2025, more than double the typical pre-pandemic level, and up 4.2% year-on-year. The growth rate was held back by sharply lower expected earnings at Singapore Airlines (which has also cut its dividend). Excluding Singapore Airlines, profits were up by close to 10% based on quarterly and interim results announced and consensus expectations.

Between 2015 and 2021, dividends and share buybacks averaged just \$8 billion. In 2024 Singapore's companies distributed a total US\$18 billion and we project them to have been close to \$21 billion this year. Cover ratios are strong – at 1.54x earnings in 2024, and likely 1.4x in 2025 Singapore's distributions are comfortably sustainable. 10 years ago, the cover ratio was nearer 2x, indicating that a greater culture of distributions has become embedded.

China and Hong Kong



Revenue and profit, \$bn



Ten companies projected to have delivered **two-thirds of China's profit growth**

Revenues from Chinese and Hong Kong companies rose 1.7% in 2024 to a record \$6.23 trillion. This translated into profits of \$721 billion up 10.7% year-on-year, comfortably an all-time high.

Our projections based on analyst estimates suggest they could have reached \$769 billion in 2025, up 6.8%. Tencent was a key driver of profit growth in 2025, comprising as much as one sixth of the increase in earnings from the 184 companies in our index. Overall, just ten companies are projected to deliver two thirds of profit growth, while four companies in ten are likely to see flat or lower earnings.

Dividends and share buybacks totalled \$355 billion¹ in 2024, with buybacks accounting for \$97 billion or 27% of the total last year. Buybacks almost tripled in 2024 following a policy intervention from the central bank to support share prices by providing cheap loans to corporates to enable them to buy back their own stock. Dividends tracked modestly higher in 2025, but it is not yet clear whether buybacks maintained the elevated level reached in 2024.

Regardless, cover levels remain very comfortable at 2.02x earnings in 2024 and likely similar in 2025 – well above the global average. The cover ratio has come down from more than 3x in the years leading up to the pandemic, when companies were arguably retaining too much cash on their balance sheets, despite high investment spending, but there is still significant scope for higher distributions, even in the absence of profit growth. Relative to cash flow, cover levels are also among the highest of any major market.

1. See methodology for notes on dividends included in our Dividend Watch compared to this analysis.

Japan



Revenue and profit, \$bn



Japanese total distribution cover

is much higher than the global average

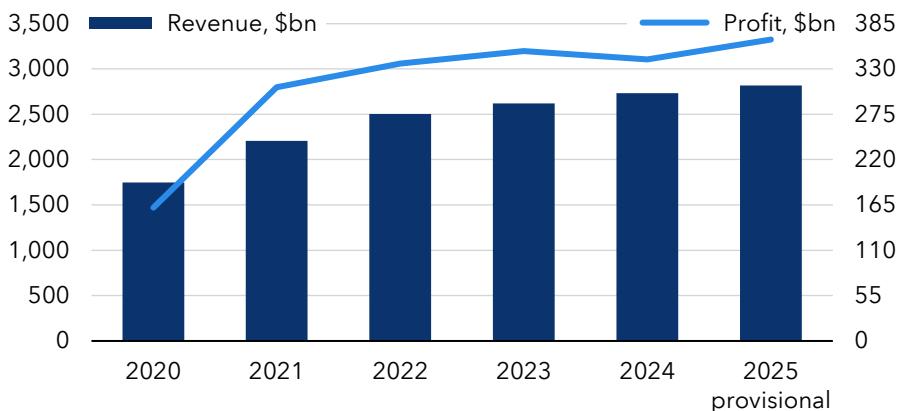
Japanese companies delivered record profits in the year to the end of March 2025 (shown as 2024 in our charts), totalling \$267.5 billion, up 2.6% year-on-year on revenues slightly down in US dollar terms. In the current financial year, our projection (based on analyst expectations and H1 earnings) suggests profits may be down 1% in US dollar terms at \$265.2 billion largely owing to sharply lower profits at Japan's car manufacturers (reflecting the global trend) as well as a significant negative impact from Nippon Steel (reflecting global steel overcapacity). These few companies between them are reducing the growth rate by almost six percentage points.

Total shareholder distributions have grown rapidly in the last four years reflecting a cultural shift in Japan and a greater focus on corporate governance and minority shareholders. Taken together, dividends and share buybacks of \$163 billion last year were 36% higher than 2021, compared to an increase of 22% for the rest of the world. In the current financial year, they are on track to reach a new record. In common with many regions outside the US, buybacks have grown faster than dividends, and accounted for 45% of total distributions in 2025, up from a third in the five years before the pandemic.

Total distribution cover has declined from an average of 2x between 2015 and 2023 but was still a very comfortable 1.64x in 2024, despite rapid growth in payouts. Dividends have grown rapidly in the last 12 months, and though it is not yet clear where buybacks will land, we can be sure that total distribution cover will be very high again, indicating that Japanese companies can go further to reward shareholders, even in the absence of profit growth.

Emerging Markets

Revenue and profit, \$bn



Emerging market
profits broadly
flat in 2025

Emerging market profits were broadly flat between 2022 and 2024 as the oil and mining boom faded, masking sharp increases in banking profits stemming from higher interest rates around the world. In 2025 they are likely to have risen, though projections are harder to make for this volatile and diverse set of companies.

India is easily the largest profit generator among the emerging markets in our index, comprising two-fifths of the total \$342 billion of earnings booked in 2024, a total which fell 3% year-on-year. With total dividends and share buybacks of \$178 billion in 2024 (a total we expect to have grown modestly in 2025), emerging markets are a significant contributor to the world total.

Across this eclectic group, cover ratios vary widely, from 3x in India to just 1x in Brazil (2024), with few countries below 1.5x. For the overall category, cover has stayed very stable at close to 2x for a decade. High cover ratios make sense for companies in less mature economies - it indicates a prudent approach in more volatile macro environments, and means more capital is being retained for future growth.

Appendix

Net profit, \$bn

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 provisional
US	795.2	880.6	954.7	1124.1	1162.2	814.8	1712.2	1611.8	1677.3	1854.5	2156.5
Canada	48.2	59.1	81.0	82.2	96.2	65.8	132.7	138.7	112.0	114.3	146.8
Europe ex-UK	282.5	310.4	411.4	443.0	383.2	209.2	636.1	612.3	617.1	636.4	682.8
UK	49.0	46.5	158.8	123.8	89.5	18.5	151.6	163.4	138.4	127.3	170.1
Japan	149.0	182.3	224.7	211.9	184.5	185.2	282.3	248.5	260.8	267.5	265.2
Pacific Ex China, Hong Kong & Japan	137.4	122.5	176.4	187.8	136.4	129.6	249.4	249.2	191.8	257.1	290.3
China, Hong Kong	418.1	398.2	460.5	487.1	528.3	521.8	650.6	665.0	651.1	720.9	769.4
Emerging Markets	118.9	159.1	189.5	200.8	186.4	161.6	307.6	336.4	351.5	341.7	365.4
Total	1,998.2	2,158.7	2,657.1	2,860.7	2,766.7	2,106.6	4,122.5	4,025.4	4,000.1	4,319.8	4,846.5

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 provisional
Consumer Cyclical	200.4	206.2	255.6	242.5	237.3	187.3	356.8	308.7	439.7	462.7	427.1
Consumer Defensive	179.0	184.2	245.6	203.0	201.8	200.2	256.9	256.8	229.5	252.9	264.4
Financial	781.2	736.9	813.8	914.3	962.8	781.1	1,259.9	1,116.1	1,236.2	1,370.2	1,488.3
Health	181.2	184.8	146.9	200.3	228.3	190.5	337.1	304.6	247.8	255.5	345.1
Industrial	206.1	218.3	277.8	276.9	267.4	150.5	391.8	417.2	410.9	447.4	467.9
Media &											
Telecommunications	136.7	149.7	219.7	202.3	198.1	171.8	294.1	228.1	260.6	339.8	444.7
Mining & Chemicals	5.9	75.0	133.9	134.4	87.9	102.4	291.0	249.8	146.5	147.2	164.0
Oil, Gas & Energy	-30.0	28.2	145.0	205.7	127.1	-149.1	266.4	500.7	385.3	274.5	275.9
Property	53.8	66.4	78.0	78.2	66.6	44.5	79.8	65.0	53.1	54.9	67.1
Technology	224.5	218.5	247.8	316.8	307.0	337.6	490.0	500.6	466.1	560.6	743.8
Utilities	59.4	90.4	92.8	86.3	82.4	89.7	98.8	77.7	124.5	154.0	158.3
Global	1,998.2	2,158.7	2,657.1	2,860.7	2,766.7	2,106.6	4,122.5	4,025.4	4,000.1	4,319.8	4,846.5

Dividends and buybacks, \$bn

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 provisional
US	909.8	921.7	953.3	1,278.2	1,254.8	1,012.0	1,400.6	1,560.4	1,443.9	1,638.4	1,759.7
Canada	54.0	50.6	63.6	85.0	81.0	67.7	91.5	127.9	97.2	108.3	127.3
Europe ex-UK	275.0	252.6	274.2	329.5	335.1	237.3	402.3	438.6	474.7	512.0	547.6
UK	84.7	86.4	105.7	128.5	128.1	81.6	103.2	154.1	151.9	163.5	162.7
Japan	95.8	95.2	100.3	105.3	131.5	92.6	120.1	130.6	127.0	163.3	184.6
Pacific Ex China, Hong Kong & Japan	86.8	80.2	87.8	104.4	114.0	86.1	118.8	154.5	134.5	133.8	154.4
China, Hong Kong	132.9	130.1	144.7	162.9	175.5	197.2	263.6	285.2	279.2	356.7	367.6
Emerging Markets	87.2	78.9	96.1	98.5	108.7	92.2	147.6	177.5	174.7	177.6	188.6
Total	1,726.2	1,695.6	1,825.8	2,292.2	2,328.9	1,866.6	2,647.8	3,028.7	2,883.0	3,253.7	3,496.4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 provisional
Consumer Cyclical	137.3	144.9	146.6	172.7	178.2	99.4	187.0	238.9	249.6	280.8	302.5
Consumer Defensive	165.5	181.1	181.4	191.1	187.4	183.2	229.5	233.7	225.2	241.9	258.7
Financial	440.3	461.5	505.4	610.7	655.3	447.2	727.2	724.1	707.9	916.5	984.8
Health	170.2	172.3	171.5	210.2	209.0	183.9	237.5	253.1	226.7	253.8	272.5
Industrial	212.7	197.6	177.3	223.1	206.9	160.4	226.9	296.2	301.0	289.9	311.1
Media &											
Telecommunications	119.3	106.6	133.7	138.8	161.0	170.5	226.9	222.4	223.9	267.4	288.9
Mining & Chemicals	66.3	48.6	64.2	103.7	113.7	78.0	154.9	185.6	136.9	122.6	131.1
Oil, Gas & Energy	108.5	86.0	114.0	160.4	164.0	117.7	162.8	327.1	308.2	302.3	324.5
Property	36.7	40.5	41.3	43.1	49.9	45.8	50.2	57.5	57.1	62.5	66.4
Technology	211.5	195.3	215.4	369.5	332.9	300.0	362.9	409.1	351.4	422.5	456.5
Utilities	58.0	61.2	74.7	68.9	70.4	80.8	82.0	81.2	94.9	93.5	99.4
Global	1,726.2	1,695.6	1,825.8	2,292.2	2,328.9	1,866.6	2,647.8	3,028.7	2,883.0	3,253.7	3,496.4

Total distribution cover

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 provisional
US	0.9	1.0	1.0	0.9	0.9	0.8	1.2	1.0	1.2	1.1	1.2
Canada	0.9	1.2	1.3	1.0	1.2	1.0	1.5	1.1	1.2	1.1	1.2
Europe ex-UK	1.0	1.2	1.5	1.3	1.1	0.9	1.6	1.4	1.3	1.2	1.2
UK	0.6	0.5	1.5	1.0	0.7	0.2	1.5	1.1	0.9	0.8	1.0
Japan	1.6	1.9	2.2	2.0	1.4	2.0	2.4	1.9	2.1	1.6	1.4
Pacific Ex China, Hong Kong & Japan	1.6	1.5	2.0	1.8	1.2	1.5	2.1	1.6	1.4	1.9	1.9
China, Hong Kong	3.1	3.1	3.2	3.0	3.0	2.6	2.5	2.3	2.3	2.0	2.1
Emerging Markets	1.4	2.0	2.0	2.0	1.7	1.8	2.1	1.9	2.0	1.9	1.9
Total	1.2	1.3	1.5	1.2	1.2	1.1	1.6	1.3	1.4	1.3	1.4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 provisional
Consumer Cyclical	1.5	1.4	1.7	1.4	1.3	1.9	1.9	1.3	1.8	1.6	1.4
Consumer Defensive	1.1	1.0	1.4	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0
Financial	1.8	1.6	1.6	1.5	1.5	1.7	1.7	1.5	1.7	1.5	1.5
Health	1.1	1.1	0.9	1.0	1.1	1.0	1.4	1.2	1.1	1.0	1.3
Industrial	1.0	1.1	1.6	1.2	1.3	0.9	1.7	1.4	1.4	1.5	1.5
Media &											
Telecommunications	1.1	1.4	1.6	1.5	1.2	1.0	1.3	1.0	1.2	1.3	1.5
Mining & Chemicals	0.1	1.5	2.1	1.3	0.8	1.3	1.9	1.3	1.1	1.2	1.3
Oil, Gas & Energy	-0.3	0.3	1.3	1.3	0.8	-1.3	1.6	1.5	1.3	0.9	0.9
Property	1.5	1.6	1.9	1.8	1.3	1.0	1.6	1.1	0.9	0.9	1.0
Technology	1.1	1.1	1.2	0.9	0.9	1.1	1.4	1.2	1.3	1.3	1.6
Utilities	1.0	1.5	1.2	1.3	1.2	1.1	1.2	1.0	1.3	1.6	1.6
Global	1.2	1.3	1.5	1.2	1.2	1.1	1.6	1.3	1.4	1.3	1.4

Glossary

Revenue	Sales, or in the case of banks net interest income plus non-interest income.
Profit	There are many measures of profit, but unless stated otherwise in the text we mean net profit after tax.
Free cash flow	Free cash flow is the cash a company has left over from its operations after all its operating expenses and capital investments. It measures how much cash is available to return to shareholders, reduce debt, or reinvest once the business has paid for the investment needed to maintain or grow operations.
Buybacks	Shares repurchased in the market by a company and cancelled.
Dividends	Dividends are payments made by a company to its shareholders out of its profits (or sometimes reserves). They are a way of distributing part of the company's earnings to the owners of its shares.
Dividend cover	Net profit after tax divided by dividends.
Total distribution cover	Net profit after tax divided by the sum of dividends and share buybacks.

capitalgroup.com

All information as at 30 November 2025 and attributed to Capital Group, unless otherwise stated.

Statements attributed to an individual represent the opinions of that individual as of the date published and may not necessarily reflect the view of Capital Group or its affiliates. This communication is intended for the internal and confidential use of the recipient and not for onward transmission to any other third party. This communication is of a general nature, and not intended to provide investment, tax or other advice, or to be a solicitation to buy or sell any securities. While Capital Group uses reasonable efforts to obtain information from third-party sources that it believes to be accurate, this cannot be guaranteed.

This communication is issued by Capital International Management Company Sàrl (CIMC), unless otherwise stated, which is regulated by the Luxembourg CSSF - Commission de Surveillance du Secteur Financier.

In Switzerland, this communication is issued by Capital International Sàrl, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

In the UK, this communication is issued by Capital International Limited, authorised and regulated by the UK Financial Conduct Authority.

In Australia, this communication is issued by Capital Group Investment Management Limited (ACN 164 174 501 AFSL No. 443 118), a member of Capital Group, located at Suite 4201, Level 42 Gateway, 1 Macquarie Place, Sydney, NSW 2000 Australia.

In Hong Kong, this communication has been prepared by Capital International, Inc. (CIIInc), a member of Capital Group, a company incorporated in California, United States of America. The liability of members is limited. This advertisement or publication has not been reviewed by the Securities & Futures Commission of Hong Kong.

In Singapore, this communication has been prepared by Capital Group Investment Management Pte. Ltd. (CGIMPL), a member of Capital Group, a company incorporated in Singapore. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. Neither has it been reviewed by any other regulator.

In Japan, this communication is issued by Capital International K.K. (Financial Instruments Business Operators No. 317 at Kanto Financial Bureau, a member of Japan Investment Advisers Association and The Investment Trust Association, Japan) located at Marunouchi Nijubashi Building, 19th Floor, 3-2-3 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan.

All Capital Group trademarks are owned by The Capital Group Companies, Inc. or an affiliated company. All other company names mentioned are the property of their respective companies.