

DANMARKS NATIONALBANK

01. MAY 2018

SECURITIES, MARCH 2018

Large share repurchases among listed companies

Share repurchase programmes are popular among large listed companies as means of distributing income to investors. Danish companies have repurchased shares worth kr. 42.6 billion since last year's annual general meetings in March and April. Over the past ten years kr. 260.1 billion have been returned to investors in share repurchases.

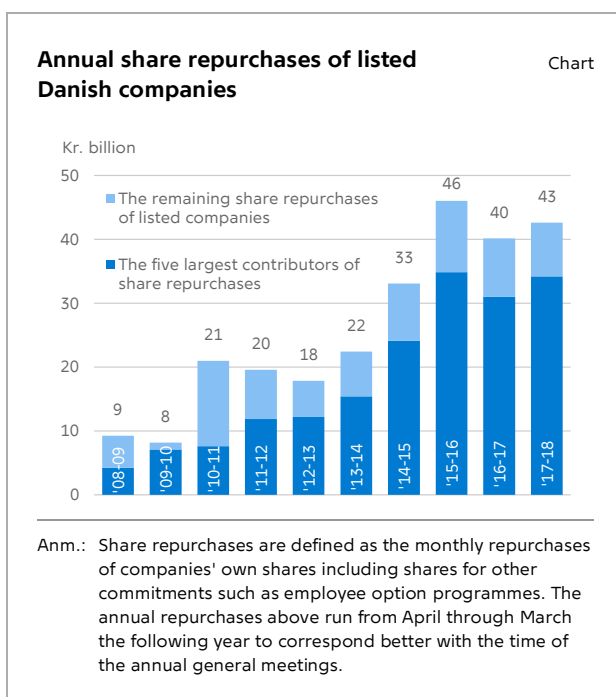
The share repurchase programmes were relatively modest following the financial crisis. However, in recent years they have increased significantly in size

following the general economic recovery and increasing company profits.

The share repurchases are especially favoured by the largest listed companies in Denmark. The five main contributors – Novo Nordisk, Danske Bank, A.P. Moller – Maersk, Pandora and Vestas – have performed 70 per cent of all repurchases over the past ten years.

In economic terms, share repurchases are equivalent to dividend payments. Rather than paying a dividend, repurchase programmes return company profits to investors in capital gains. Many larger companies tend to combine share repurchases with dividends in order to attract different investor types.

Typically, Danish listed companies pay dividends to investors in connection with their annual general meetings in March and April. However, in recent years some of the larger companies have started paying dividends on a quarterly or biannual basis. Total dividend payments will be available in connection with the release of next month's securities statistics for April.



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