



A quiet year for listings, with headwinds remaining

IPO Eye

An overview of the London Stock Exchange listings in Q4 2024



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Market overview

The London stock market saw eight listings in the final quarter of 2024, where seven listings raised £193.1m across the London Main Market and Alternative Investment Market and Canal+ made its IPO debut on the Main Market being the largest debut on the London Stock Exchange (LSE) since 2022.

The LSE saw eight companies list on the Main Market and Alternative Investment Market (AIM), raising £193.1m, between October and December 2024. This brought the total number of listings on the Main Market and AIM to eighteen for the year 2024. Proceeds raised of £777.7m in 2024 are down 18.3% on the £953.7m raised across 23 listings in 2023.

It has been another quiet year for the LSE, and while Q4 activity picked up significantly, headwinds facing the UK's listings market remain. Such headwinds are in the form of ongoing geopolitical instability, slow economic growth and a diminished appetite for domestic equities. In addition, the LSE saw 88 companies delist or transfer their primary listing away from the Main Market. This was the largest outflow of companies since the global financial crisis despite efforts by the UK Government, regulators and the LSE to boost attractiveness.

Factors for the delisting or transfer of primarily listings away from the Main Market are primarily related to the advantages that the United States is currently perceived to have over the UK. These advantages are

mainly: i) growth in operations in North America for the companies seeking to transfer, ii) better liquidity for shares, iii) a deeper pool of investors and iv) a perceived valuation gap.

However, as we enter 2025, there are reasons for cautious optimism locally, and as we explain later, globally. A stabilised domestic policy environment post-election, robust and increasing pipeline of deals, and listings reform are creating opportunities to restore London's competitiveness, which could drive a rebound in activity in H1 2025. Businesses eyeing IPOs will be closely watching the market to time their public offerings effectively. Although London faces increased competition from other financial centres, it has unique strengths, such as a global reputation for financial expertise, strong corporate governance, and a robust legal framework. By leveraging these strengths, London can reassert itself as a leading global destination for IPOs. Furthermore, large listings such as Canal+ showcase a "vote of confidence in the UK's capital markets".

Main Market

Three floats in Q4

£160m

The largest by funds:

Applied Nutrition plc raised:

£158m

AIM

Five admissions in Q4 raised:

£33m

Largest funds:

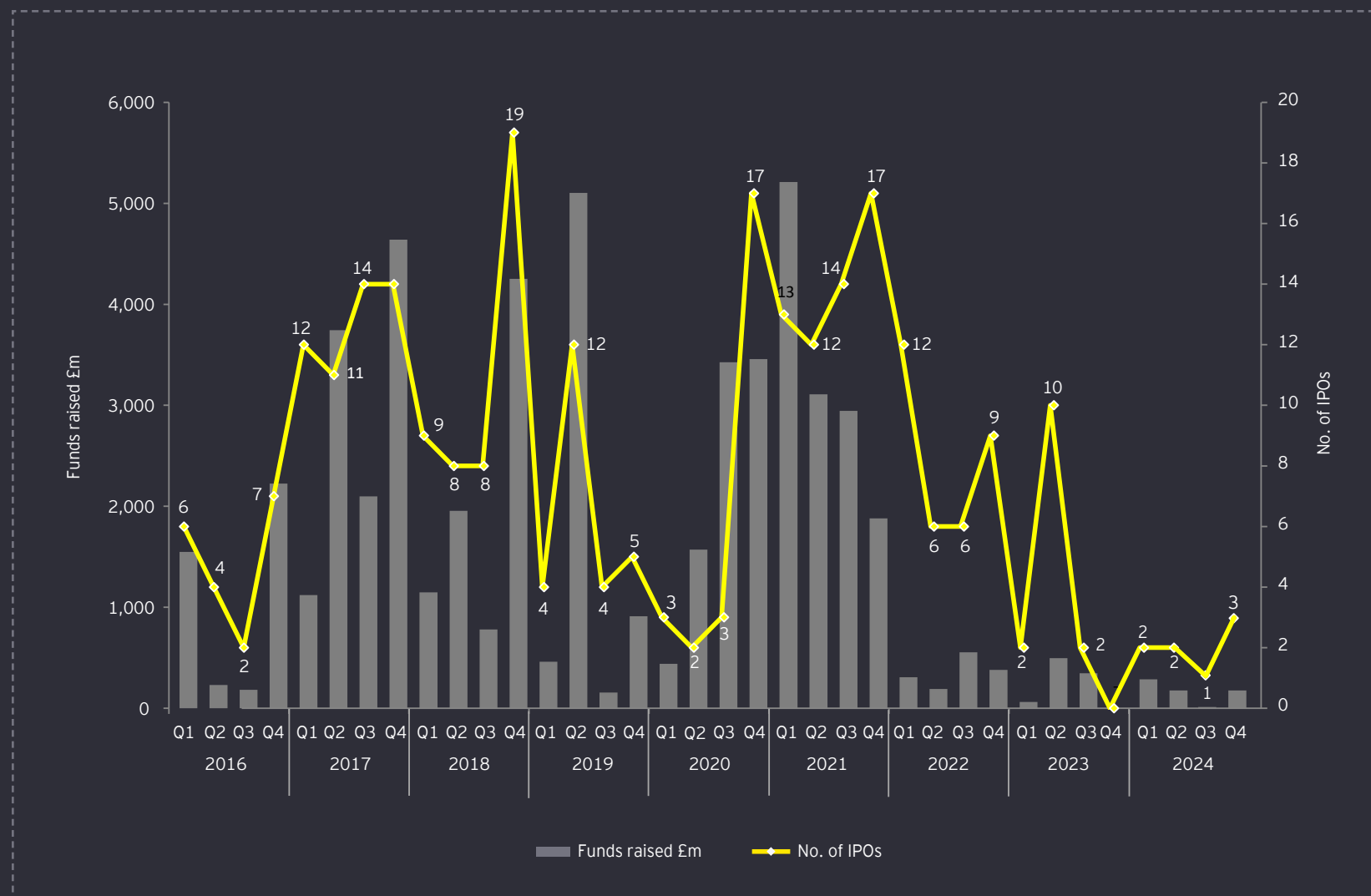
Amcomri Group plc raised:

£12m

IPO markets – historical performance

Main Market

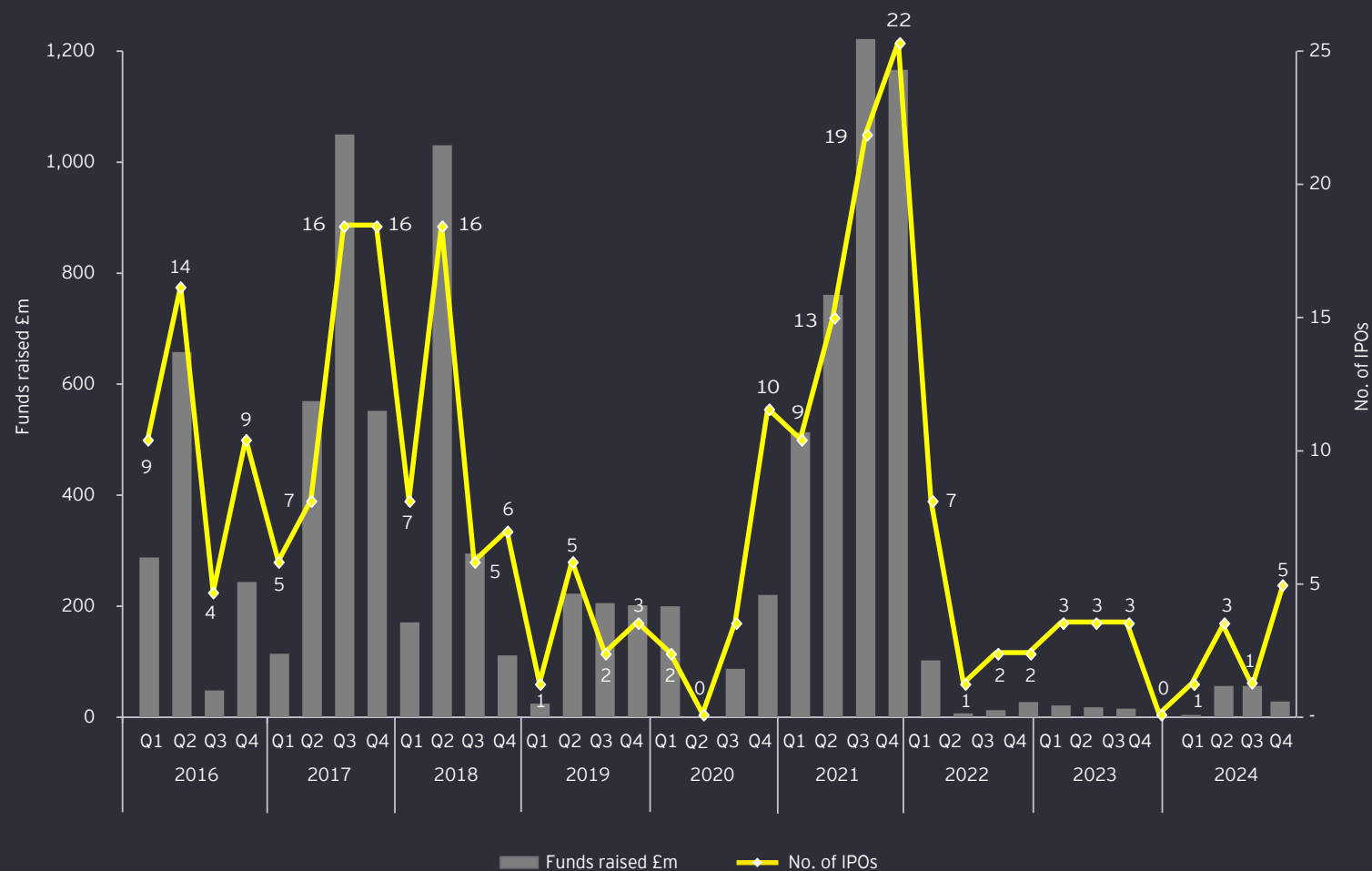
Three floats in Q4. The largest by funds raised was Applied Nutrition plc – which raised £158m.



IPO markets – historical performance

AIM

Five floats in Q4.
The largest by
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Market overview

Market performance

The FTSE 100 remained broadly stable in the last quarter of 2024, declining by 1.3%. However, it increased YoY by 5.7% owing to some factors mentioned below. AIM similarly stayed flat, growing by 0.3% in Q4 2024.

The increase in the FTSE 100 over 2024 was driven by several factors coming together. Monetary policy easing in the form of the Bank of England implementing rate cuts, with additional reductions anticipated improved liquidity and reduced borrowing costs, positively impacting investor sentiment and equity markets. The improvement in sentiment and lowering of borrowing costs further also led to a resurgence of M&A activity, both in the UK and abroad, with large deals including the Nationwide Building Society's acquisition of Virgin Money UK and Aviva's purchase of Direct Line. The quarter also brought further political stability, both domestically but also abroad as the elections in the United States and many other countries contributed to strong global market performance, which had a positive spillover effect on the FTSE.

However, at the same time, uncertainty remains as inflation persists, economic growth is lower than expected, geopolitical instability is ongoing and market participants are cautious as to what economic policies the Labour Government will enact, and also how President Trump will impact the global economy through his policies. Such factors have led to a stagnation of the FTSE 100 in the last two quarters.

Similarly, AIM recorded minimal growth of 0.3%. This was largely due to a flight to large technology established stocks in the United States rather than small-cap stocks which make up AIM index. Reasons for this are that currently there still remains market volatility and economic uncertainty as mentioned above. In addition, there are currently structural challenges within AIM as a number of companies delisted such as software firm I-Nexus Global, citing a lack of liquidity as a main concern.

Global IPO activity

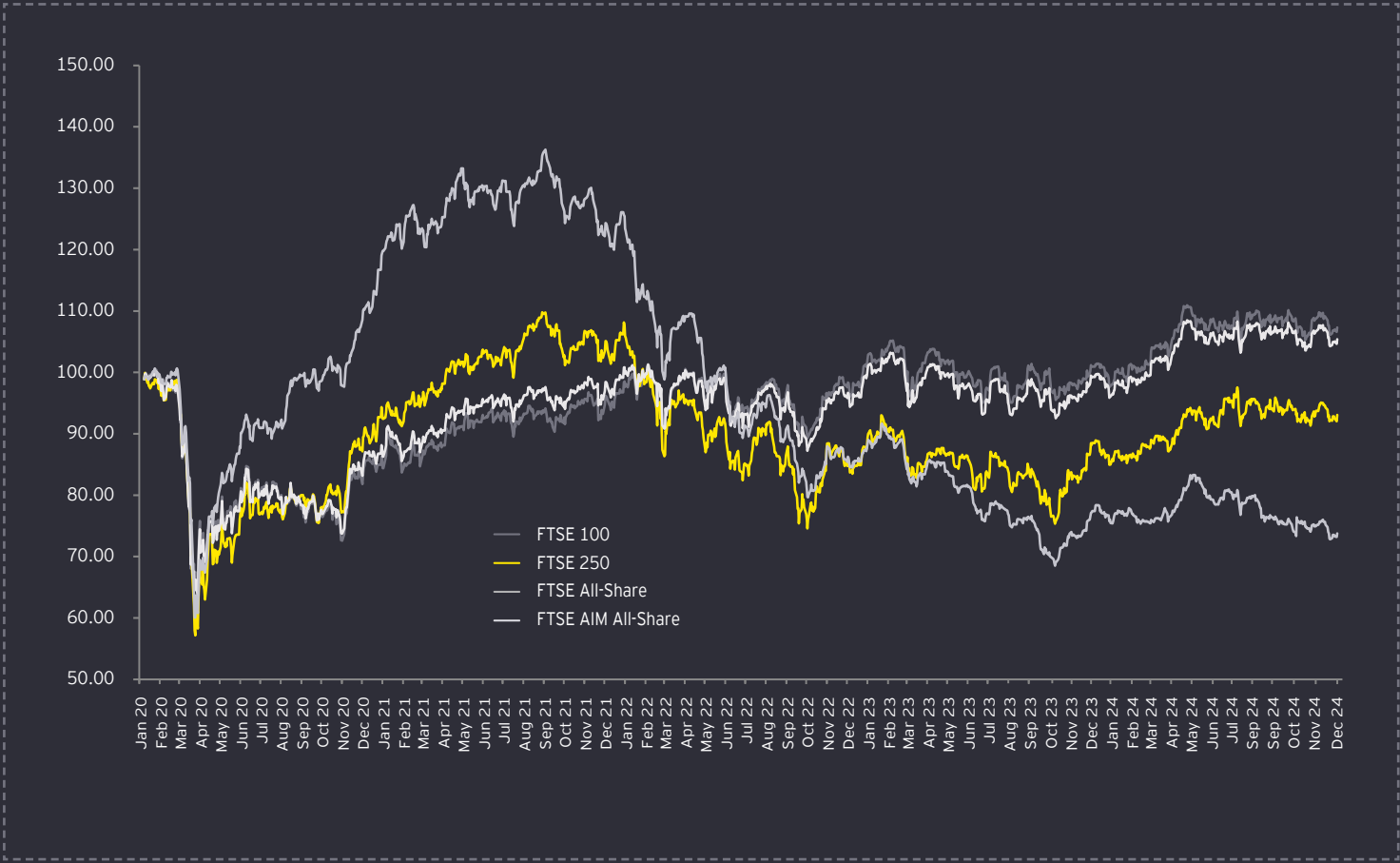
Global IPO volumes decreased by 7% in Q4 2024 compared to the same quarter in 2023, but proceeds rose significantly, showing a 70% increase over Q4 2023. In total, 343 IPOs raised \$43b in the final quarter of the year, contributing to growth in the second half of 2024 compared to the first half and outperforming each of the three preceding quarters.

The growth in IPO proceeds was primarily driven by the EMEA and Americas regions, with Europe seeing higher proceeds in 2024 compared to 2023, despite a dip in volume. India's stock exchange set new records for IPOs in 2024, settings record highs in both volume and proceeds. Lastly, the Americas experienced a robust rebound, reaching the highest IPO activity since 2021, both in volume and proceeds, primarily driven by the US, with surges in the health and life sciences sectors, as well as significant contributions from the industrials sector.

The growth in EMEA and Americas was partially offset by a continued downward trajectory in the Asia-Pacific region. Despite the easing of monetary policy, tightened regulations in mainland China led to its weakest IPO performance in a decade by volume. In ASEAN, Indonesia's IPO proceeds dropped to just one-fourth of last year's figures. However, the wider region showed positive signs, namely a reversal of trend in Hong Kong, which launched more local and overseas IPOs than in recent years. Additionally, Malaysia achieved a 19-year record high in IPO activity, largely because of its valuation and liquidity, as well as economic policies that make the country attractive to foreign director investors.

2024 was also a good year for PE- and VC-backed IPOs, generating 46% of the total global IPO proceeds, highlighting their substantial contribution to global IPO activity and reinforcing the critical role of PE and VC firms in shaping the IPO landscape. Of the 20 mega IPOs listed in 2024, 12 were PE-backed, a significant increase from the two listed last year. However, there remains a great difference in valuation between PE-backed IPOs and VC-backed IPOs, whereby the median of the former saw a 72% rise in median post-IPO valuations from 2023, while VC-backed IPOs saw a 31% drop. This reflects that the market continues to favour mature, established business models and proven profitability. Post-election regulatory reforms, along with easing financial conditions could stimulate future market activity, however this could partially depend on navigating regulatory challenges, showcasing robust compliance structures, and the success of IPOs in high-growth sectors, such as AI.

Market overview (cont'd)



Market listings

New Issues – Main Market

Date of admission	Company	Private Equity (PE) backed?	Country of primary business	Sector	Market cap. on admission (£mn)	Funds raised (£m)	Placing price (p)	Closing price (after first day of trading)	Closing price at QTR end (p)	Quarter end % change in price from IPO
11-Oct-24	Fairview International plc		Malaysia	Education Services	55.6	2.7	10.0	11.0	11.0	0.0%
29-Oct-24	Applied Nutrition plc		United Kingdom	Food Producers	350.0	157.5	140.0	137.8	140.6	2.0%
16-Dec-24	Canal+		France	Consumer Discretionary	2,600.0	-	-	226.4	203.0	-10.3%

New Issues – AIM

Date of admission	Company	Private Equity (PE) backed?	Country of primary business	Sector	Market cap. on admission (£m)	Funds raised (£m)	Placing price (p)	Closing price (after first day of trading)	Closing price at QTR end (p)	Quarter end % change in price from IPO
02-Oct-24	GenIP plc		United States	Software and Computer Services	6.8	1.8	39.0	30.0	26.0	-13.3%
18-Oct-24	Pulsar Helium Inc		United States	Industrial Metals and Mining	36.7	3.9	25.0	27.5	27.0	-1.8%
07-Nov-24	Selkirk Group plc		United Kingdom	Open End and Miscellaneous Investment Vehicles	10.0	7.5	2.5	3.3	2.9	-12.3%
14-Nov-24	Winking Studios Ltd		Singapore	Industrial Support Services	74.4	7.9	15.0	16.8	26.0	55.2%
20-Dec-24	Amcomri Group plc		United Kingdom	Industrial Engineering	39.5	12.0	55.0	57.5	58.0	0.9%

Looking forward – Q1 2025

The IPO market globally is expected to continue its current positive trajectory into 2025, supported by a cautiously optimistic economic environment, increasingly accommodative monetary policies and heightened liquidity, valuation levels and investor confidence. 2025 is expected to be a pivotal year for IPO markets given the changes in political leadership due to the current and ongoing elections and resulting policy changes. Furthermore, ongoing geopolitical tensions, expected further reductions in inflation as well as developments in AI and digital transformations present factors to consider both in the UK and abroad. These dynamics may create challenges, but they also open the door to new opportunities. To navigate and capitalise on these evolving megatrends, businesses must embrace transformation, adapting their strategies to align with shifting market demands and leveraging IPOs as a platform to drive growth and innovation, both in fast-growing sectors and sectors that are rebounding as consumers have more discretionary spend available. Especially in 2025, it will be important for companies to show resilience and adequately prepare for IPOs in order to take advantage of the improving economic environment and mitigate uncertainties. As evidenced by the current strong pipeline across sectors, it appears that many businesses will look forward to capturing the opportunities presented by this renewed market strength.

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Shifts in monetary policies, rising geopolitical tensions, digital transformation, and new ESG priorities are continuing to reshape the IPO market globally. At the same time, the changing dynamic of a connected but increasingly diverse global market mean local economic conditions and regional priorities are playing a greater role in the decision to go public. Despite these changes, there is growing optimism for a stronger global IPO performance in 2025, with improving economic conditions, supportive monetary policies, and strong liquidity creating opportunities.

Grant Humphrey
EY Partner, Strategy and Transactions

IPO Centre of Excellence

Our Global IPO Centre of Excellence is a virtual hub which provides access to tools and knowledge for every step of the journey from finding out more about what going public means to considering capital raising options and addressing post-IPO risks. It provides access to all our IPO knowledge, tools, thought leadership and contacts from around the world in one easy-to-use source.

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