



# Subdued start of the year with volatility in the market stalling IPO activity

IPO Eye

An overview of the London Stock Exchange listings in Q1 2025



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# Market overview

The London stock market saw five listings in the first quarter of 2025, which raised £74.4m across the London main market and alternative investment market.

The London Stock Exchange (LSE) saw five companies list on the Main Market and Alternative Investment Market (AIM), raising £74.4m between January 2025 and March 2025. The listings raised in the quarter present a 74% year-on-year fall in value from the £288.8m raised in Q1 2024.

The year started with heightened uncertainty in the UK market, coupled with market volatility – driven by continued inflationary and geopolitical pressures – and recently exacerbated by US trade tariff announcements. As a result, initial public offering (IPO) activity is expected to stall in the short-term.

As markets continue to navigate this uncertainty, Scott McCubbin, EY UKI IPO leader, comments: “There are some encouraging signs, with the latest data from the LSE showing that total equity capital raised on London’s markets has reached £7.3bn so far in 2025, reinforcing its position as Europe’s leading destination for capital raising. This is further highlighted by the strong demand that was present when Pfizer sold its remaining stake in Haleon, the consumer healthcare company spun out from GSK, and Shein securing preliminary approval from the Financial Conduct Authority to float in London. Firms with a strong domestic focus or those in tariff-favoured sectors may still find a receptive market”.

## Main market

Two floats  
in Q1 raised:

**£55.5m**

The largest by funds:  
**Achilles Investment  
Co Ltd** raised:

**£54.0m**

## AIM

Three admissions  
in Q1 raised:

**£19.2m**

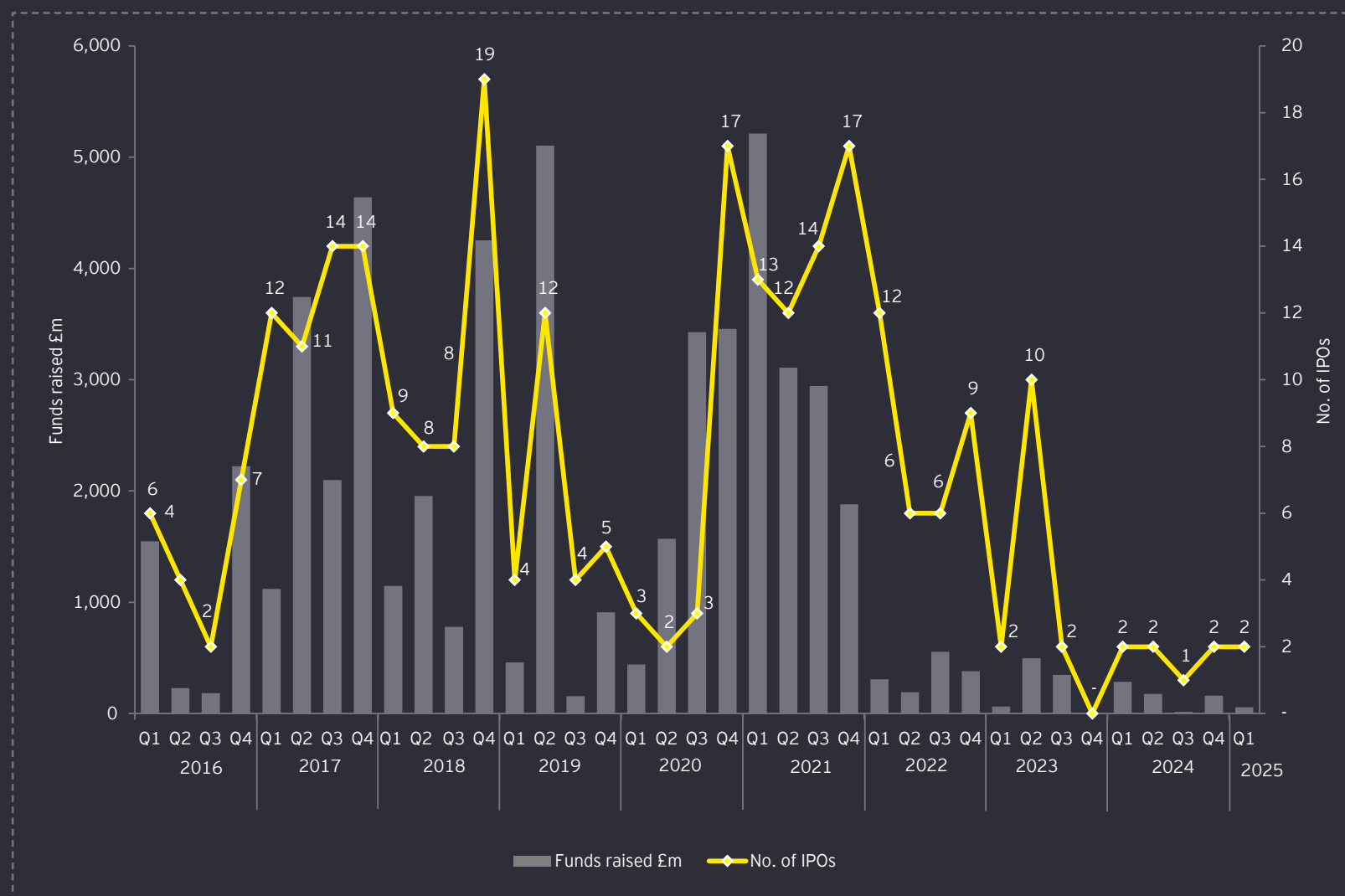
Largest funds:  
**One Health Group plc**  
raised:

**£7.8m**

# IPO markets – historical performance

## Main market

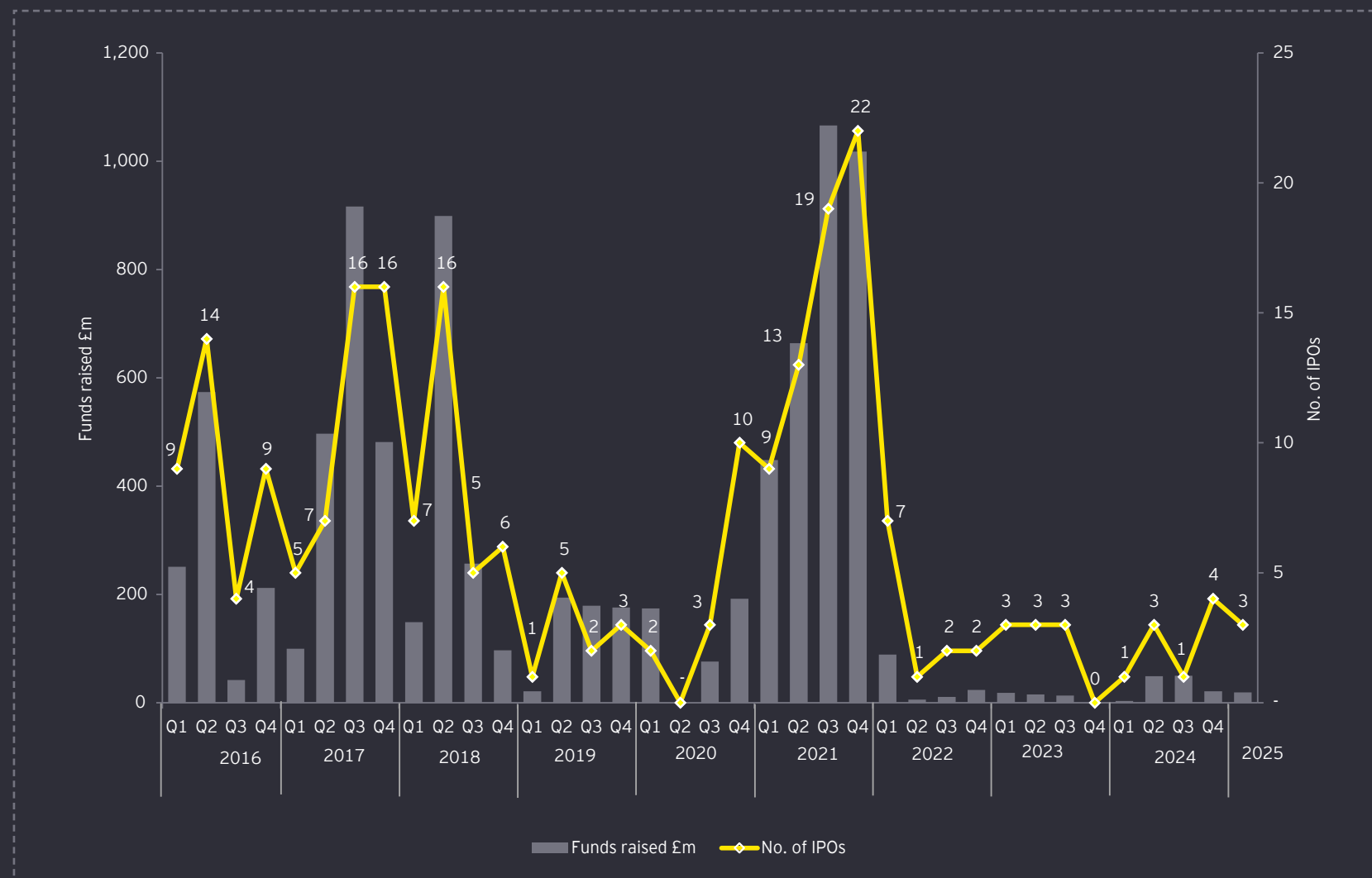
Two floats in Q1. The largest by funds raised was Achilles Investment Co Ltd – which raised £54.0m



# IPO markets – historical performance

## AIM

Three floats in Q1. The largest by funds raised was One Health Group plc – which raised £7.8m.





# Market overview

## Market performance

The FTSE 100 increased by 5.0% compared to the previous quarter. However, in contrast to this, the AIM declined by 5.2%.

The increase in the FTSE 100 was driven by various factors. First and foremost, the rise related to favourable expectations regarding UK monetary policy: whereby the Bank of England cut interest rates from 4.75% to 4.5% in February, and kept the rate constant in March, at the same time signalling that interest rates are on a downward path. This – coupled with expectations of further cuts in May and UK inflation falling more than expected – fuelled market optimism and buying activity. In addition, several companies within the FTSE 100 reported strong earnings over the quarter, in part due to stronger sector performance which included mining and oil companies (due to rising commodity prices and global demand). Lastly, uncertainty in the United States saw investors rotate some funds into UK equities seeking better value opportunities and stability. This preceded the volatility we have witnessed more recently following US tariff announcements.

However, over the same quarter, the AIM All-share Index fell by 5.2%. The increase in global economic uncertainty and persistent inflation, plus recessionary pressures, drove investors towards higher valued and more stable companies and away from high-growth, smaller capitalisation companies typical of the AIM Index. Several companies within the Index faced further significant challenges, such as supply chain issues, rising input costs and weaker-than-expected sales performance contributing to the Index's overall decline.

## Global IPO activity

Global IPO volumes increased by 3% in Q1 2025 compared to the same quarter in 2024, with proceeds rising significantly by 20%. In total, 291 IPOs raised \$29.3bn in the first of the year.

Q1 2025 marked the third-strongest Americas IPO market performance for all Q1s in history, following the exceptional years of 2014 and 2021 with 62 IPOs in the Americas raising \$8.9b in Q1 2025, accounting for nearly a quarter of IPOs globally and about a third of global IPO proceeds. However, this IPO performance has swiftly stalled – driven by elevated levels of volatility due to trade policy and recessionary fears, with potential issuers and bankers seeking calmer market environments as they look to file publicly and commence roadshows.

Asia-Pacific has recaptured the lead compared to other regions in terms of IPO volume for the past two quarters, reflecting consistent recovery from its decline that was noticed between 2022 and 2024. Within the region, Hong Kong experienced a robust recovery, whilst South Korea also achieved a more than 20-year high in IPO listings in Q1, surpassed only by the first quarter of 2021. However, the Chinese mainland and Oceania remain subdued.

In EMIEA, Europe's IPO launches remained stable in Q1 2025, whilst total proceeds raised fell. The growth in the region was largely powered by the Middle East and India, with a standout being Turkey which achieved a 20-year high in deal volume and value in the first quarter.

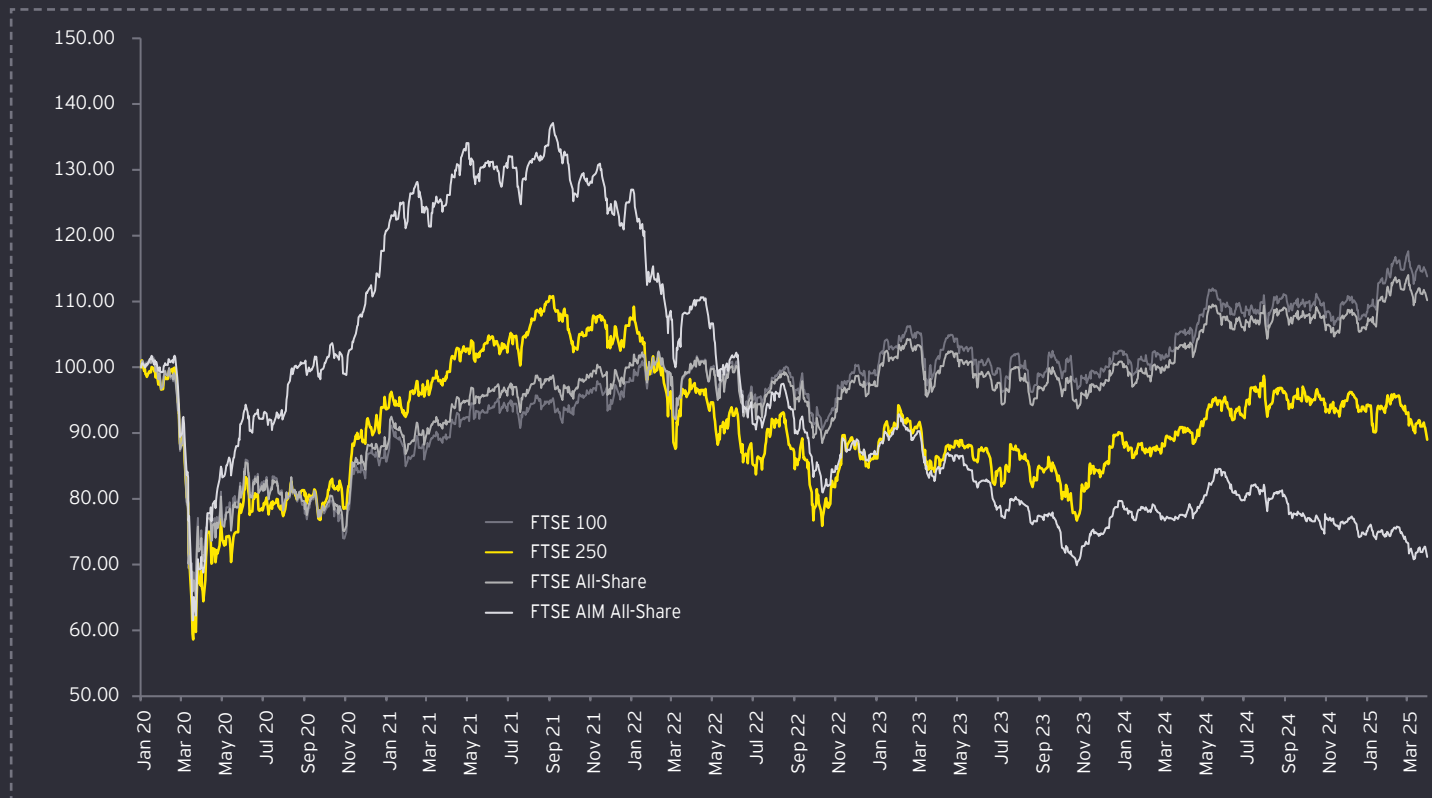
Private equity (PE)-backed IPO activity remained broadly stable YoY, having proceeds of \$7.9bn on 14 deals in Q1 2025, six of which were among the top 10 global IPOs this quarter. Venture capital (VC)-backed IPOs declined, with deal count and proceeds dipping due to heightened market uncertainty, especially in the US.

Over the quarter, globally, certain themes have emerged or persisted. The first being AI, now a transformative force in the business world, and significantly influencing companies' growth trajectories, especially those navigating the IPO landscape. Across the 2024 and Q1 2025 IPO cohort, companies in the TMT, Health and Life Sciences, and Financials sectors most often mentioned AI in corporate filings, appearing in an estimated 40-50% of disclosures. AI is no longer just a buzzword, but an increasingly important theme in company strategies and investor narratives.

Secondly, due to geopolitical uncertainty, countries are increasing their spending on defence which is expected to drive further IPO activity. Companies in this sector are not only seen as defensive plays in uncertain times, but also as growth opportunities in an environment where military spending is expected to continue rising. The convergence of policy tailwinds, market enthusiasm, and rising valuations is expected to create significant opportunities for expansion and capital market activity.

Lastly, in Q1 2025, the share of new IPOs posting profits surged across most regions, except ASEAN and Japan when compared to Q1 2024. However, this surge in profit is not yet reflected in positive first-day IPO returns, whereby among the same cohort, only the US and Chinese mainland have seen median first-day IPO returns increase by 3-5%. This highlights that even profitable firms will need stronger IPO readiness to succeed post-launch, particularly due to factors such as trade wars, risks to inflations and stagnating economic growth which undermine market stability and erode investor confidence.

# Market overview (cont.)



# 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
13-Jan-25	Vinanz Limited		United States	Investment Banking and Brokerage Services	38.1	1.50	14.5	22.50	16.50	-26.7%
25-Feb-25	Achilles Investment Co Ltd		Guernsey	Closed End Investments	54.0	54.00	100.0	102.00	103.50	1.5%

## 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
05-Feb-25	RC Fornax plc		United Kingdom	Aerospace and Defense	18.2	6.15	32.50	34.25	36.10	5.4%
20-Mar-25	One Health Group plc		United Kingdom	Health Care Providers	24.7	7.8	150.0	192.50	195.00	1.3%
21-Mar-25	Wellnex Life Ltd		Australia	Food Producers	21.0	5.2	31.8	31.00	24.00	-22.6%

# Looking forward – Q2 2025

Unlike the past three years, where central bank monetary policies dominated IPO markets, the market backdrop at the beginning of 2025 is much more complex. Dynamic interplays of trade tariffs, inflation, monetary policy, economic forces, technological disruption, and shifting geopolitical landscapes are reshaping the global IPO market.

In the Americas, prospective issuers will need to approach the market with rational pricing expectations as the performance of the 2025 class of IPOs has been mixed, with several deals trading below their IPO price. Investors will also need to feel rewarded in 2025 to extend the ongoing multiyear IPO market recovery. Both will be made ever more difficult due to geopolitical uncertainty and heightened levels of volatility due to trade policies and recessionary fears.

In Asia-Pacific, the US administration's new trade initiatives have fuelled market uncertainty, driving a more cautious outlook which can in turn depress valuations, postpone listings, and potentially stall the recovery of the Asia-Pacific IPO market. However, optimism remains across the region as recent stimulus measures from China, coupled with the market's reassessment of Chinese assets, have revitalised investor appetite for mainland technology firms. Moreover, despite subdued market activity, there is an extensive pipeline of IPOs waiting to list across several countries in the region. Once market conditions stabilise, activity in the region is expected to accelerate.

Within EMEIA, the IPO pipeline is expected to remain strong, driven by mature and sizeable companies awaiting the right window to go public. However, much will depend on the scale of emerging headwinds, trading tensions, plus inflation and interest rate dynamics. IPO candidates will need a clear, compelling equity story that demonstrates why now is the right time to go public and be prepared to leap as soon as the window opens.

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Despite an increase in global IPO deal value, ongoing macroeconomic and geopolitical challenges — including the recent US trade tariffs announcement — are shaping a more unpredictable IPO market. The impact of this instability is likely to suppress listings globally in the short-term, until the longer-term impact of the tariffs becomes clearer. It is essential for businesses to navigate these policy shifts with caution, whilst also embracing technological advancements such as AI, to ensure they are IPO-ready when market momentum returns.

**Grant Humphrey**  
Partner, EY-Parthenon



# 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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