

The background of the entire page is a complex, abstract financial chart. It features multiple overlapping lines in shades of orange, yellow, and blue, set against a dark blue grid. The lines represent various data series, possibly stock prices or market indices, with some showing sharp peaks and others more gradual trends. The overall aesthetic is high-tech and data-driven.

# Market uncertainty and investor caution stalls IPO activity on the London Stock Exchange

IPO Eye

An overview of the London Stock Exchange listings in Q2 2025

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# Market overview

The London Stock Exchange (LSE) saw four listings in the second quarter of 2025, which raised £108.1m across the London Main Market and the Alternative Investment Market (AIM).

The LSE saw four companies list on the Main Market and AIM, raising a combined £108.1mn between April and June 2025. This represents a 52% year-on-year (YoY) decline in proceeds compared with the £225.0mn raised in Q2 2024. This compares with nine listings raising £182.8mn in the first half of 2025, a 64% YoY fall in deal value from the £513.8mn raised in 2024.

The second quarter saw a continuation of uncertainty in the UK market, coupled with market volatility as US trade tariffs were introduced in April and rising tensions in the Middle East continued to dampen market activity.

Despite this, the LSE remains Europe's most active exchange, with three of the top five European equity transactions in 2025 YTD taking place in London. Furthermore, there is strong support for follow-on issuances, with London again being the top location in Europe, having had 93 follow-on issuances in 2025 YTD, raising £7.3bn over this period. Compared with other stock exchanges outside of Europe, the LSE leads in post-IPO capital raising, with 50% of IPOs returning to raise further capital, compared with 24% for the Nasdaq exchange and 16% for the NYSE.

## Main market

One float in Q2.

**£3.3mn**

The largest by funds:  
**Puma AIM VCT plc**  
which raised:

**£3.3mn**

## AIM

Three floats in Q2.

**£104.8mn**

The largest by funds:  
**MHA plc**  
which raised:

**£98.0mn**

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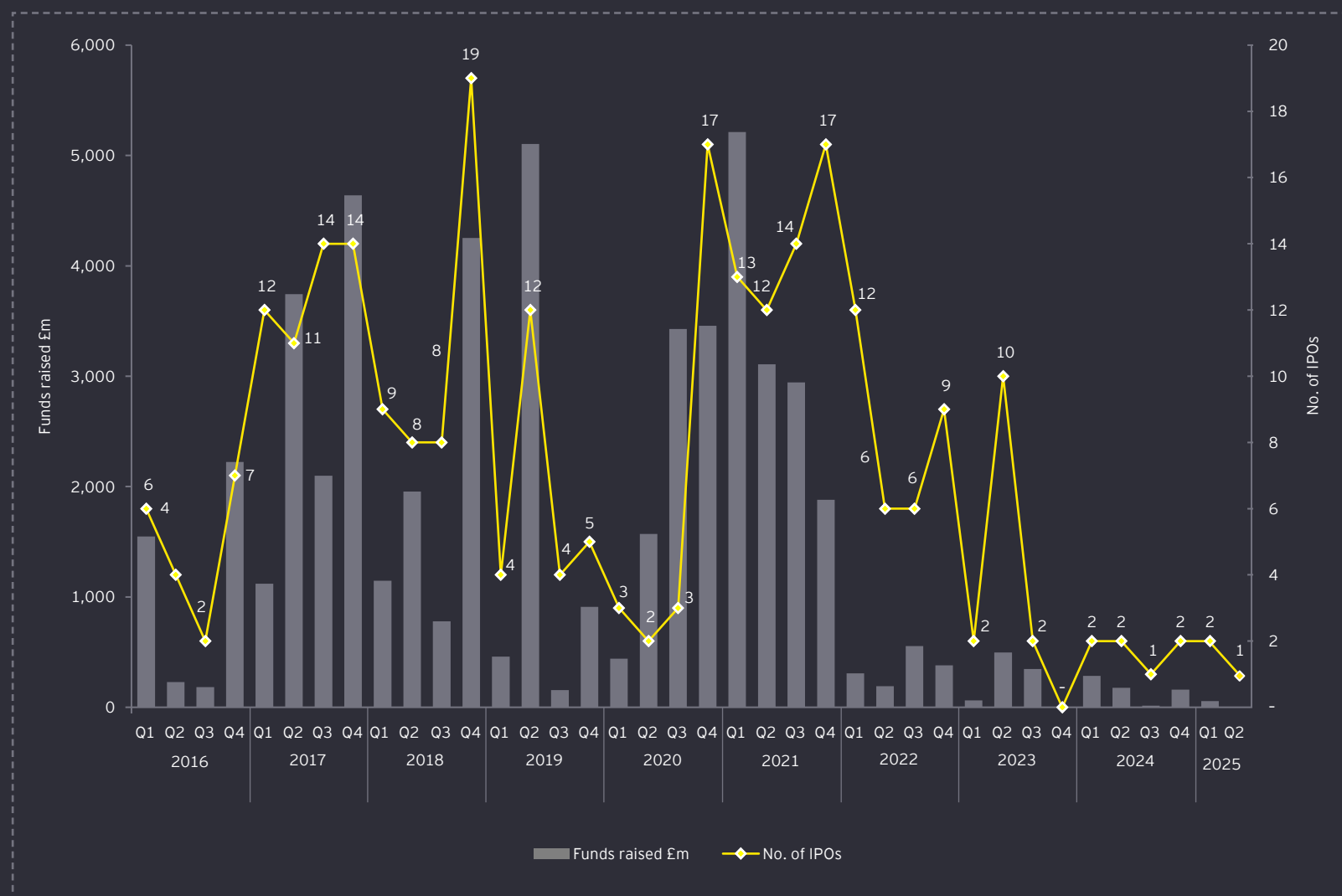
Whilst there were expectations that 2025 would mark the rebound of the UK IPO market, momentum has been slower to build, reflecting the broader macroeconomic and geopolitical headwinds facing businesses. Ongoing uncertainty around global trade and tariffs has fuelled market volatility, whilst escalating geopolitical tensions continue to influence energy prices and inflation expenses. Many of the challenges we're seeing are not unique to London and are affecting exchanges around the world. That said, London remains the fifth-largest exchange globally for equity capital raised, with over £7.5bn raised so far this year. We anticipate renewed momentum in the M&A market in the second half of 2025, which could pave the way for a recovery in IPO activity. For companies considering going public, early preparation, a clear path to profitability, and operational resilience will be key.

**Scott McCubbin**  
UKI IPO Leader, EY-Parthenon

# IPO markets – historical performance

## Main market

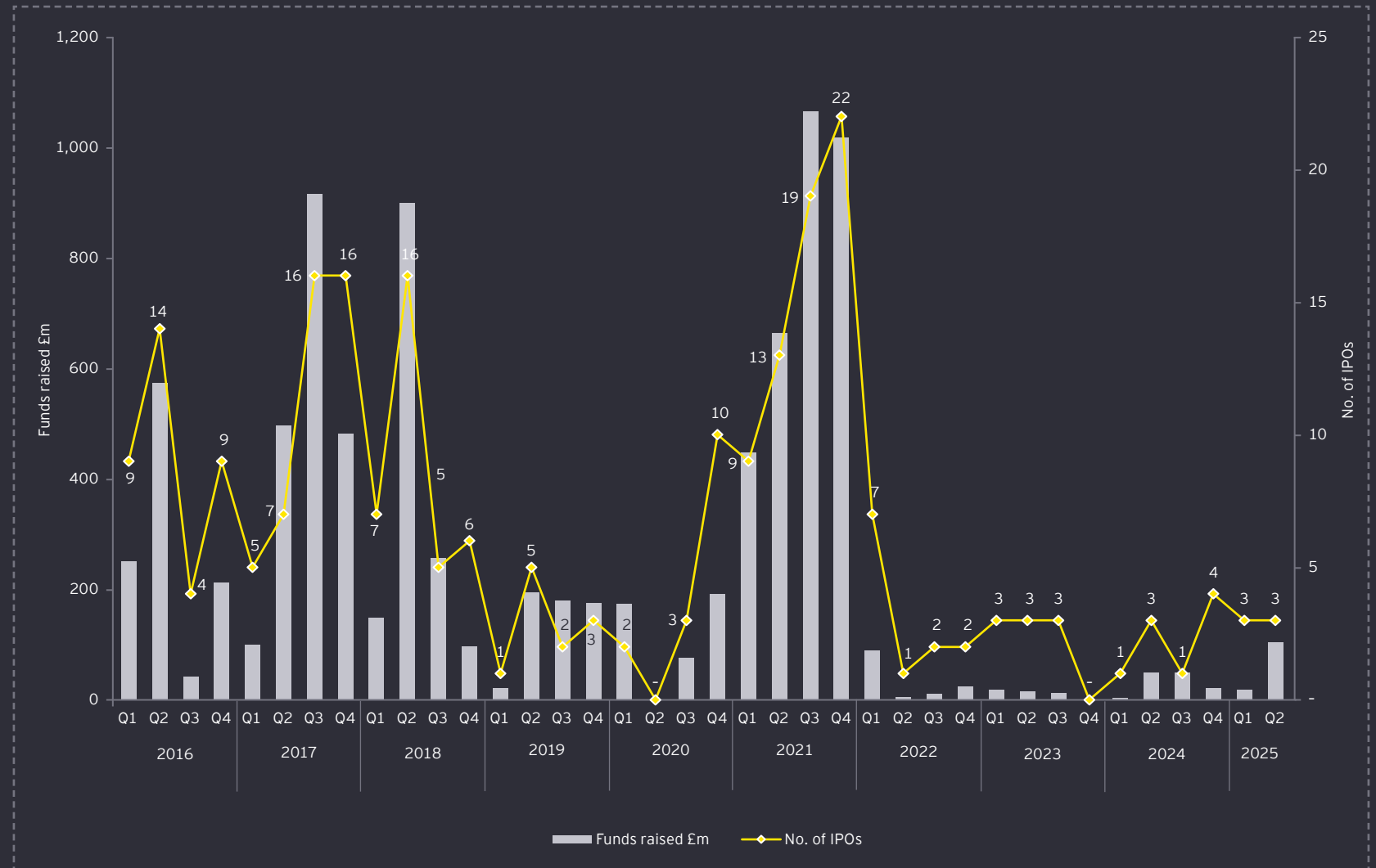
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# IPO markets – historical performance

## AIM

Three floats in Q2 – the largest by funds raised was MHA plc which raised £98.0mn.



# Market overview

## Market performance

The FTSE 100 increased 1.5% in the second quarter of 2025, a decrease compared with the 5.0% increase during Q1. AIM bounced back during the second quarter of 2025, increasing by 12.0% over the quarter compared with a decline of 5.2% during Q1.

Several factors contributed to the increase in AIM during the quarter. First, AIM had been trading at a significant discount compared with its 10-year average, following a prolonged period of outflows and delistings, leaving a core of higher-quality, better-capitalised companies that became attractive as market sentiment within the UK improved. In addition, a slowdown in UK-focussed equity fund outflows and the UK government's ongoing discussions about pension and ISA reforms, which potentially direct more capital into domestic growth businesses, have improved the outlook for future investment flows. The expectation of UK base rate cuts contributed to a lower cost of capital for AIM-listed companies, supporting valuations and encouraging risk-taking amongst investors. Furthermore, the broader market increase in Q2 2025 was led by technology, AI, clean energy and advanced manufacturing sectors, which benefited AIM as it has a high concentration of innovative, high-growth companies in these sectors. Lastly, AIM has relatively less director exposure to US tariffs and the resulting volatility. At the same time, the redirection of Chinese production to the UK and Europe improved the competitive position of AIM-listed firms.

Over the second quarter, the FTSE increased by 1.5% despite the quarter starting with uncertainty due to the new US tariffs and a sharp drop in oil prices, which hit energy-heavy indices such as the FTSE 100. The FTSE managed to rebound from this initial uncertainty as global trade tensions partially eased, and the US and the UK reached a trade agreement. The lowering of UK base rates similarly provided a modest boost to the FTSE through the reduction of borrowing costs and support for business investments. Expectations of further costs later in the year helped maintain positive sentiment. In terms of sector performance in the FTSE, results were mixed, with energy and healthcare lagging due to lower oil prices and weak pharmaceutical results; however, this was partially offset by robust earnings from blue-chip companies in the mining, defence and banking sectors. Lastly, strengthening of the British pound against the US dollar helped the index, reflecting economic resilience and attracting international capital flows.

## Global IPO activity

In the first half of 2025, the global IPO market recorded approximately 540 deals, raising c. \$62bn, reflecting a 17% increase in total proceeds YoY, but remaining flat in terms of deal volume. In Q2 2025 alone, around 240 IPOs and \$32bn in capital were raised, marking the weakest second-quarter performance by deal count since 2020. The Asia-Pacific region led the momentum with solid growth, whilst the Americas remained stable. The Middle East continued to show robust expansion, whereas Europe and India experienced declines.

The US, India and Greater China each launched over 100 IPOs in H1 2025, with the US leading with 108 IPOs, marking its strongest first-half performance since the 2021 peak. However, total proceeds declined in the US over the period, indicating a shift in supply dynamics as smaller companies showed a greater willingness to go public. India, meanwhile, saw a slight decline in IPO volume, with proceeds remaining flat YoY. The first half of 2025 was marked by ongoing equity volatility driven by global and domestic factors. However, signs of recovery are emerging, supported by a healthy IPO pipeline, favourable economic indicators, government backing and rising retail investor participation. Lastly, Greater China saw strong growth across both IPO volume and proceeds, with a 35% increase in deal count and a 3x surge in funds raised, driven by larger deals. Hong Kong has continued to recover compared with last year to become the top IPO market globally by proceeds in H1 2025, achieving a 6.9x increase YoY.

In Europe, IPO activity faced declines in proceeds and volume, with most major European markets pausing due to the ongoing economic uncertainty. The market overall has become increasingly selective, placing greater emphasis on profitability and resilience as key criteria for going public. The Middle East region, on the other hand, has experienced volume growth, as countries such as Saudi Arabia and Israel are trending upward, indicating emerging opportunities in these areas. Amongst countries in the region, Saudi Arabia achieved a historic milestone with 26 IPOs this year.



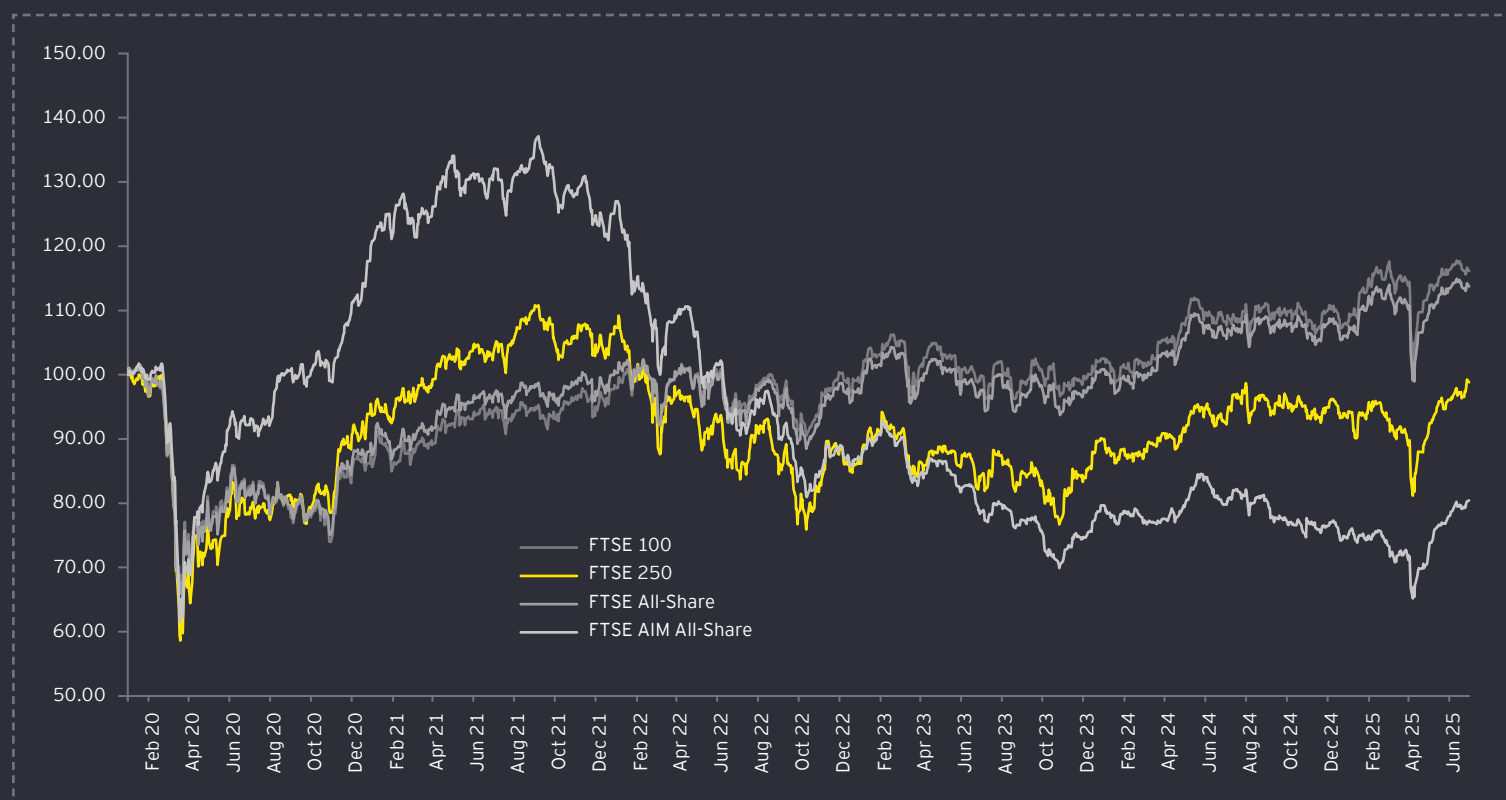
# Market overview (cont.)

In terms of sector performance globally, industrials led all sectors in IPO issuance, capital raised and growth performance during H1 2025. The mobility sub-sector and IPOs from India, Greater China and South Korea largely drove the growth. This reflects the trend of reshoring and spurring investment in domestic manufacturing, driven by ongoing geopolitical tensions and supply chain risks resulting from the imposition of tariffs.

The technology sector continued to see an increase in total capital raised compared with the same period last year, despite a mild decline in volume. Investors have shifted away from unprofitable, growth-at-all-costs models towards a highly selective focus on profitable and proven tech companies, particularly in AI-related sub-sectors. Software companies are predominantly listing in the United States, with

volumes more than doubling compared with H1 2024, whilst hardware listings are concentrated in Greater China, reflecting the region's strength in electronics and semiconductor manufacturing.

Elsewhere, the consumer sector remained one of the top three sectors by IPO volume in 2025, supported primarily by strong activity in the retail sub-sector. Similarly, the real estate, hospitality and construction sector has shown growth, supported by ongoing infrastructure spending that continues to boost activity in the construction segment. Health and life sciences maintained comparable levels of IPO activity with last year, whilst IPO activity in the energy sector was impacted by exposure to geopolitical instability and supply chain disruptions.



# 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 (£mn)	Placing price (p)	Closing price (after first day of trading)	Closing price at QTR end (p)	Quarter end % change in price from IPO
02-Apr-25	Puma Aim VCT PLC		United Kingdom	Closed End Investments	3.3	3.30	100.0	100.00	100.00	0.0%

## New Issues – AIM

Date of admission	Company	Private Equity (PE) backed?	Country of primary business	Sector	Market cap. on admission (£mn)	Funds raised (£mn)	Placing price (p)	Closing price (after first day of trading)	Closing price at QTR end (p)	Quarter end % change in price from IPO
04-Apr-25	Quantum Base Holdings PLC		United Kingdom	Industrial Support Services	14.8	4.81	23.10	24.00	25.00	4.2%
15-Apr-25	MHA Plc		United Kingdom	Industrial Support Services	271.0	98.0	100.0	102.50	127.75	24.6%
03-Jun-25	Sundae Bar PLC		United Kingdom	Software and Computer Services	44.7	2.0	8.0	8.50	11.00	29.4%

# Looking forward – Q2 2025

As the second half of 2025 gets underway, macroeconomic and geopolitical uncertainties continue to cast a shadow over global capital markets. Yet, signs of stabilisation and renewed investor interest are beginning to emerge, for instance through trade deals between the US and other nations and the decrease in tensions in the Middle East, albeit with the risk that this may be temporary.

The outlook for IPO activity is being shaped by a confluence of factors, including geopolitical tensions, macroeconomic trends, fiscal and monetary policies, inflation levels, and advancements in AI and digital transformation. A global IPO market rebound could occur in the second half of 2025 or early 2026, driven by easing geopolitical tensions, continued interest rate reductions, and increased clarity on trade policies between countries. These developments would help stabilise economic growth, improve equity valuations and reduce market volatility. At the same time, the outlook for the global IPO market could become fragile if persistently high interest rates, entrenched inflation and unresolved geopolitical tensions continue. In such an environment, investors and issuers are likely to adopt a wait-and-see approach.

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The global IPO market over the first six months of 2025 continues to reflect a cautious and risk-averse environment, shaped by persistent macroeconomic and geopolitical headwinds. Investor caution, valuation pressures, supply chain disruptions and rising recession risks have further dampened listing activity, with many PE- or VC-backed companies opting to put their IPO plans on hold. Looking ahead to the second half of 2025, without resolution on trade tensions or a more stable macroeconomic backdrop, the global IPO environment is projected to remain quiet.

**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.

[ey.com/en\\_gl/ipo](https://ey.com/en_gl/ipo)

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