

IPO activity on the London Stock Exchange remains muted, but the pipeline builds as investor confidence slowly returns

IPO Eye

**An overview of the London Stock
Exchange listings in Q3 2025**



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Market overview

The London Stock Exchange (LSE) saw three listings in the third quarter of 2025, raising £16.3mn on the Alternative Investment Market (AIM).

The LSE saw three companies list on the Main Market and AIM, raising a combined £16.3mn between July and September 2025. This represents a 75% year-on-year (YoY) decline in proceeds compared with the £64.8mn raised in Q3 2024. This compares with 12 listings raising £199.1mn in year-to-date 2025, a 66% YoY decline in deal value from the £578.6mn raised in 2024.

The third quarter saw continued uncertainty in the UK market, amid ongoing geopolitical tensions, mixed macroeconomic data and market volatility driven by trade tariff disputes. However, sentiment is improving, and a stronger IPO pipeline for the remainder of 2025 and the first half of 2026 suggest confidence is returning to the UK's equity markets.

Fermi, which focusses on developing electric grids that deliver on-demand power to enable next-generation AI, was dual-listed on the LSE (with Nasdaq) on 2 October, successfully raising over \$680mn globally. In addition, there was the successful market debut of LED light mask maker The Beauty Tech Group with a £300mn market capitalisation on admission. Further companies, such as tinned-tuna company Princes Group, targeting a £1.5bn listing, and small business lender Shawbrook, plan to float, showcasing the strong pipeline for the London Stock Exchange.

Scott McCubbin, EY-Parthenon UKI IPO Leader, said: "The UK IPO market has largely remained in 'wait and see' mode throughout 2025, as companies navigate the repercussions of prolonged geopolitical and macroeconomic instability. However, we are starting to see a shift in sentiment. Momentum is now building, and the IPO pipeline for the next six to 12 months is strengthening as market conditions improve, with prospective companies keen to move when the pricing window opens.

"London's depth of capital, international investor base and strong analyst ecosystem continue to underpin its appeal as a listing venue, even as global competition for IPOs intensifies. The outlook for the remainder of the year will be shaped by how companies navigate competition between private and public markets, and the backdrop of geopolitical uncertainty – with timing and pricing remaining the decisive factors for successful listings."

AIM

Three admissions
in Q3 raised:

£16.3m

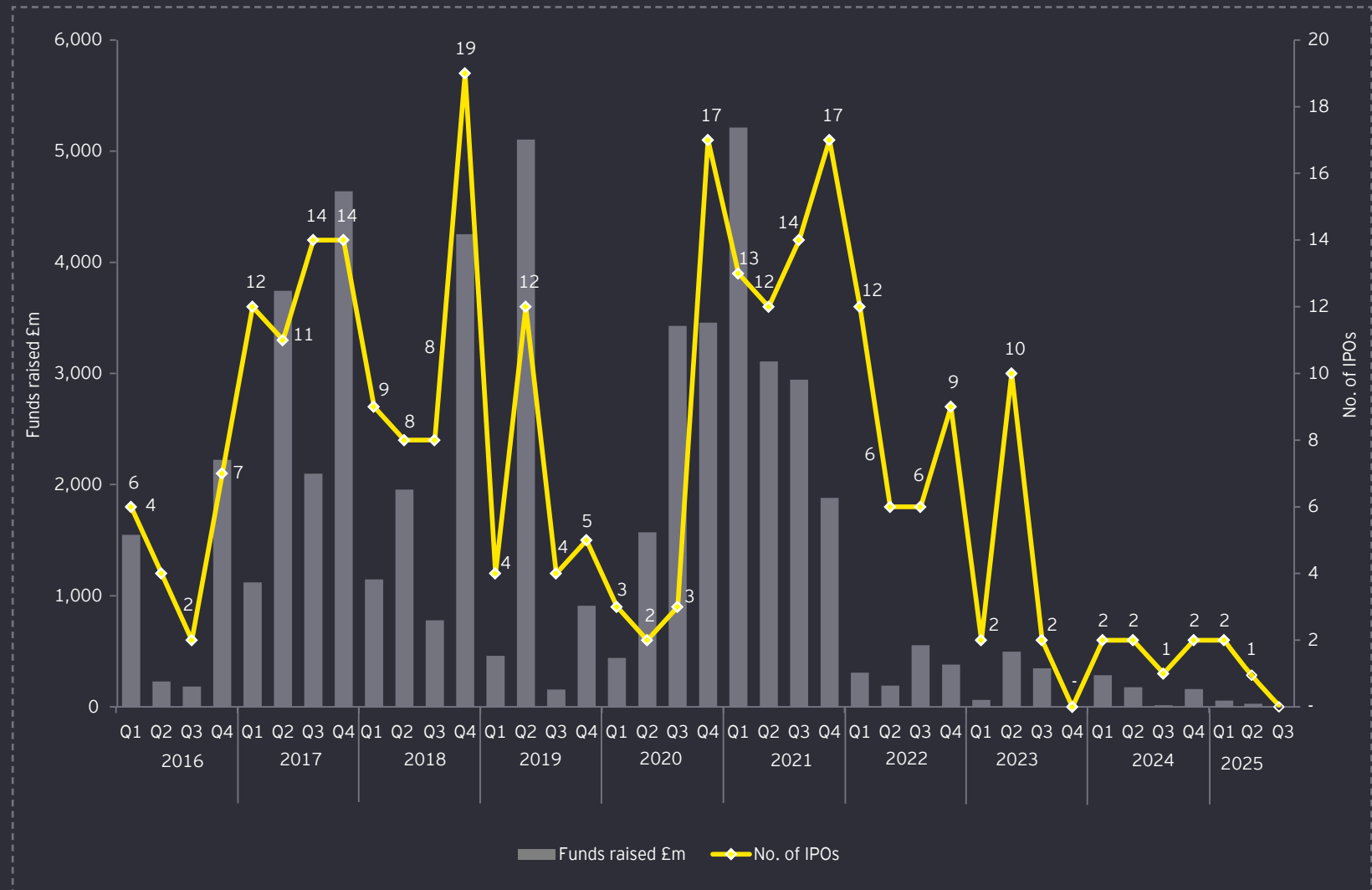
The largest by funds:
**Vulcan Two Group
plc** raised:

£12.0m

IPO markets – historical performance

Main market

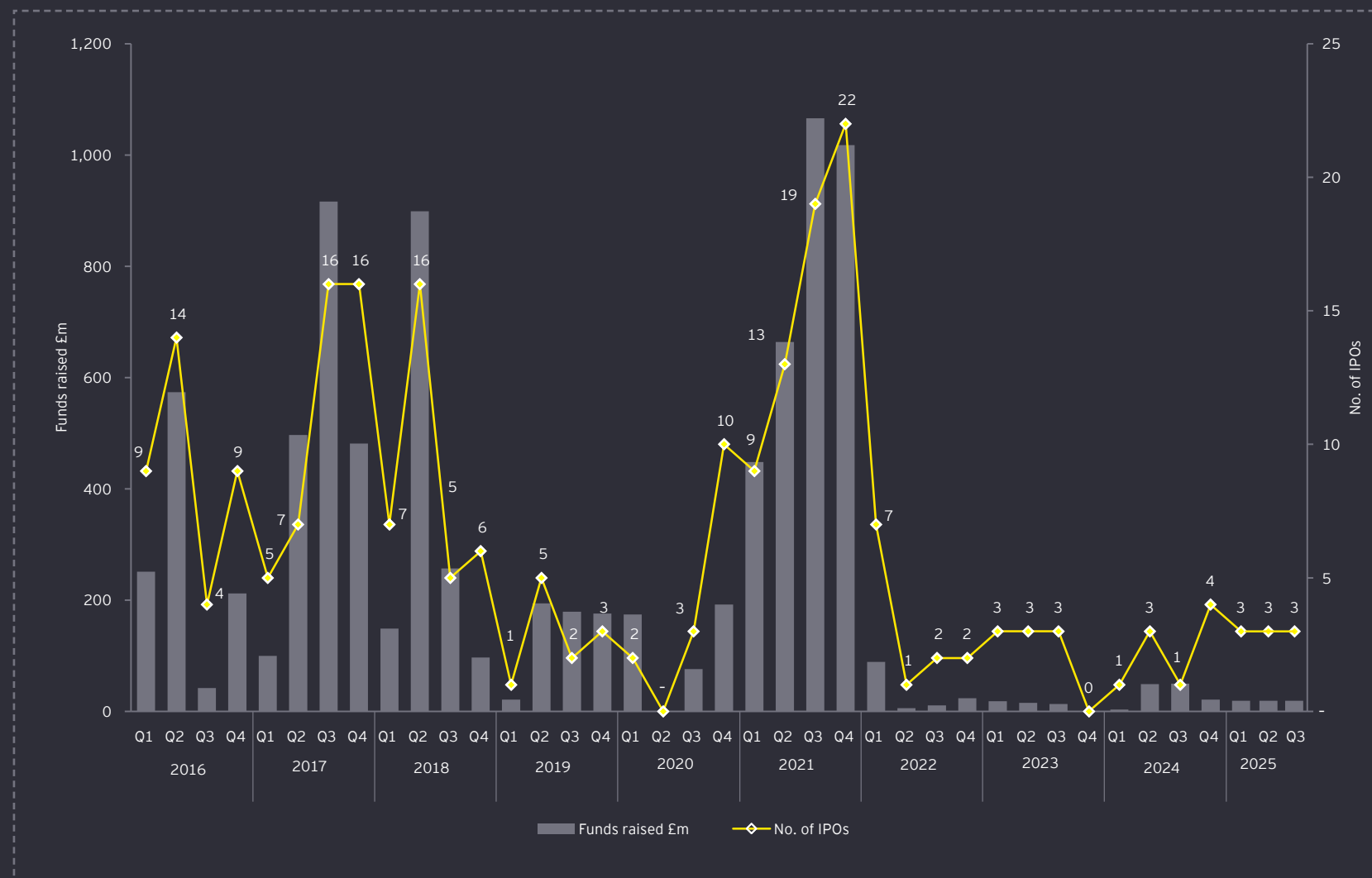
There were no listings on the Main market in Q3 2025



IPO markets – historical performance

AIM

Three floats in Q3. The largest by funds raised was Vulcan Two Group plc, which raised £12.0mn.



Market overview

Market performance

The FTSE 100 increased 6.4% in the third quarter of 2025, finishing the quarter at a record high and marking its strongest quarter since late 2022. AIM performance was 1.3%, compared with 12.0% in Q2.

Global equities, including the FTSE 100, advanced as growth fears eased and policy support grew, lifting risk appetite. A broad-based improvement in sentiment around earnings and the macro-outlook supported large-cap companies despite lingering inflation and policy uncertainty.

Furthermore, expectations for and the delivery of policy easing, including the Federal Reserve's September rate cut, supported equity valuations and aided UK blue chips with international earnings. The Bank of England's August cut, followed by a hold in September, reinforced a friendlier rate environment for equities through the quarter.

The main sectors in the FTSE also benefited, with mining names leading early Q3 gains as copper and broader metals boosted companies such as Anglo American, Rio Tinto and Glencore. Moreover, companies in the energy and defence sectors also contributed to resilience, as day-to-day volatility in these sectors was offset by share price increases driven by resilient refining margins and strong defence demand.

Lastly, a softer pound versus major currencies amplified translated overseas earnings for FTSE 100 constituents, providing a tailwind to index-level performance. This led to blue-chip strength despite mixed UK macro data and gilt weakness.

The AIM, on the other hand, showed modest growth compared with the previous quarter, driven by persistent outflows, which reduced liquidity and amplified stock-specific drawdowns, leading to a subdued risk appetite for domestic small caps. In contrast to multinational large caps, AIM's more UK-centric earnings base saw less currency-related uplift, and remained more sensitive to mixed domestic data and credit conditions.

AIM also saw pronounced dispersion in company performance, with several resource and pharma names posting outsized rallies on drilling updates and clinical catalysts. At the same time, other companies were hit by trading setbacks and downgrades, leading to sharp declines. Lastly, the sector mix, skewed towards

growth, early-stage biotech, energy explorers and cyclical UK-facing names, magnified volatility when sentiment wavered, while selective strength in travel and leisure and telecoms helped cushion it.

Global IPO activity rose in Q3 2025, with 370 offerings raising about \$48.2bn. Year-to-date, 914 IPOs have brought in \$110.1bn, signalling a gradual recovery in deal count and a 41% increase in proceeds versus the same period last year. Monetary easing and improving market sentiment were the primary catalysts.

The rebound was concentrated in a few regions. Nearly three-quarters of Q3 deals came from India, the US and Greater China, accounting for close to 80% of the \$48.2bn raised. Nine of the 10 largest global IPOs in Q3 originated from these markets, underscoring their dominance.

The US led the upswing, supported by a constructive backdrop and generally favourable pricing and aftermarket performance. India saw notable strength, with deal volumes tripling and proceeds nearly quadrupling. Greater China and the Middle East maintained their growth trajectories.

A central theme in 2025 has been accelerated regulatory reform across global exchanges to bolster long-term capital formation. Measures include streamlining listing requirements, modernising disclosure frameworks and easing procedural barriers, all aimed at attracting innovative issuers and offering alternatives to the dominant US market.

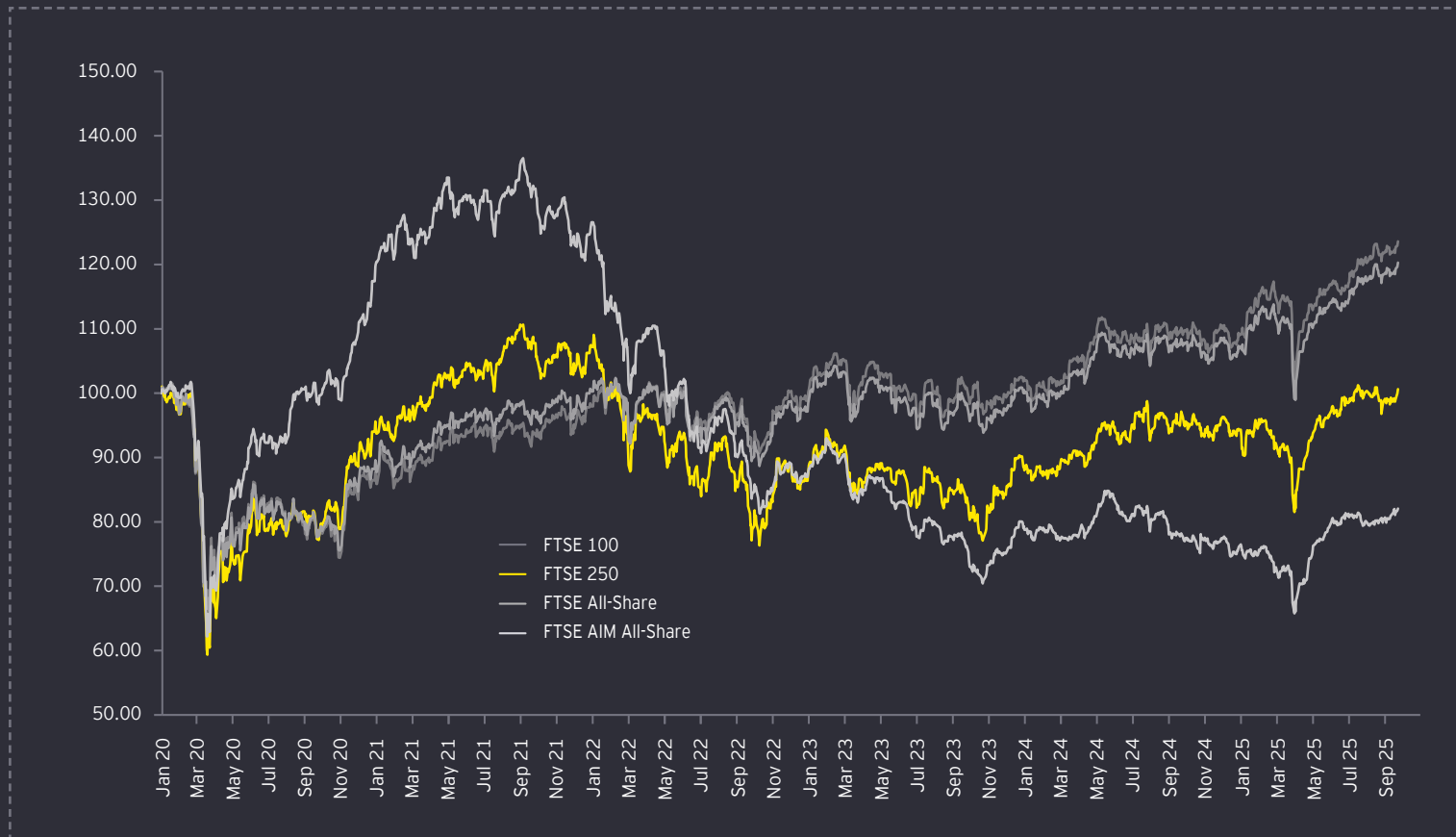
At the same time, as listing regimes are simplified to attract more companies, regulators are aiming to tighten certain safeguards to uphold market integrity. Regulators are seeking to avoid past speculative excess and reinforce investor trust in increasingly globalised markets. The result is a dual-track approach: faster, more flexible access to capital alongside protections that temper volatility and restore confidence.

Another defining trend in 2025 is IPOs driven by private equity (PE) exits. The Q2 2025 EY Private Equity Pulse Survey reports that two-thirds of GPs expect exit activity to accelerate over the next six months. Supported by monetary easing, rallies in major equity indices and regulatory tailwinds for high-growth sectors, PE firms are increasingly favouring IPOs as a viable exit route. In the first three quarters, PE-backed listings more than doubled, with proceeds up 68%. Momentum has spread across key markets, with PE-backed exits reaching their highest level since 2021 in the US, Europe and India, and notable increases in Greater China and Japan.

Market overview

PE-backed issuers have also shown strong post-listing performance across several sectors. Technology, particularly software, software-as-a-service (SaaS), apps and cloud platforms, led the recovery. At the same time, industrials posted solid gains, with China accounting for most PE-backed listings in the sector. This pattern highlights PE sponsors' focus on well-timed exits, resilient business models and strong post-listing visibility.

Market overview (cont.)



Market listings

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
29-Jul-25	First Development Resources plc		Australia	Mining	7.1	2.30	6.67	6.23	8.90	43.0%
26-Aug-25	MedPal AI plc		United Kingdom	Health Care Providers	16.5	2.0	4.0	6.5	8.50	30.8%
03-Sep-25	Vulcan Two Group plc		United Kingdom	Open End and Miscellaneous Investment Vehicles	13.6	12.0	200.0	232.50	245.00	5.4%

Looking forward – Q2 2025

The global IPO market outlook for Q4 of 2025 and early 2026 is more hopeful than in previous quarters, supported by several encouraging tailwinds.

Monetary policy across major economies is easing, albeit unevenly. Furthermore, moderating inflation has led central banks in the US, the Euro area, the UK, China and key emerging markets to cut rates. Short-term interest rates have declined, and overall financial conditions remain broadly accommodative. Corporate earnings and strong equity market performance continue to underpin investor confidence. Future adjustment will remain data-dependent and will depend on global trade policy.

At the same time, significant headwinds remain as inflation persists in certain markets and the macroeconomic outlook remains uncertain, for example, in the US and Europe. Policy instability, such as the US government shutdown and concerns over Fed independence, raises risk premiums. Lastly, the flight of capital into companies involved in artificial intelligence (AI) might signal a bubble if eventual profitability does not support current valuations.

The coming months will continue to emphasise that IPO readiness must be strategic and aligned with evolving expectations. However, investor hope has returned as the IPO pipeline continues to build.

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Private equity sponsors are turning to IPOs as a viable route to market, with PE-backed listings more than doubling year-on-year across key regions such as the US, Greater China and the Nordics. The breadth of activity across sectors underscores sustained investor appetite for high-quality assets, particularly in industries undergoing rapid digital transformation and AI-driven growth. Well-prepared issuers with strong financials, robust governance and dual-track strategies will be best positioned to seize opportunities as IPO pipelines continue to rebuild globally.

Grant Humphrey
Partner, EY-Parthenon

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