

IPO activity slows amid geopolitical tensions

IPO Eye

An overview of the London Stock Exchange listings in Q1 2026



The better the question.
The better the answer.
The better the world works.



Shape the future
with confidence

Market overview

The London Stock Exchange saw two listings in the first quarter of 2026, which raised £12.8mn across the Main Market and the Alternative Investment Market (AIM).

Listing activity on the London Stock Exchange (LSE) in the first quarter of 2026 slowed. On the Main Market, there was one new listing which raised £8.8mn. In addition, Halo Minerals Plc was admitted to AIM, raising £4mn via a placing. Subdued IPO activity in Q1 follows a busier end to 2025, when issuance accelerated and market sentiment improved. However, heightened geopolitical tension, particularly the conflict in the Middle East, along with sharp valuation resets in AI-linked and technology sectors constrained activity among companies preparing to list.

Despite the limited number of new listings, follow-on activity in London remained resilient with strong interest from domestic and international investors. The quarter also saw the first transaction on the LSE's Private Securities Market (PSM) under the FCA's Private Intermittent Securities and Capital Exchange System (FCA PISCES) framework, which offers private companies an exchange enabled secondary trading platform while enabling them to retain their private status.

Scott McCubbin, EY-Parthenon UKI IPO Leader, comments: "The UK IPO market entered 2026 on the most constructive footing we've seen in several years, with momentum building after a flurry of activity in the second half of 2025. Much of the anticipated 2026 pipeline had been expected to concentrate on the second half of the year, but two developments in the first quarter have created short term uncertainty."

"First, the sell off in sectors perceived to be exposed to AI disruption weighed on valuations for technology and software companies. Second, the conflict in the Middle East introduced broader geopolitical instability, raising concerns around inflation and consumer demand. While headline market declines have been relatively modest, sector level volatility has risen sharply, making near term

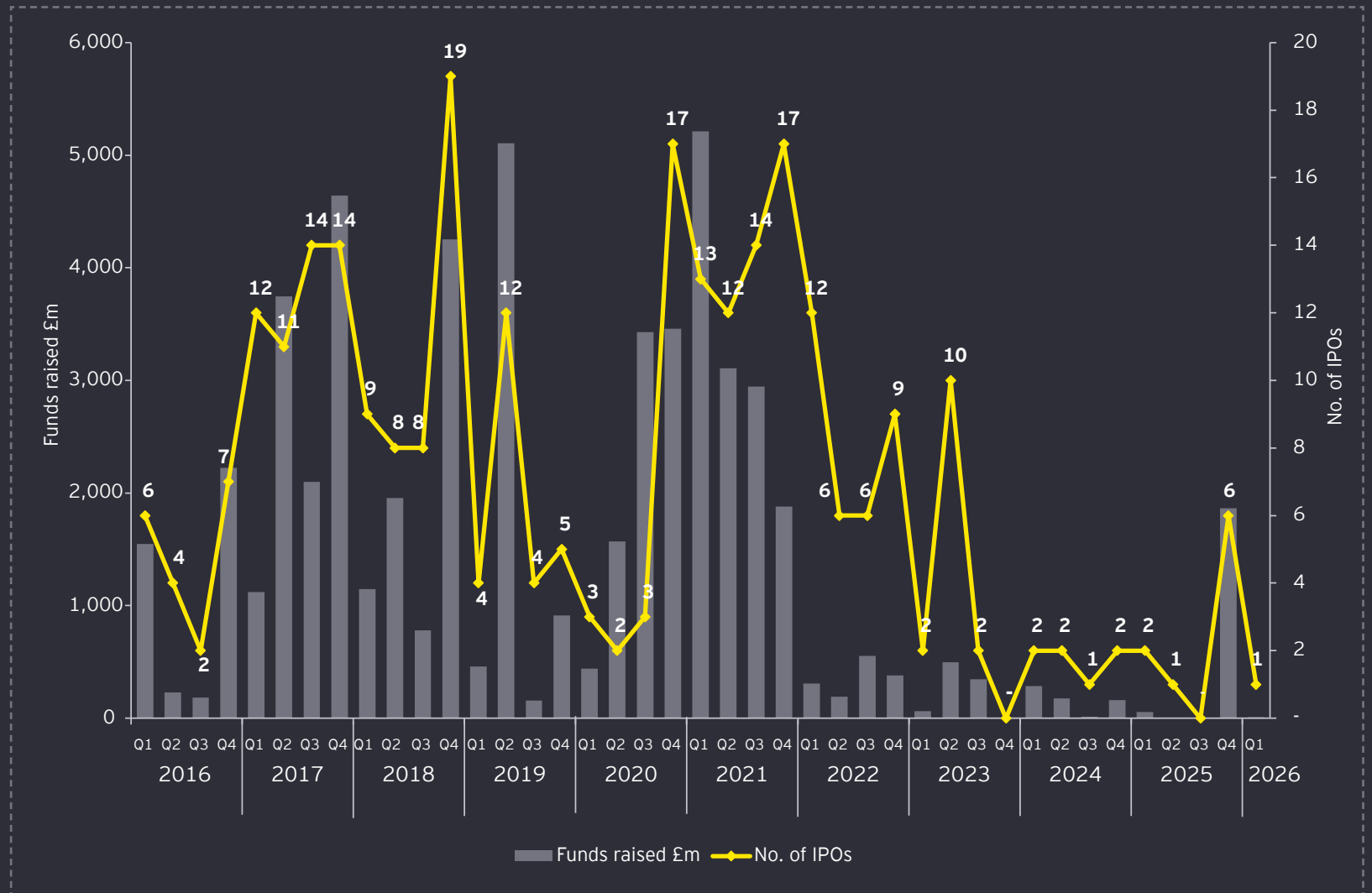
execution more challenging for companies in affected industries."

"Nevertheless, investors appear confident that the geopolitical landscape will stabilise, and in recent years we have seen markets and IPO issuance recover relatively swiftly following significant global disruption. Furthermore, the PSM provides a flexible new option for private companies within UK capital markets and a potential bridge to listing on the LSE Main Market or the AIM. While there is no guarantee that PISCES will lead to additional listings, it has the potential to be utilised in innovative ways by private companies. The UK listings pipeline remains robust and our advice to prospective issuers is unchanged: continue progressing your IPO readiness so you can move quickly once windows open."

IPO markets – historical performance

Main market

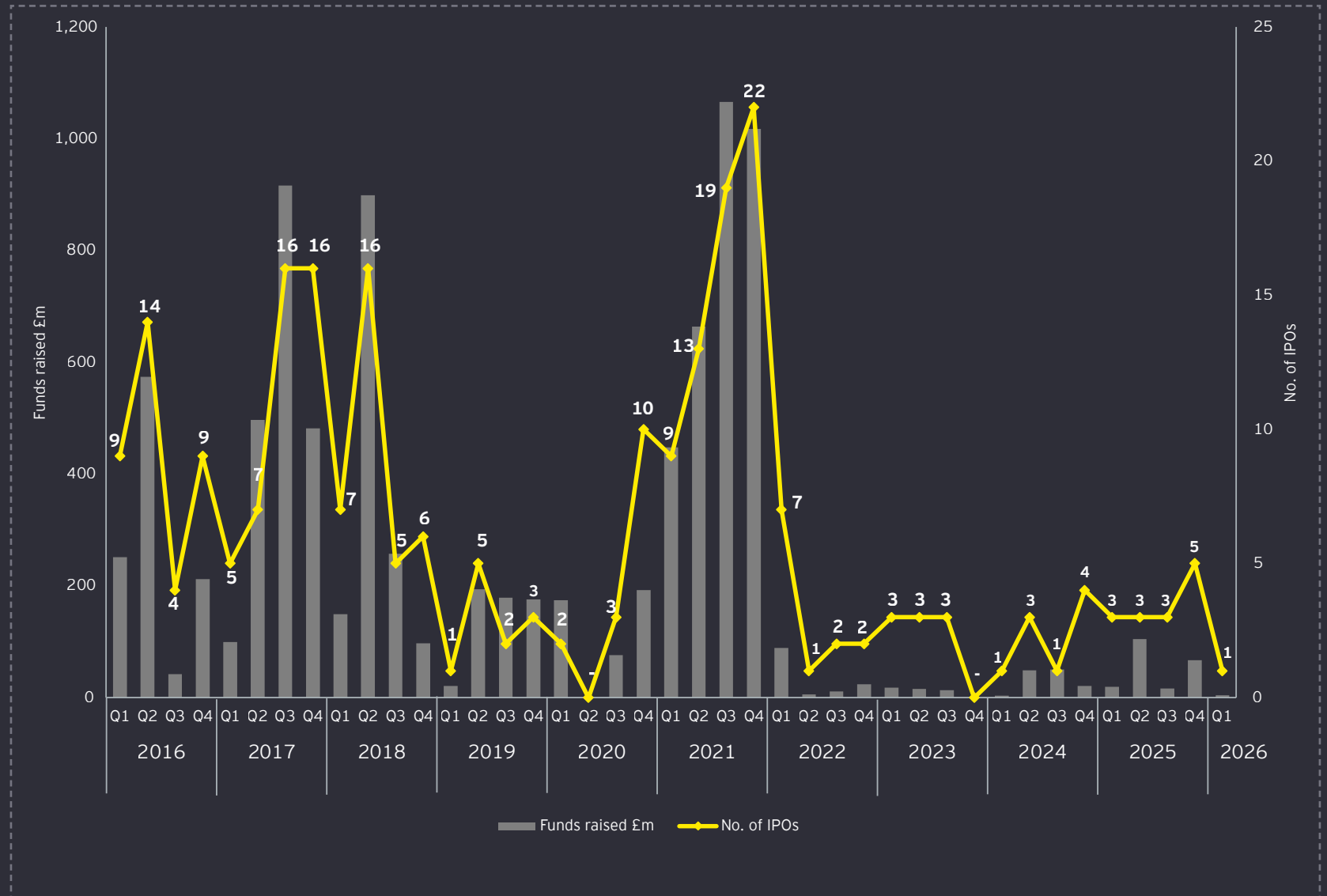
One float in Q1 being iFOREX which raised £8.8mn.



IPO markets – historical performance

AIM

One float in Q1 being Halo Minerals Plc which raised £4mn.



Market overview

Market performance

The FTSE 100 rose 2.5% in Q1 2026, supported by its sector mix and international exposure amid a volatile macroeconomic backdrop. Performance was driven primarily by energy and commodities, with higher oil prices following geopolitical tensions in the Middle East boosting heavyweight oil and mining constituents. Investors favoured large, dividend paying stocks while inflation concerns resurfaced and expectations for interest rate cuts were pushed back.

Sterling weakness boosted returns, as the FTSE 100 earns heavily overseas, helping offset weaker domestic conditions. As a result, the index proved relatively resilient despite sharp intra quarter volatility, contrasting with weaker performance across many global and UK growth led equity markets.

In contrast, the FTSE AIM All-Share fell 6.4%, as small-cap equities underperformed in a risk-off environment. AIM stocks were disproportionately affected by heightened uncertainty, interest rate sensitivity and reduced liquidity, with investors rotating away from domestically exposed, growth oriented names toward larger, more defensive equities. While there were isolated pockets of strength in commodity linked stocks, these were insufficient to offset broad based weakness across the index, reinforcing the divergence between large cap and small cap UK equities during Q1 2026.

Global IPO activity

Global IPO activity weakened sharply in Q1 2026. The number of IPOs fell 23% year-on-year (YoY) to 232, while proceeds increased 36% to US\$40.7bn. The quarter marked a shift toward selectivity where investor demand concentrated on larger, well-prepared issuers with resilient business models and clear paths to value creation.

Deal size dispersion widened. IPOs raising more than US\$500mn increased from 14 to 22, while listings raising below US\$100mn declined from 237 to 146, underscoring the preference for scale in volatile markets.

IPO activity in the United States declined sharply on volume, from 63 IPOs in Q1 2025 to 32 IPOs in Q1 2026 (down 49% YoY) while issuance volume rose 16.5% to US\$11bn. This reflected the same pattern of fewer but larger transactions, as investors focused on established issuers and credible earnings power in a more risk-aware environment.

Asia-Pacific was the most active region by deal count in Q1 2026 with 107 IPOs raising US\$19.5bn. Greater China led at a country level, recording 69 IPOs and raising US\$16.8bn. The rebound in proceeds highlights how regional activity was driven by larger offerings even as global IPO volumes fell to a six-year low.

EMEIA recorded 93 IPOs raising US\$10.6bn. In Europe, IPO volumes declined to 28 listings but proceeds rose to US\$6.4bn, supported by a large industrial and defence transaction CSG, the world's largest IPO of the quarter. The region also hosted the largest IPO in EMEIA by proceeds.

Advanced manufacturing led global IPO proceeds in Q1 2026, generating US\$12.6bn across 44 listings. Technology followed with 39 IPOs raising US\$8.8bn. Across pipelines, aerospace and defence, infrastructure and AI continued to feature prominently, with investor focus increasingly shifting away from early-stage narratives toward scalable, commercially proven applications.

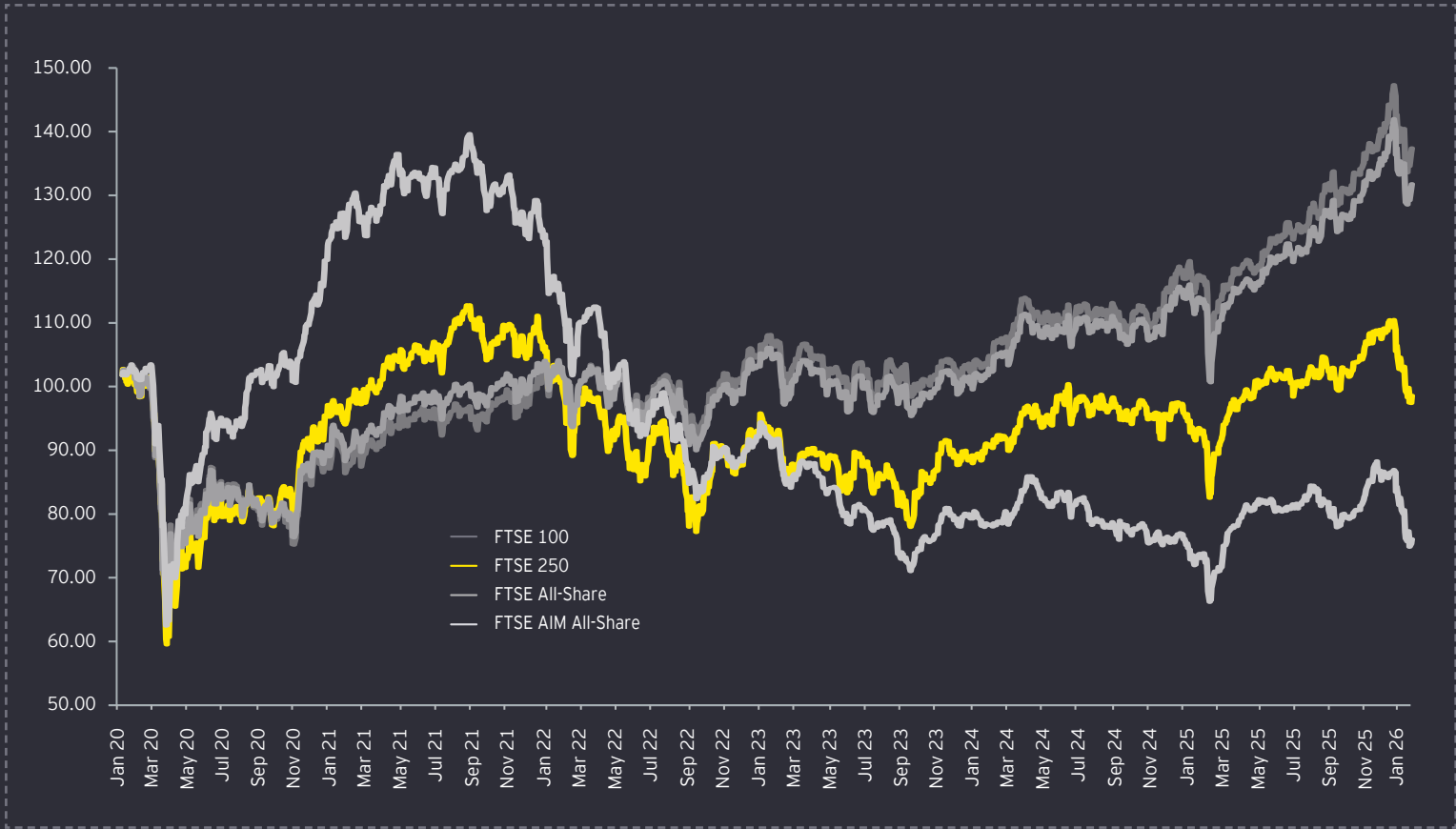
Looking forward

As 2026 progresses, the trajectory of known issues including the conflict in the Middle East, energy prices, private credit, interest rate decisions and Chinese regulatory approvals, alongside any new developments, will shape whether IPO markets deliver a strong or subdued year. Capital is gravitating toward larger, scaled issuers with resilient fundamentals and a clear value-creation path, making early preparation and transaction optionality critical.

Grant Humphrey, Partner, EY-Parthenon, said: "The global IPO market entered 2026 with cautious optimism, supported by relative market stability, expectations of declining capital costs and the anticipation of several high profile mega listings. Yet, as recent months have shown, geopolitical and policy dynamics are playing an increasingly decisive role in shaping IPO outcomes worldwide. These forces are creating tailwinds for sectors such as energy, defence and aerospace, while demand remains resilient across areas like AI infrastructure and healthcare."

"As the year progresses, this trajectory will continue to influence market sentiment and deal flow. Many of these factors sit outside the control of any individual company, highlighting the importance of rigorous preparation and maintaining flexibility throughout the IPO journey."

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
25-Feb-26	iFOREX		Israel	Investment Banking and Brokerage Services	43.3	8.75	195.0	207.50	207.00	-0.2%

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
30-Mar-26	Halo Minerals Plc		United Kingdom	Industrial Metals and Mining	19.9	4.00	18.00	12.63	13.25	5.0%

Looking ahead

The outlook for global IPOs in 2026 is cautiously optimistic, anchored by several factors which will determine how and when companies will list.

Above all, a clearer path for monetary policy will be pivotal. As major central banks move toward more predictable rate settings, underwriting becomes easier and equity valuations more stable, creating the conditions for larger, more complex deals to come to market. In parallel, contained market volatility will matter just as much, as lessened volatility should help convert healthy pipelines and support steadier post-IPO performance.

Confidence will also hinge on geopolitical de-escalation and a firmer macro backdrop, which remains an area of significant uncertainty given a number of ongoing global situations. Strong consumer balance sheets and resilient labour markets underpin revenue visibility and margin durability, which are attributes that investors increasingly prize in new listings. Stable equity indices further support bookbuilding, narrow valuation gaps and give sponsors and corporates greater conviction on timing. While policy shifts will remain data dependent, particularly around trade and tariff regimes, a more predictable environment should reduce risk premia and facilitate cross border listings.

Technology will remain a structural driver of supply. In particular, the evolution and implementation of AI and broader technology adoption will continue to be a key influence, particularly as the application layer of AI matures, whereby investors will favour companies that can demonstrate credible integration, durable platforms and transparent unit economics rather than purely narrative led growth. At the same time, continued stock exchange reforms and supervisory safeguards are streamlining listings while reinforcing market integrity leading to faster more flexible access to capital alongside protections that temper excess and restore trust.

Taken together, these dynamics suggest 2026 could mark the next phase of the global IPO recovery, particularly for issuers that enter the year with rigorous readiness, strategic clarity and the agility to act swiftly when pricing windows align.

“

Sentiment across the global IPO markets has improved over the course of 2025, supported by strengthening macroeconomic indicators, increased predictability in monetary policy and a broader base of investor demand. A diverse international pipeline is emerging, with a growing number of large-cap, sponsor-backed and cross-border-ready companies preparing for potential listings. If market volatility remains contained, the foundations laid in 2025 could underpin a meaningful expansion of IPO activity in 2026.

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

Contacts

For more information about IPO Eye and on any IPO-related matter, please contact:



Scott McCubbin

IPO Leader
Ernst & Young LLP

Tel: + 44 20 7951 3519
Email: smccubbin@uk.ey.com



Grant Humphrey

Partner | Strategy and Transactions
Ernst & Young LLP

Tel: + 44 1582 643182
Email: ghumphrey@uk.ey.com

Please visit ey.com/uk/IPO for more information on how we can help you on your IPO journey.

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2026 EYGM Limited.
All Rights Reserved.

EYSCORE 111707-26-UK

UKC-043790.indd (UK) 05/26. Artwork by [Creative UK](#).
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com