RAISED IN LONDON

FTSE leaders back the UK capital markets

"Economic growth is rightly the top priority for the UK's policymakers, and London's capital markets have a vital role to play in raising the investment needed to fuel innovation and expansion."

Ross Mitchinson,
CEO, Deutsche Numis and
Co-Head of Equity Distribution,
Deutsche Bank

"As the world goes through a period of dramatic change, from technological advances to a reshaping of geopolitics and trade, we need concrete measures to ensure London retains its pre-eminent position in global capital markets."

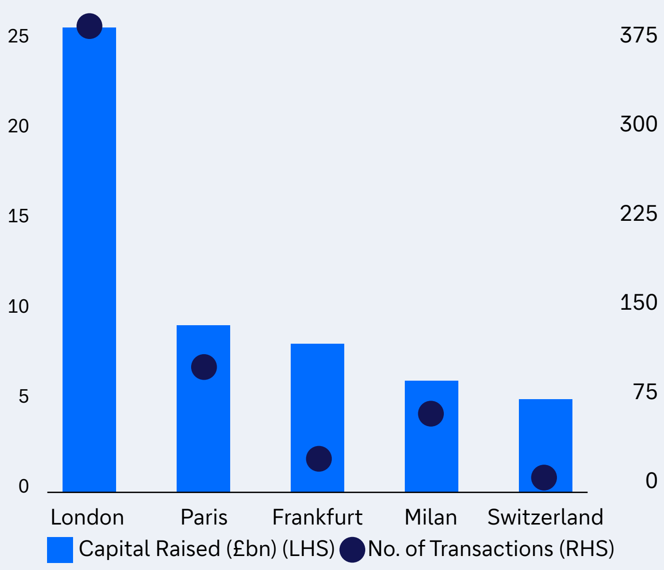
Alison Harding-Jones,
Co-Head of Investment Bank and
Global Head of Origination & Advisory,
Deutsche Bank

RAISED IN LONDON

London retains global status as financial powerhouse

London is the largest exchange within Europe, with more equity capital raised than the next three European exchanges combined (Paris, Frankfurt and Milan) in 2024. It is also the fifth largest in the world in terms of total capital raisings, with £8.7bn raised during the first half of this year.[1]

Top 5 European Exchanges 2024



Source: london-stock-exchange-end-of-year-edition.pdf
(LSEG, 31 December 2024)

Recent global trends are increasingly supportive of UK equities, as international investors have become wary of US markets, which continue to enjoy a higher valuation multiple than their counterparts in Europe, including the UK. This gap has been narrowing, as investors recognise the untapped value to be found outside the US.

However, the UK cannot be complacent about its ranking – in recent times, we have also seen the highest outflow of companies from the London Stock Exchange since the global financial crisis[2], while this year has so far seen only a modest nine IPOs[3].

2025 marks the third year of Deutsche Numis' *Raised in London* report[4], which surveys the sentiment and views of FTSE leaders on measures to enhance London's attractiveness as a capital markets destination and to consider its key role in relation to the wider UK economy.

1 London Markets Update – 5th Edition 2025 | Issuer Services (LSEG, 25 June 2025)
2 London Stock Exchange suffers biggest exodus since financial crisis (Financial Times, 15 December 2024)
3 Primary markets new issues and IPOs Reports (LSEG, 31 July 2025)
4 Deutsche Numis FTSE Leaders on the UK Capital Markets survey (July 2025) – Deutsche Numis commissioned a survey of 150 board/senior directors of UK-listed companies, of which 40 worked for FTSE 100 companies; 40 worked for FTSE 250 companies; 50 worked for AIM companies; and 20 for other FTSE listed companies. Respondents were CEOs, CFOs, Heads of Investor Relations, Senior Independent Directors and Chairs.

One of our key recommendations last year was to appoint a UK capital markets 'Tsar', so the recent announcement of a proposed Listings Taskforce is a welcome sign that the UK Government is taking a similar approach when considering measures to boost London's listings, and that it recognises the central role of the UK capital markets to growth and prosperity for the whole economy.

Tipping the scale in London's favour

This year's findings (based on a survey of 150 FTSE leaders, including CEOs, CFOs, Chairs and Heads of Investor Relations) provide evidence of a changing mood. Respondents report rising interest from international investors and expectations that capital raisings and IPOs will increase over the coming year.

Government and regulatory policy are also moving in the right direction, according to our survey respondents. Listing Rules changes introduced last year have made life easier for public companies and the growth policies of the Labour Government are widely supported by FTSE leaders. Among these are the ongoing efforts to encourage more investment in UK equities by pension funds. While not meeting the full hopes of some survey respondents, the wider measures, including the creation of pension megafunds, are seen as highly positive. The Government's recognition that the City and the UK's financial services sector should be a vital element in its growth plans is also welcome.

But optimism must be tempered with realism. The number of IPOs may be set to increase, but they will be starting from a low base. And, as our survey reveals, the temptation and pressure on companies to consider moving their listings overseas are still very real.

The scales may be at last tipping back in London's favour, but the financial services sector, regulators and policymakers should take nothing for granted. Potential economic growth and a global rebalancing present us with opportunities that we must grasp with both hands.

In a changing world, how is the UK positioned to attract investment and stimulate growth?

Sanjay Raja,
Chief UK Economist,
Deutsche Bank

The world has undoubtedly changed. Geopolitical tensions have resulted in a global fracture of trading relationships. The world economic order as we knew it is changing. For too long, forecasters and economists have been pessimistic on the UK. Of course, trade shocks, the pandemic, the energy crisis haven't helped. But we are cautiously optimistic.

The first thing to say about the UK, is that it was the first country to secure a framework of a deal with the US as part of the economic prosperity deal. There are still many unknowns about the deal, but where the UK does have an advantage is that it has secured itself perhaps some of the more favourable tariff rates with the US.

We've seen a commitment from the UK Government to invest in the economy, to position the UK as a place for investment in the private sector and globally, and build the skills needed for the next decade, whether it is in digitalisation, AI, construction, or advanced manufacturing. The Government's Invest 2035 sets an ambitious blueprint for the economy, a long-term industrial strategy, which, even if partially realised, makes the UK all the more attractive and will boost growth.

The health of consumers hasn't looked as good on paper as it has in a while. Credit conditions are looking up. Sentiment is improving. Businesses are getting more optimistic about their future expectations. It looks like we could see more done on trade to lift productivity. We think the push towards defence spending will benefit the UK too. And fundamentally, the UK has good foundations. The UK is home to four of the world's top 10 universities; the UK has more business unicorns than France and Germany combined.

This isn't to say there aren't any headwinds. Lots of things will need to go right for growth to be delivered, including a reduction in global trade uncertainty, Bank Rate reduced, a stabilisation in the labour market and for CPI to come down. But from a relative perspective, given the push in investment, defence spending, trade, planning reform, long-term industrial strategy, and a rotation into European assets, the UK undoubtedly has positioned itself in better light.

London's star rising on global stage

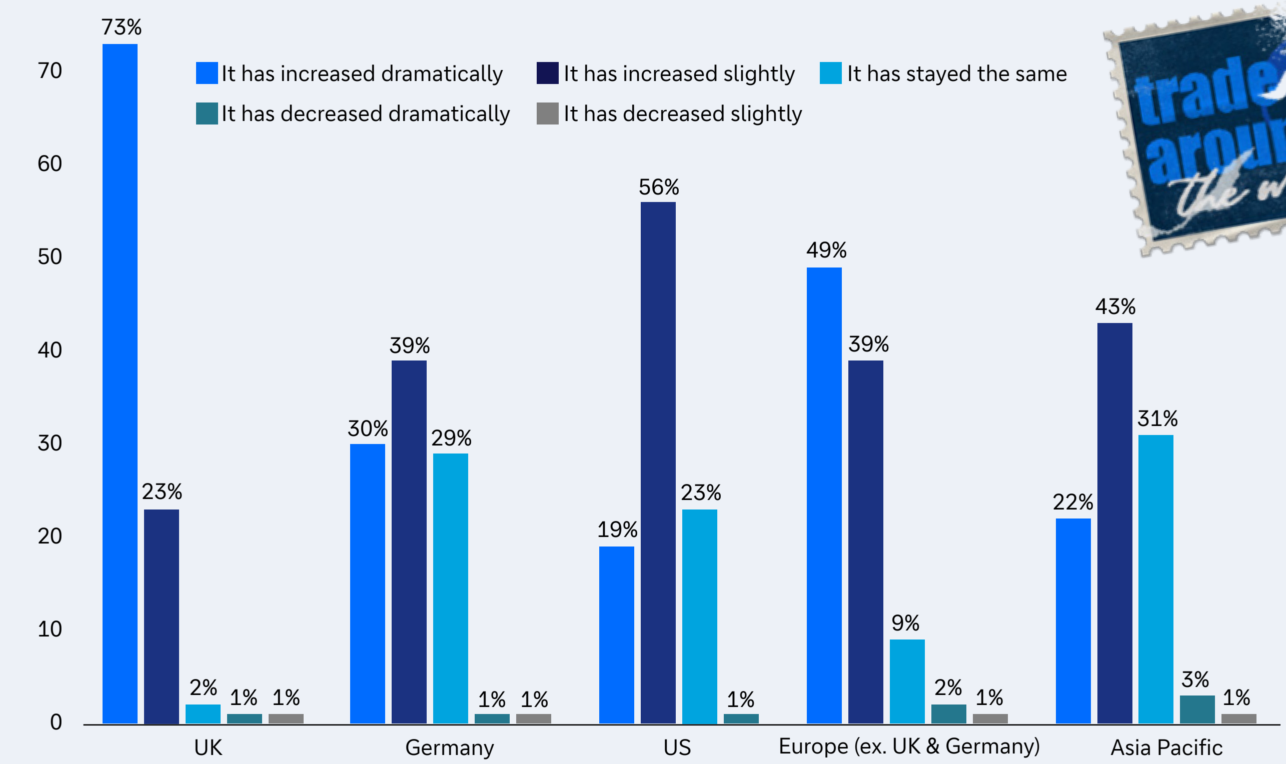
Optimism about the UK capital markets has risen since last year. Our FTSE leader survey respondents were all but unanimous, with 99% saying the UK is an attractive market for launching an IPO or raising capital, up from 87% in 2024.

The last 12 months, with the ongoing wars in Ukraine and the Middle East, as well as tariff uncertainty, have been pivotal for the relative attraction of the UK versus other major capital markets. All leading public capital markets are seen as having become more attractive over the last year, but the appeal of European markets has increased more strongly than the US. Encouragingly, it was the UK that saw the greatest improvement, with 73% of respondents saying the UK's appeal as a capital market had improved 'dramatically'.

"London's capital markets are showing signs of momentum. The Government's Listings Taskforce is a positive step - now for London to remain a global financial centre, we need to convert policy into meaningful market incentives."

Fabrizio Campelli,
Member of the Management Board and
Head of the Corporate Bank
& Investment Bank,
Deutsche Bank

Over the last 12 months, given global geo-political tensions and uncertainty due to tariff policies, how do you think the appeal of each of these regions as a capital market and investment destination has changed?



"The increased optimism we see from FTSE leaders for IPOs and capital raisings demonstrates that momentum and confidence is on the rise. The UK Government's proposed Listings Taskforce is an opportunity to create some material incentive for companies to come to the market, raise growth capital and help fuel the UK's economic growth."

James Taylor,
Head of Investment Banking, Deutsche Numis,
and Member of the FCA Listing Authority Advisory Panel

Our respondents believed the future for London is set to improve, with 93% saying London will become more competitive over the next three years. This is a more than 10 percentage points increase on last year (82%), and it is also notable that 45% felt improvement in competitiveness would be 'dramatic' (up from 16% in 2024).

This upbeat view is also reflected in predictions for IPOs and capital raising in London. 93% expected the number of IPOs in London to increase, up from 81% last year, and slightly higher than the 89% who expected the number to rise globally.

Meanwhile, 91% thought the number of secondary capital raisings will increase, up from 85% last year.

London's value still overlooked

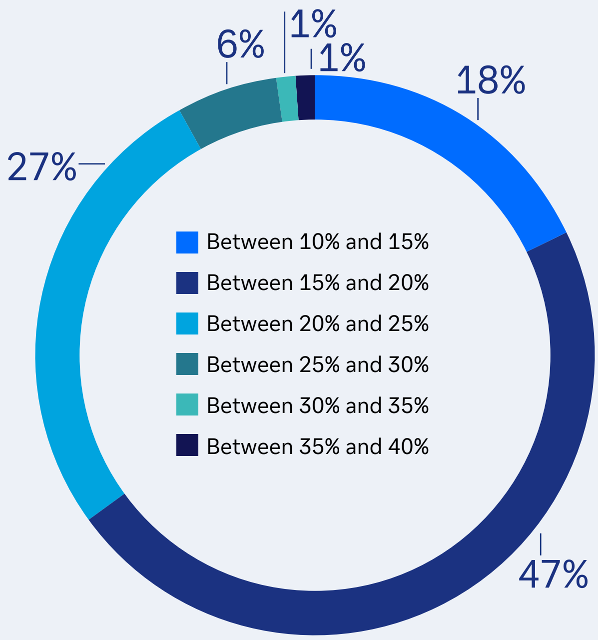
In recent years, there has been considerable focus on the valuation gap between the UK and other markets – most notably the US – with valuation multiples having been higher in New York than London in certain industry sectors.

This multiples gap has narrowed in recent months – once again reflecting the mood shift evident in many of our survey's findings. However, 83% of respondents still felt that the UK market was undervaluing listed companies relative to other global markets.

About one in five (18%) believed that undervaluation is 10-15%, almost half (47%) believed the UK market is undervalued by 15-20% and a further 27% believed the undervaluation is even higher at 20-25%.

A small but not insignificant proportion (6%) believed the undervaluation is between 25-30% and a handful of respondents suggested it could be even higher.

If you believe UK equity markets are currently undervaluing listed issuers relative to global markets, on average by how much do you think they are undervaluing them by?

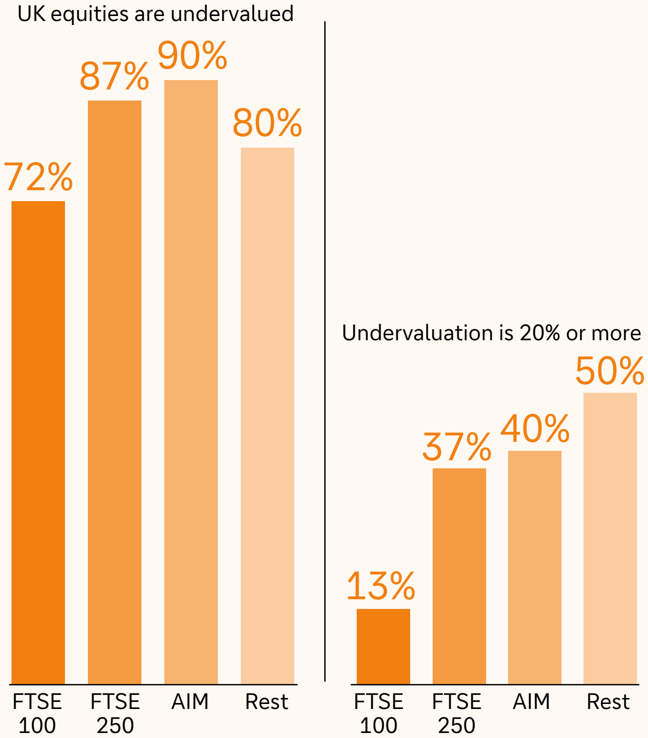


Segment analysis: UK undervaluation

The view that UK equities are undervalued in comparison with other global equity markets is the majority view from respondents across all segments. However, there is a clear difference in the strength of this feeling. It is particularly striking that AIM leaders feel the undervaluation most acutely and they, along with other FTSE leaders from the rest of the UK-listed market, estimate the undervaluation to be much greater.

FTSE leaders report that international capital has begun to turn towards London, with 78% seeing an increase in international investors on their shareholder registers. However, it seems probable that such international investment will, at least initially, focus on companies with Main Market listings and larger market caps. This could help explain why AIM companies feel undervaluation more acutely. Active efforts to promote the value and purpose of the AIM market internationally could help in addressing this lag. The LSE is reviewing the AIM market following a consultation held earlier in 2025.[7] The review will help shape AIM in a way that best serves companies and their investors.

Do you believe that UK equity markets are currently undervaluing listed issuers relative to other global markets and, if so, on average by how much?



It is worth noting that often valuations are higher in the US for stock-specific reasons. The US is home to most of the world's leading tech companies, which attract growth-oriented capital and trade at high valuations.

In addition, 2025 research from *New Financial*[5] found most European/UK companies that relocated to the US underperform post-listing.

Further, a report from the LSE[6] finds there is little real valuation boost from switching listings to the US and claims that the UK offers comparable liquidity and easier index inclusion.

5 A reality check on international listings (New Financial, April 2025)
6 London-stock-exchange-end-of-year-edition.pdf (LSEG, 31 December 2024)
7 Discussion Paper - Shaping the Future of AIM (LSEG, April 2025)

Supporting companies to grow and scale

Despite the undervaluation seen in UK-listed companies, this is not considered to be the largest obstacle to growth among FTSE leaders. Indeed, just 1% cited low valuations as the greatest constraint on their strategic growth ambitions, down from the already low figure of 5% in our 2024 survey.

Two possible explanations present themselves. Firstly, that while FTSE leaders recognise undervaluation as an issue in the wider market, they do not see it as being as significant in their own sector. Secondly, FTSE companies are typically mature businesses and, as such, their valuation, and therefore access to growth capital, is less important to their growth plans than other factors.

Looking across all respondents, the most commonly cited constraint was executive remuneration, cited by 33%. This was an increase on the 23% figure of 2024. Access to funding also rose up the list of constraints, as did the burden of governance and disclosure.

However, these were far from being the biggest change in views about constraints on growth. This year's survey found a significant turnaround on the issue of recruitment and retention of talent.

In 2024, recruitment and retention were the biggest obstacles to strategic growth, identified by 33% of our survey respondents. This year, that issue had dropped to fifth in the rankings and was cited by just 11%. The rankings are, of course, relative. The lower ranking of recruitment and retention does not necessarily mean this challenge has lessened, but perhaps that other issues have become more pressing.

The constraints on growth also vary considerably between the different indices.

Segment analysis: Constraints on strategic growth

Recruitment and retention of talent was cited by 10% or fewer respondents from the FTSE 250, AIM and the rest of the UK-listed market. But a much higher 25% of respondents from the FTSE 100 referenced recruitment and retention as their greatest obstacle to growth.

When considering why recruitment is a tougher challenge for FTSE 100 companies, it could simply be a relative issue in that these larger groups are less likely to have suffered the increasing pressure on other issues. At the same time, we should consider the international dimension and whether FTSE 100 companies are more likely to be competing in a global pool and so face tougher competition for talent.

Meanwhile, executive remuneration was cited as the main constraint on strategic growth by respondents from the FTSE 250, AIM and the rest of the UK-listed market, with between 35% and 43% of respondents naming this as an impediment. Among FTSE 100 leaders, however, it was ranked far lower, at just 15%.

The international dimension

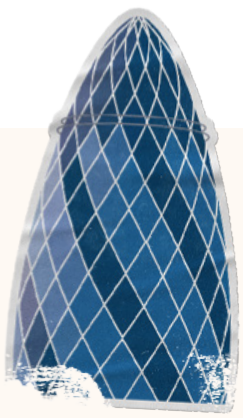
Issuers

Despite the significant optimism about the UK as a capital market, a high proportion (83%) of FTSE leaders said they had considered moving their listing to a foreign market or seeking a dual listing. The idea of such a change is not only originating in the boardroom; almost two-thirds (63%) said they had faced pressure from external stakeholders to do so.

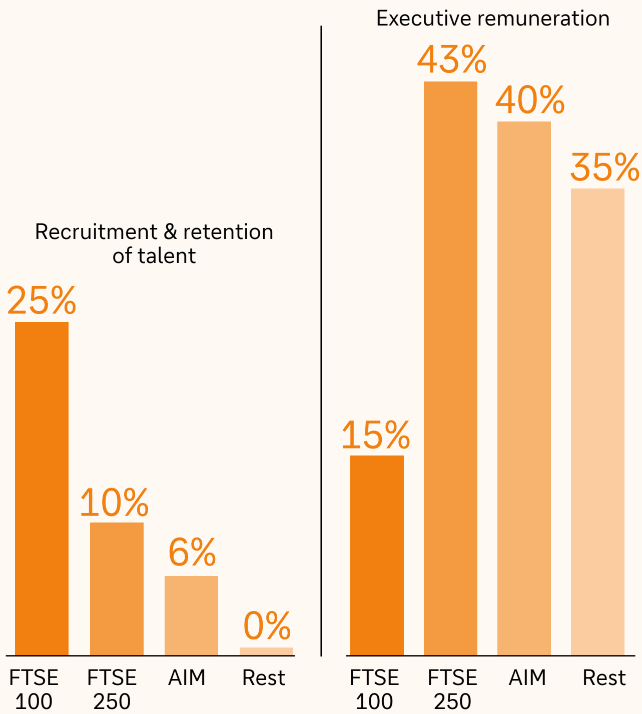
Again, however, the growing appeal of European venues over the US was in evidence. Among those considering a dual listing or moving their listing altogether, 68% said their favoured option would be Amsterdam, followed by New York (46%) and Frankfurt (42%). FTSE 100 leaders were the one exception to this general finding, as they still placed New York ahead of other venues.

Exchanges globally will always compete to attract company listings, and the UK is well equipped to reverse recent negative momentum with an uptick of new listings anticipated. Splitting liquidity is usually not ideal but where it makes sense for the right sized company and cross border equity story a fully fungible dual listing could also be a win-win, for companies and investors."

Saadi Soudovar,
Head of EMEA Equity Capital Markets,
Deutsche Bank



What is the greatest constraint on your strategic growth ambitions?



Once again, this could be a relative effect, with FTSE 100 leaders seeing other challenges – such as recruitment, as discussed – as more of a pressing issue than executive remuneration. At the same time, FTSE 100 companies may simply find it easier to meet executive remuneration expectations than smaller companies.

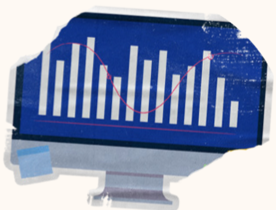
FTSE leaders who had faced pressure from external stakeholders on this issue said those stakeholders were even more likely to look to Europe as an added or alternative venue, with 63% favouring Amsterdam, 50% favouring Frankfurt and just 36% favouring New York. This ranking, placing Amsterdam first, applied even to external stakeholders for FTSE 100 companies.

One of the key factors when considering a listing in New York can be the perception that large cap listings receive more publicity in the UK than in the US – a view shared by 93% of respondents, and up 16 percentage points (from 77%) last year. In the US, all but the very largest corporates can easily be overlooked in a market driven overwhelmingly by multi-trillion-dollar behemoths, notably the Magnificent 7, a group of high performing technology stocks that significantly influence the market. Whether the US or a European market is the most appealing ultimately depends on a wide range of factors, including the company's centre of gravity, sector, size and existing public profile.

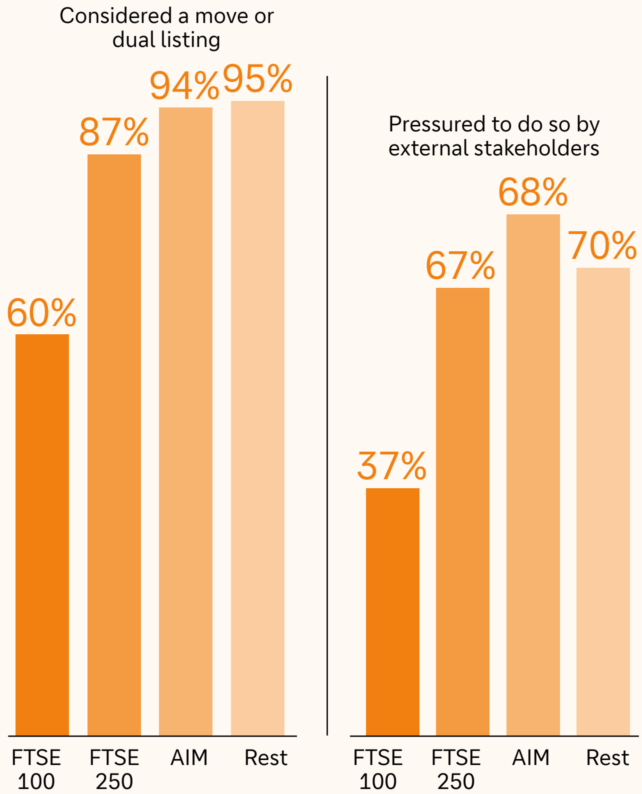
Meanwhile, an increase in the number of international issuers choosing to list in the UK would strengthen London's future as a leading global financial centre, according to 97% of respondents.

Segment analysis: Move or dual list

The overall result of 83% of respondents saying they had considered moving or seeking a dual listing in the last 12 months masks a wide range of results depending on index. The overall picture, however, is clear: the attractions and the pressures to look beyond the UK market for a listing is far stronger among those outside the FTSE 100. This could reflect the stronger perception among these companies – and perhaps therefore also their investors – that London-listed companies suffer from undervaluation compared to other markets *(London's value still overlooked, p8)*.



Have you thought about moving your listing or adding a dual-listing in the last 12 months - or had any pressure from external stakeholders to do so?



"One of London's strengths is its key position in the global network of capital markets. 37% of companies listed on London's stock exchanges are international, more than on any other major listing venue, while 63% of institutional investors in FTSE All-Share stocks are themselves international.[8] Our markets not only strengthen the UK economy; they bring investors and businesses together from across the globe."

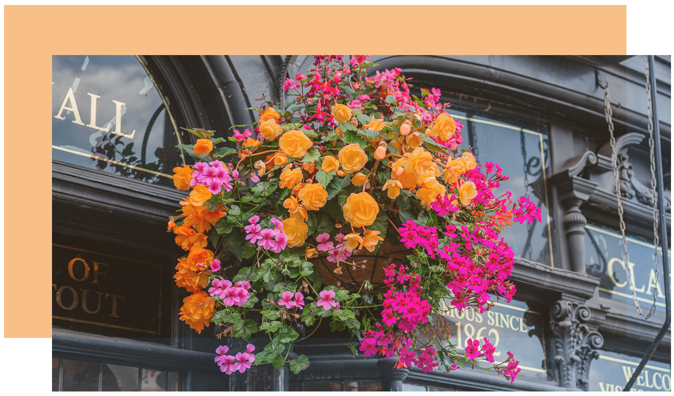
Lewis Burnett,
Head of Corporate Broking, Deutsche Numis

Investors

The appeal of London to international investors is also highly positive for London's global status, and developments in this area are particularly promising. At the end of 2024, almost two-thirds (63%) of institutional investors in UK-listed companies were international,[9] and our survey found that interest from overseas investors is growing. As we have seen, more than three-quarters (78%) of FTSE leaders said they had seen an increase in the proportion of international institutional investors on their share register in the last 12 months (*Segment analysis: UK undervaluation*, p9)

The main attractions for foreign investors in the UK were seen as the good governance within UK-listed companies and the strong financial services support network, with 40% citing these as the most important factors.

It is notable that these are also the strengths that London has built up over many decades as a financial centre, including globally recognised standards in governance codes and developing an eco-system of support services for financial markets. These are not easily replicated and so are key to London's long-term resilience.



"It is easy to see today's geopolitical environment as one of de-globalisation, but the picture is much more complicated than that. FTSE leaders reporting a significant increase in international investors on their shareholder registers is one example of how efficient and well-regulated markets can bring capital and businesses together across borders."

Mark Hankinson,
Co-Head of UK Equity Capital Markets, Deutsche Numis

8 London-stock-exchange-end-of-year-edition.pdf (LSEG, 31 December 2024)
9 London-stock-exchange-end-of-year-edition.pdf (LSEG, 31 December 2024)

Public and private: rivals and partners

Unsurprisingly, FTSE leaders recognise the clear benefits of being publicly listed. Asked to rank the key advantages, respondents cited the ability to raise new equity capital, the availability of shares as an acquisition currency and the ability to motivate staff with liquid equity as the top three advantages of a public listing.

These have always been the core benefits of a market listing, and the top-ranked advantage could be said to be the very *raison d'être* of public equity capital markets.

FTSE leaders keenly approve of the reformed Listing Rules as making life easier for listed companies, although private ownership is still attractive in the current climate.

Asked to list in order the advantages of private equity ownership, FTSE leaders placed 'higher valuations' first, followed by 'greater capital structure flexibility' and 'tax advantages'. Significantly, the lower regulatory burden of private ownership was ranked fourth – a marked drop from its second-place ranking last year.

There will be multiple explanations for this change, but one major factor is likely the evolving regulation of private markets. Private sponsors are seeking more institutional investment and authorities are increasingly open to this development. However, to take advantage of that opportunity, private equity sponsors are having to adjust to greater regulatory scrutiny and transparency; thus, the perceived advantage of a lower regulatory burden has become less important.

Again, a breakdown between our index groups reveals other significant insights.

Which of the following advantages of being publicly listed as opposed to privately owned are most relevant in the current UK climate?

1	Ability to raise fresh equity from shareholders
2	Having acquisition currency in the form of listed paper
3	Ability to motivate staff with liquid equity
4	Prestige and publicity
5	Credibility due to greater scrutiny and regulation

Meanwhile, FTSE leaders from all segments see the relationship between private equity and public markets changing over the coming 12 months, with the vast majority expecting the interactions between private equity and public capital markets to rise.

Over the next 12 months:

- 93% expect the number of private equity acquisitions of UK-listed companies to increase.
- 97% expect the number of private equity sponsors using the IPO market for exits will increase.

In recent years, public and private markets have appeared to be pulling away from each other and even viewed as direct competitors, but we may be about to see a reversal of that trend, with both markets once again working more symbiotically.

Segment analysis: Public listing appeal

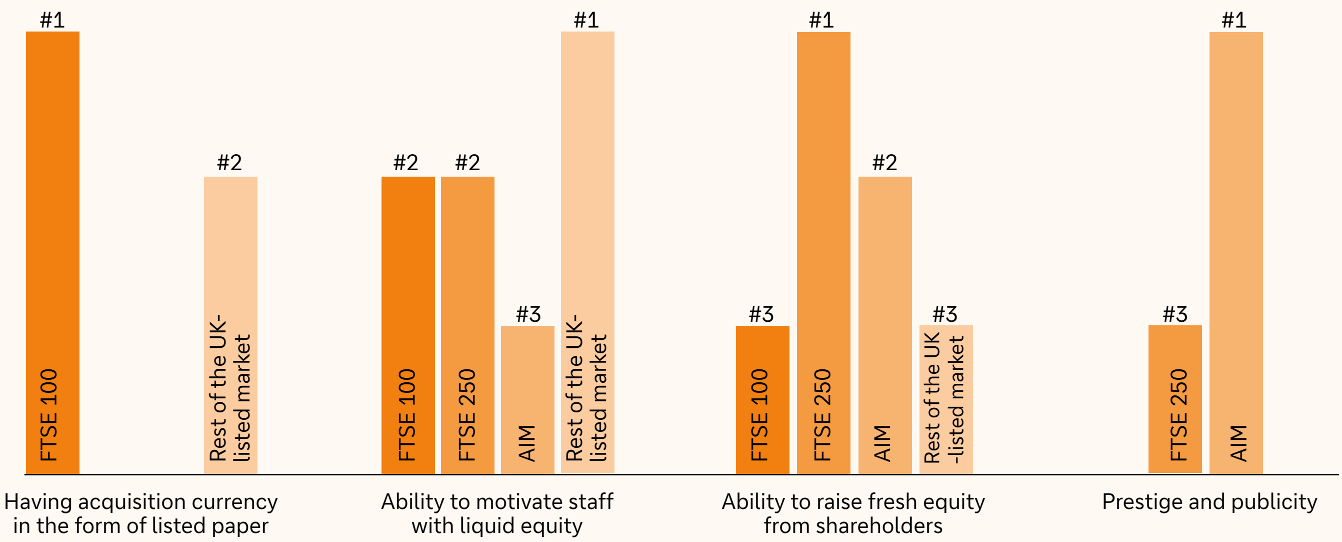
If we examine the responses broken down into our market segments, we can see two marked differences. Leaders in the FTSE 100 and the rest of the UK-listed market have the same top three advantages, albeit in a slightly different order. Among FTSE 250 leaders, however, having an acquisition currency in shares does not appear in the top three and instead 'prestige and publicity' is included (ranked third).

But the difference with AIM is even more marked, with leaders in this market placing prestige in the number one slot.

Prestige and publicity are, of course, real benefits of public listing, but it is significant that AIM leaders place these above what might be regarded as the core benefits of public markets – capital raising and acquisition currency.

This finding echoes an earlier question, where AIM leaders felt undervaluation more severely than others (*Segment analysis: UK undervaluation,* p9). A clear pattern is emerging, in which AIM companies are not yet feeling the benefits of London's growing attractiveness in the fundamentals of their business.

Which of the following advantages of being publicly listed as opposed to privately owned are most relevant in the current UK climate?



London’s super-sectors: driving science and technology

One of the pillars of the UK Government’s agenda across its *Industrial Strategy* and *Plan for Change* is the development of the UK’s science and technology capabilities,[10] regarding them as valuable tools in addressing almost every other policy challenge, such as driving growth, creating jobs, and enhancing health, security and sustainability.

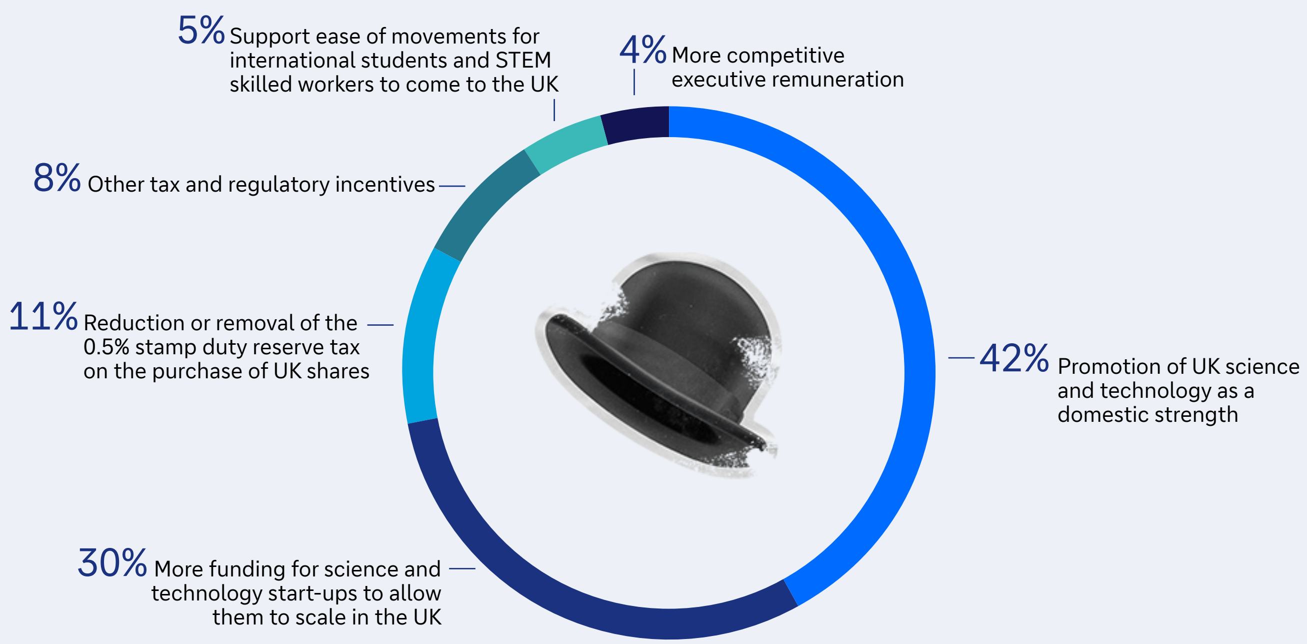
The field of science and technology covers a vast range of specific technologies and applications, so we asked our survey panel of FTSE leaders to identify which they believed would be the one most likely to become London’s ‘super-sector’ – one that attracts international issuers due to a concentration of skills, analysis and investors.

Information technologies in various forms led the field, with artificial intelligence (AI) taking the top spot, followed by quantum technologies and advanced connectivity technologies. This last group encompasses a wide range of tech that will transform digital communications, including enhanced 5G and 6G mobile, satellite and fibre optics.

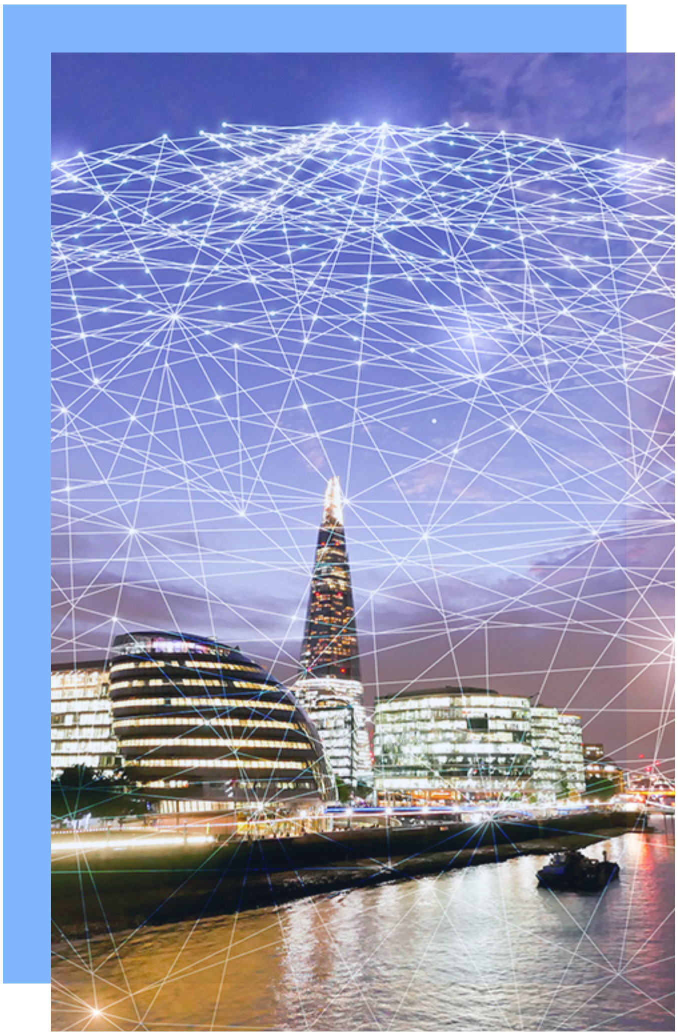
The top ranking of AI should come as no surprise, given the explosion of investment and commercial interest in this fast-emerging technology. Many of the rapidly growing companies in this sector, as well as in quantum computing, are early stage and in private ownership. The growth and emergence of this sector in the UK public markets could be one area where a renewed interaction between public and private equity plays an important role.

For the Government, the challenge is how to translate its ambitions in these

Which of the below measures do you think is the most important for encouraging science and technology companies to list in London?



10 Science and Technology Framework (GOV.UK, 28 April 2025)



and other technologies into commercial operations that generate jobs and create value and growth. London's equity capital markets will require the support of further public policy measures to take maximum advantage of these developments and cement London's status as a leading place for these companies to list.

The single most popular measure to achieve this aim, cited by 42% of our survey respondents, was a general promotion of UK science and technology as a domestic strength.

The second most popular measure (30%) was encouraging more funding for science and technology start-ups, while the third was a very specific measure to encourage equity investment – reducing or removing stamp duty reserve tax on the purchase of UK shares (11%).

The UK government has outlined its commitment to prioritising innovation in technology through its UK Science and Technology Framework – which of these science and technology sectors do you think is most likely to emerge as London's 'super-sector'?

1	Artificial Intelligence
2	Quantum Technologies
3	Advanced Connectivity Technologies
4	Engineering Biology
5	DefenceTech
6	Semiconductors
7	FinTech
8	CleanTech
9	HealthTech

It has already been noted that recruitment and retention has become less of an obstacle to growth according to our survey respondents, albeit with significant variation across market segments (*Segment analysis: Constraints on strategic growth,* p10). However, the problem may be more acute in the science and technology sectors, where high skills are particularly vital. Some 5% of our survey respondents said science and technology businesses would be encouraged to list in London by making it easier for international students and STEM (science, technology, engineering & maths) skilled workers to come to come to the UK.

Debt and M&A: back in favour

Reflecting our global positioning and broader offering as part of Deutsche Bank, this year, for the first time, *Raised in London* asked FTSE leaders to share their views on debt markets and mergers and acquisitions (M&A).

With headline interest rates falling, the majority (74%) said the price and tenor availability for debt had become 'marginally more favourable' over the last 12 months, while more than one in five (21%) said terms were 'significantly more favourable'.

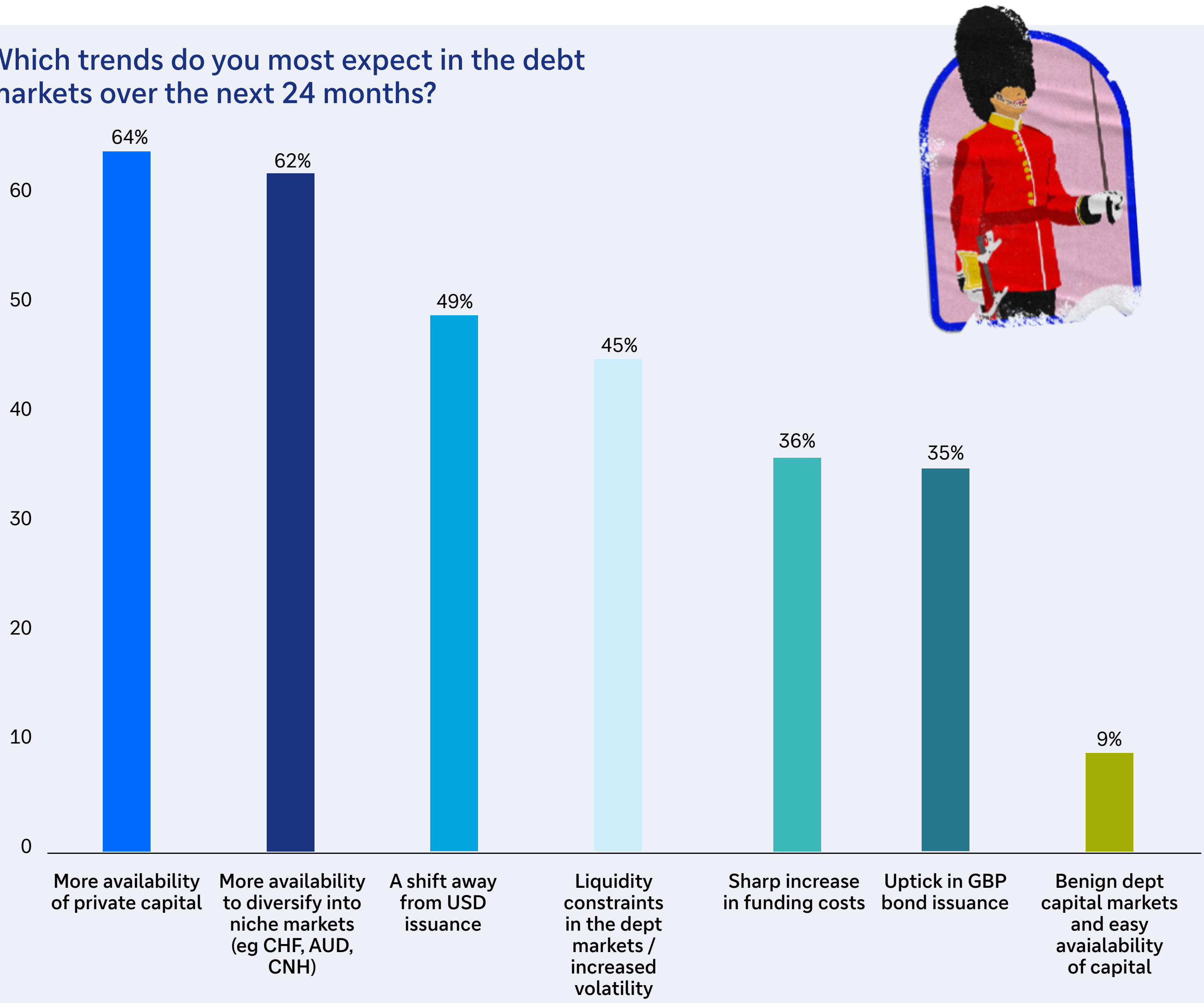
Over the next 24 months, respondents expected key trends to include more availability of private capital (64%) and more ability to diversify into niche markets, such as foreign currency debt (62%).

In a further sign of a rebalancing of global markets, almost half of those surveyed (49%) said they expected a shift away from US dollar debt issuance.

Echoing the expectations of increased capital raising (*London's star rising on global stage,* p7), M&A activity was also expected to increase over the next 12 months.

Some 79% of respondents expect M&A activity to increase slightly, while 11% said they expected a 'dramatic' rise in M&A transactions.

Which trends do you most expect in the debt markets over the next 24 months?



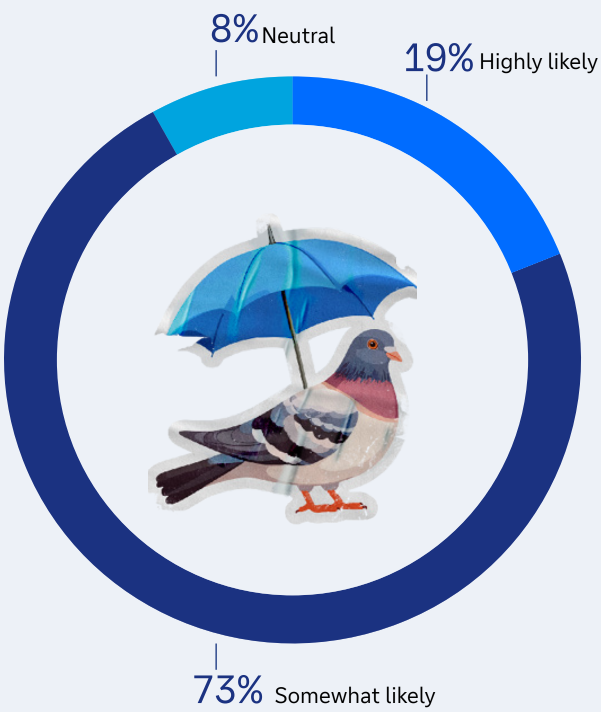
"Mergers and acquisitions are an important sign of a healthy equity market. Recent years of economic uncertainty have made it harder for companies to plan strategically, but these results show that many FTSE leaders are as determined as ever to use M&A to build more successful and efficient businesses."

Stuart Ord,
Co-Head of M&A, Deutsche Numis

Many FTSE leaders said M&A was specifically part of their own strategic plans or expectations, with 19% saying they were 'highly likely' to undertake some form of M&A this year, and a further 73% saying it was 'somewhat likely'.

Of equal importance with the expected increase in M&A activity were the other trends in M&A expected by FTSE leaders. The top ranked trend was 'larger transaction sizes', followed by 'increase of teaming up between private equity and strategics' and an 'increase in share for share transactions'.

How likely is your company to undertake any form of M&A this year?



Looking at this list, we can see an emerging theme of increasing interaction between public markets and private equity, including co-investments (ranked 5th), more public to private deals (7th) and private equity exits (10th), as discussed earlier (*Public and private: rivals and partners,* p14).

What trends do you see growing over the next 12 months?

1	Larger transaction sizes
2	Increase of teaming up between private equity and strategics
3	Increase in share for share transactions
4	More distressed deals
5	More private equity co-investments
6	Increase in minority deals
7	Increase in public-to-private transactions
8	More corporate non-core disposals
9	Cross-border transactions
10	More private equity exits

"Publicly listed equity is hugely valuable as a currency for M&A, not least because of the transparency involved in public markets, and the direct and real time price discovery these markets provide. Equally, public market M&A provides important support for private equity funds, as they seek to crystalise value, or identify undervalued assets."

Oliver Ives,
Co-Head of M&A, Deutsche Numis

Boosting London's appeal

Asked what steps could be taken to improve London's appeal still further, FTSE leaders said policies and reforms that encourage new issues or dual listings would be the most effective. New issues or dual listings could be encouraged, in part, through a campaign of promotion and persuasion, ideally supported by government, but such moves would also need to be backed by meaningful reforms and a constant vigilance to ensure that the UK's regulatory environment remains competitive with other listing venues.

The second most cited measure was creating an environment that allows for more competitive executive remuneration (driven largely by responses from the mid-cap and smaller segments of the market), while policies and reforms to increase overall investment in UK equities was in third place. The Government's Pensions Reform Bill represents a promising start to such reforms, with its aims of driving more engagement from pension fund members and encouraging consolidation across the fragmented UK pension system.

Policies and reforms to attract more retail investment was the fourth most popular idea, including encouraging a more balanced approach to risk taking, for example though ISAs. Plans to scrap cash ISAs have reportedly been put on the back burner by the UK Government, after a widespread backlash from retail financial services companies. However, the idea has not been permanently ruled out for the future.[11]

Which of the following do you see as the most important in continuing to improve the attractiveness of London as a listing venue?

1	Policies and reforms that offer incentives for new issuers to list or dual-list in the UK, or to encourage existing issuers to retain their UK listing
2	An environment that allows for more competitive executive remuneration
3	Policies and reforms to increase the level of investment in UK listed equities
4	Policies and reforms to promote greater retail market participation and balanced risk-taking (e.g. with ISAs)
5	A more positive narrative on London's capital markets from the UK media
6	Supporting initiatives to increase levels of trading liquidity in the London markets
7	Removal of UK stamp duty on UK-listed shares
8	Accelerating digital innovation to create more efficient markets (e.g. T+1 settlement, tokenisation)

11 Cash Isas: Plans to cut tax-free allowance on hold after backlash (BBC, 11 July 2025)

"The recent reforms of the UK's Listing Rules have served to reinforce the attractiveness of the LSE as a venue for launching an IPO or raising equity - this has been strongly recognised by FTSE leaders in our survey and it is critical we now build on this momentum to ensure that the UK's capital markets continue to thrive."

Jamie Loughborough,
Co-Head of UK Equity Capital Markets, Deutsche Numis

In terms of measures that could improve the attractiveness of London as a listing venue, it is also notable that a more positive media narrative ranked fifth among FTSE leaders.

Many of these policy ideas echo ongoing policy development by the UK Government and are addressed in more detail in the next section.

Support from government and regulators

The role of government and regulatory reform is high on the agenda of UK business, and our *Raised in London* survey found broad approval for regulatory reforms already made, as well as the wider government agenda on the economy and financial markets.

We asked for views on three key areas:

- Listing reforms
- The UK Government's growth agenda
- Pensions and savings reforms

Listing reforms

The reform of the UK Listing Rules put in place by the Financial Conduct Authority last July were welcomed in principle by respondents to our 2024 survey. A year on the practical effect has met expectations, with 96% in this year's survey saying the reforms have made life as a listed company easier and/or cheaper than previously. As discussed above (*The international dimension*, p11), more could be done on listings policy to enhance London's appeal for issuers.

The UK Government's growth agenda

Looking ahead, there is also a highly positive view of policy from the still relatively new Labour Government. Unsurprisingly, perhaps, the focus on economic growth is supported by 97% of our survey respondents, but that positive view also extends to the policy detail. The same high proportion of FTSE leaders (97%) said the priorities set out in the Government's *Invest 2035* policy and the recent *Financial Services Growth & Competitiveness Strategy* will increase the appeal of investment in the UK.

Government policies in some areas – notably increased employer National Insurance contributions – have sparked criticism from many in business. Nevertheless, the overwhelming majority of FTSE leaders (97%) are more confident on the UK's growth prospects than they were 12 months ago.

"The UK Government's focus on growth has near unanimous support from business leaders and the recognition that London's capital markets have a huge role to play is welcome. Our financial markets will be a key component in that growth plan, as a provider of essential capital to UK businesses."

Vathany Vijayaratna,
CEO for UK and Ireland, Deutsche Bank

Pensions and savings reforms

The UK Government's approach to pensions is also proving popular among FTSE leaders. The vast majority (97%) think the Pension Schemes Bill – which aims to consolidate schemes and double the number of megafunds by 2020 - will increase pension fund investment in infrastructure and private business, and fuel economic growth.

When asked what policy FTSE leaders would most like to see the Government prioritise to encourage pension funds to invest in the UK equities market, the number one choice was to make it easier for Defined Benefit schemes' surpluses to be accessed for investment in growth – supported by 64%.

Closely related to this issue are the accounting rules that require pension fund deficits to be included in corporate balance sheets. Support for revisiting these rules edged down from last year's 55%, but still commands backing from about half of respondents (47%).

Another proposal with strong backing from FTSE leaders (61%) was to mandate domestic pension funds to invest more in UK equities. However, support for this policy has ebbed slightly from 68% last year. The Government's *Pensions Review*,[12] published in May this year, concluded that mandating minimum investment was not currently necessary, but it has put in place a reserve power to apply such a mandate if deemed necessary in the future.

Support for changes to life insurance rules to allow more equity investment has also eased, but remains high at 61% (down from 69%).

12 27.05.2025_PM_-_final_report.pdf (HM Treasury, 27 May 2025)

The big picture

Once again, our *Raised in London* survey has provided a wealth of data on the views and concerns of the UK's listed companies.

The mood of optimism has further strengthened in 2025. Wider macro-economic and international issues are prompting many institutional investors to look more closely at markets outside the US, with London considered to be the most attractive by survey respondents. There is also a positive mood around UK Government policy on growth and support for emerging sectors and technologies.

These factors are manifest in FTSE leaders' expectations for increased capital raising and a rise in the number of IPOs globally, with London considered likely to be a particular beneficiary of this trend.

But there are areas where there is more work to be done. The interactions between private and public markets are widely expected to increase, a positive sign for both forms of capital. However, the perception persists that the current climate makes being privately owned more attractive than being publicly listed.

The growing appeal of London's public capital markets may partly redress this balance by improving the valuations placed on listed companies. But in areas such as tax and regulatory burdens, there is room to further level the playing field.

The relationship between public markets and the pensions sector is another focus of interest. Support for mandating equity investment has eased, but is still strong across all market segments. Other measures, notably the drive towards creating pension megafunds, are seen as a highly positive step by FTSE leaders.

One other notable feature of this year's survey is the mood among AIM companies compared to those with Main Market listings. Respondents from AIM and the rest of the UK-listed market were significantly more concerned about UK equities being undervalued, and assessed that undervaluation to be more severe.

They also felt more strongly than other FTSE companies that executive remuneration in the UK was a significant constraint on growth.

These pressures on the high growth segment of the UK equity market – which is also home to a greater proportion of emerging technology groups – need to be addressed by policymakers in order to build on the UK's position as a premier global financial hub and nurture the UK business success stories of the future.

From the mouths of FTSE leaders

We asked 150 FTSE leaders:

Are there any additional measures you would recommend to support the UK Government's growth agenda and to improve the competitiveness and appeal of the London market?

Our survey respondents' answers highlighted a number of interesting themes:

Talent & skills development to ensure a globally competitive workforce

"Productivity requires investment in education and skills."

"Streamline skilled visa process for top global talent in key sectors."

"There should be a continued investment in digital infrastructure and skills development. This will create a talent pipeline that supports high-growth sectors."

Early-stage capital to enable growth companies to scale

"Implement targeted policies to foster innovation and the adoption of new business models, especially in key growth sectors."

"Early-stage funding is very important. There should be clear guidance on how to secure initial capital."

"Tax incentives and investment schemes to attract more private capital to growth businesses."

Regional investment for attracting a broader investor base

"Support regional financial centres to decentralise growth and attract broader investor participation."

"Encourage regional investment to spread growth beyond London and southeast England."

"Encouraging regional investment and development is a need of the hour. It will help with maintaining a predictable and business friendly framework."

Infrastructure investment to facilitate growth

"Investment in sustainable infrastructure, including energy, transport and housing should be prioritised."

"Technology infrastructure and high-speed internet should be invested in to foster innovation."

"The way UK businesses connect with investors is evolving. More support for modern and digital engagement methods would help us go a long way."

Retail & institutional investment in UK listed & private companies

"Through government-led forums or events, we can help companies reach international investors. It would raise the profile of the London market."

"If we made it easier for keen retail investors to engage with and understand companies, it'd broaden our investor base."

"Facilitate direct investment by pension funds into late-stage UK private companies."

We have considered all of these views from FTSE leaders to help shape our recommendations on measures to strengthen the UK capital markets.

Recommendations

Concrete measures to strenghten the UK capital markets

After some difficult years, the UK's capital markets are showing signs of renewed vigour. Some of this is due to the changing global environment and a rebalancing of markets internationally. But reforms - both those already enacted, such as the amended Listing Rules, and those proposed in the Government's *Plan for Change*, *Industrial Strategy* and Pensions Schemes Bill – have also played a part and must continue to do so.

Meanwhile the work of organisations such as the Captial Markets Industry Taskforce in unifying key stakeholders, and the Financial Reporting Council in streamlining rules, have been instrumental in ensuring the UK is an attractive location for companies and investors both today and in the future.

To ensure that London continues to thrive, reform must be an ongoing process, to enable markets to support businesses with vital investment and to attract international companies and capital.

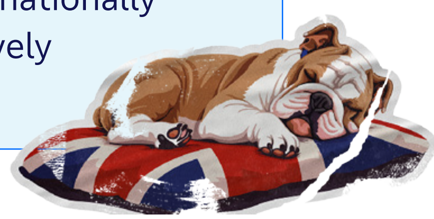
Based on the findings from our latest *Raised in London* survey, we have identified five areas that should be the focus of those reform efforts.

Nurture the UK IPO pipeline with listing incentives and mobilising the new Listings Taskforce

Introduce incentives for issuers to list, dual-list or retain their listing in the UK and support the Government's proposed new Listings Taskforce.

Promote a positive narrative and investment risk culture for the UK capital markets

Celebrate entrepreneurialism and the vital role of our capital markets within the UK economy by ensuring that government efforts to attract and support business, both internationally and across all UK regions, are coordinated effectively to embed this narrative.



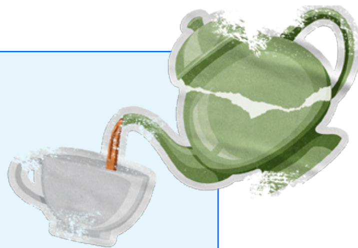
Upskill the UK workforce and streamline Skilled Worker visas for key sectors

In line with the Government's recent Industrial Strategy, we must prioritise sectors that have the highest capacity for growth and investment, such as science and technology, with expanded access to finance, the right training, and enhanced ease of movement for STEM-skilled workers.

"The UK's capital markets are well-placed to benefit from the rapid changes taking place in the global economy, from the rebalancing of investments to the technological advances that will drive growth in the coming years. But the strength of London as a financial centre depends on innovation and flexibility in the market itself and, as the world changes, the UK's economy and regulation must adapt to maintain its competitive edge."

Henrik Johnsson,
Co-Head of Global Capital Markets,
Deutsche Bank and
Chairman of Deutsche Numis

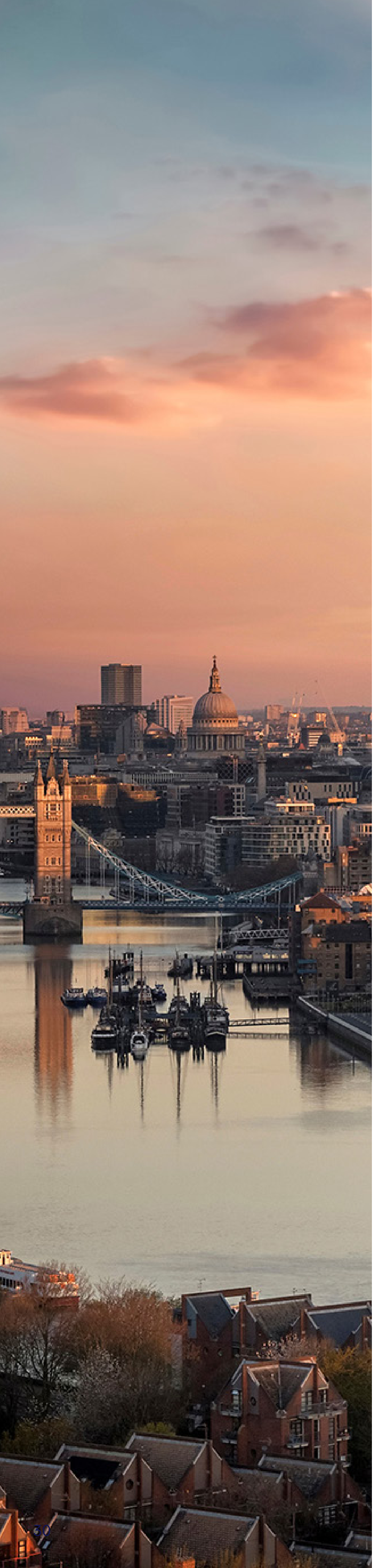
Mobilise domestic institutional investment in UK PLCs



To maximise the impact of pension reforms, we should require a portion of any newly unlocked DB fund surpluses to be invested in UK productive assets, either in the sponsoring company's UK operations or in UK assets held by a DC scheme, and increase the minimum contributions to auto-enrolment pensions.

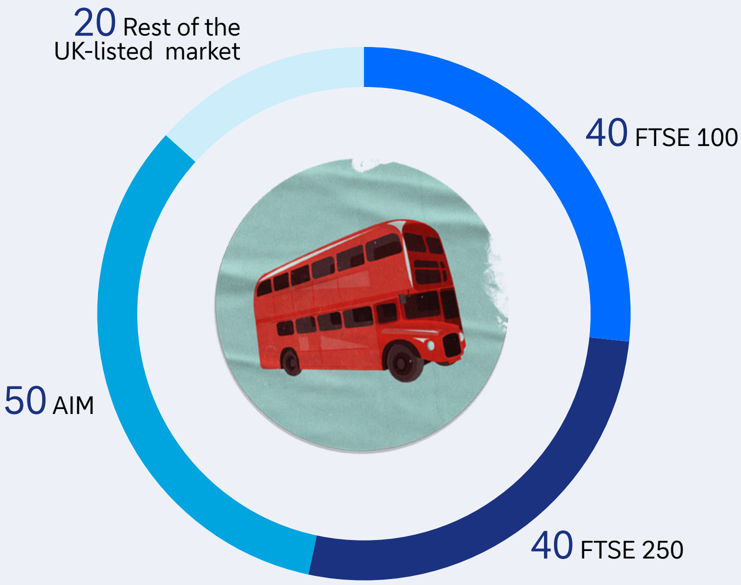
Connect UK savers to the UK capital markets

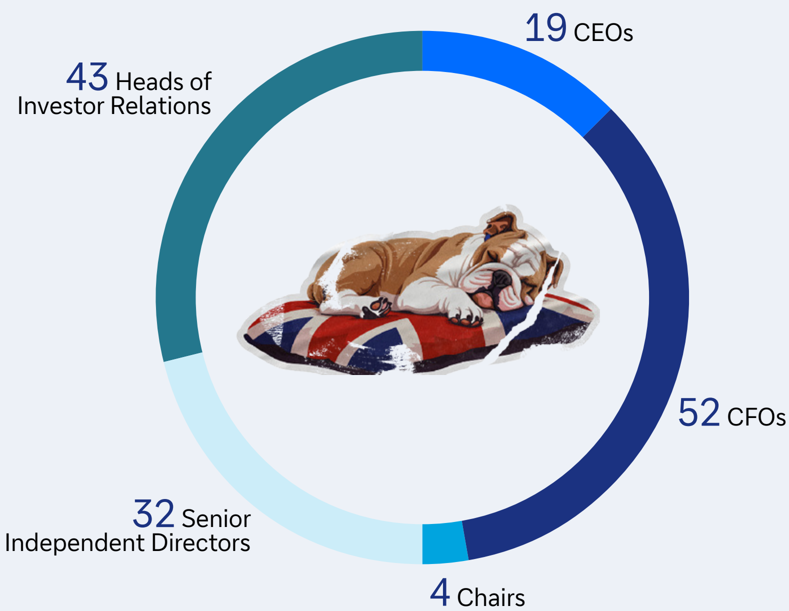
Facilitate access to opportunities for the UK's retail investor base by rebalancing incentives in the ISA framework and reducing stamp duty on UK shares to incentivise long-term investment.



Background

150 Chairs, CEOs, CFOs, Heads of Investor Relations and Senior Independent Directors across the full range of FTSE listed indices completed an online survey during July 2025.





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