# AIM’s quiet revival: London’s junior market sees first signs of confidence since the downturn



London’s junior stock market, the Alternative Investment Market (AIM), is witnessing a notable resurgence in initial public offerings (IPOs), signalling a cautious revival in confidence for the City’s smaller companies. According to data from accountancy group UHY Hacker Young, 16 firms have listed on AIM via IPOs in the year to July 31, nearly doubling the nine listings in the previous year. This increase is complemented by a rise in the average amount of capital raised per listing, which climbed to £9.9 million from £6.8 million, injecting fresh momentum into the market. Notable recent IPOs include investment firm Selkirk and artificial intelligence company Sundae Bar. Colin Wright, chairman of UHY Hacker Young, remarked that this uptick reflects "green shoots of recovery," with ambitious businesses finding investors even amid economic challenges, potentially encouraging other firms to consider listing.

This recovery contrasts sharply with the severe downturn AIM experienced just a year or two earlier. For instance, in the year ending March 2023, AIM saw a drastic fall to only nine new listings—a stark 88% drop from 74 the previous year. Funds raised through these IPOs plummeted by 97%, from £1.44 billion to a mere £46 million. Such figures underscore how rising interest rates and heightened investor caution had subdued market activity significantly. Moreover, broader London Stock Exchange IPO activity, including AIM, suffered a 72% decline in funds raised over a similar period, with just 30 floats raising £1.6 billion compared to 137 floats the previous year. AIM’s IPO count, particularly, hit lows comparable to the 2008/09 financial crisis, highlighting the fragility of the market during this time.

Further analysis from industry reports confirms this challenging backdrop is only beginning to improve. Despite the modest rise in IPO numbers recently, funds raised have shown a more notable recovery. The year ending December 2024 saw funds raised through AIM IPOs more than double to £119.6 million, up from £48.5 million the prior year. However, the total number of IPOs remained subdued at 11, stable but low compared to historical norms. Experts stress that while this is a positive shift, it remains tentative, and calls are growing for regulatory reforms to ease burdens on smaller companies, thereby enhancing AIM’s attractiveness as a capital-raising venue.

It is important to acknowledge that despite signs of improvement, AIM's IPO activity remains historically muted. For example, data from late 2023 into 2024 showed the number of AIM IPOs falling again to eight in the year to September 2024, the lowest since the financial crisis. The amount raised, at around £88.6 million, also remains a fraction of its peak performance in 2006/07, when £8.83 billion was raised. These numbers highlight ongoing challenges for smaller companies navigating the capital markets in a cautious economic climate marked by volatile investor sentiment and higher financing costs.

In summary, while London's AIM has begun to show promising signs of recovery in IPO activity after hitting historic lows, the market remains in a fragile state. The recent rise in listings and capital raised offers a welcome boost, but the scale of IPO activity is still far from pre-crisis levels. Industry voices indicate the need for structural changes to encourage more sustained growth and capital access for smaller firms, underpinning AIM’s vital role in the City’s financial ecosystem.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/markets/article-15097639/City-celebrates-sharp-jump-AIM-listings.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 2 – [[2]](https://www.uhy-uk.com/insights/aim-reaches-all-time-low-ipos-only-nine-floats-12-months-vs-74-last-year), [[3]](https://www.uhy-uk.com/insights/ipos-london-raised-less-ps16bn-year-down-72-last-year)
* Paragraph 3 – [[4]](https://www.uhy-uk.com/insights/aim-recovers-annus-horribilis-ipos-funds-raised-doubles)
* Paragraph 4 – [[5]](https://www.ey.com/en_uk/newsroom/2024/01/london-stock-market-ipo-proceeds-fell-40-percentage-in-2023)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/money/markets/article-15097639/City-celebrates-sharp-jump-AIM-listings.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.uhy-uk.com/insights/aim-reaches-all-time-low-ipos-only-nine-floats-12-months-vs-74-last-year> - In the year ending March 27, 2023, London's AIM market experienced a significant decline, with only nine new company listings, marking an 88% decrease from the previous year's 74 listings. This downturn led to a 97% reduction in funds raised through IPOs, dropping from £1.44 billion in 2021/22 to just £46 million. The average number of IPOs for AIM has been 138 per year since its inception in 1995, highlighting the severity of this decline. Factors such as rising interest rates and increased investor risk aversion have been cited as contributing to this trend.
3. <https://www.uhy-uk.com/insights/ipos-london-raised-less-ps16bn-year-down-72-last-year> - In the 12 months leading up to July 3, 2023, IPO activity on the London Stock Exchange saw a substantial decline. Only 30 companies were floated, a 78% decrease from the 137 in the previous year. The funds raised also plummeted by 72%, from £5.7 billion to £1.6 billion. The AIM market was particularly affected, with just 10 IPOs raising £68 million, the lowest since the 2008/09 financial crisis. Rising interest rates and diminished investor appetite for IPOs have been identified as key factors behind this downturn.
4. <https://www.uhy-uk.com/insights/aim-recovers-annus-horribilis-ipos-funds-raised-doubles> - The AIM market has shown signs of recovery from its previous 'annus horribilis' for IPOs. In the year ending December 20, 2024, funds raised through AIM IPOs more than doubled to £119.6 million, up from £48.5 million in the prior year. However, the number of IPOs remained low, with only 11 listings, matching the previous year's count and marking the lowest level since the 2008/09 financial crisis. The recovery is considered tentative, and industry leaders are calling for reforms to reduce regulatory burdens and enhance the market's appeal.
5. <https://www.ey.com/en_uk/newsroom/2024/01/london-stock-market-ipo-proceeds-fell-40-percentage-in-2023> - The number of initial public offerings (IPOs) on the Alternative Investment Market (AIM) has fallen to its lowest level since the global financial crisis. There were just eight IPOs in the year to the end of September 2024, according to research by national accountancy group UHY Hacker Young. This is a decrease from 12 last year and the lowest number since the five recorded in 2007/08. Only £88.6 million was raised through AIM IPOs in 2023/24, compared to £8.83 billion raised during the market’s peak year of 2006/07. UHY Hacker Young said the steep drop in AIM IPOs highlights a challenging environment for smaller companies looking to raise capital.