Deutsche Bank

RAISED IN LONDON

Confidence returns to London's capital markets

SEPTEMBER 2026

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Findings from Deutsche Bank's fourth annual survey of 150 UK-listed company directors and senior leaders

September 2026

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The most striking feature of this year’s survey is the breadth of the forward-looking optimism: respondents expect higher IPO volumes, greater secondary issuance and more M&A activity, while financing conditions have also improved. The next phase is to translate this sentiment into greater transaction activity by helping companies access capital, strengthening the domestic investor base and ensuring London remains competitive throughout an issuer’s life cycle. If the industry and policymakers maintain the pace of reform, today’s confidence can become sustained market activity rather than a temporary change in sentiment.

Alison Harding-Jones
Co-Head of Investment Bank and Global Head of Investment Banking and Capital Markets, Deutsche Bank

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London’s capital markets proposition is built on its enduring strengths: deep expertise, strong institutions and international reach. This year’s survey points to renewed confidence, but that confidence must translate into completed transactions, stronger valuations and more capital for companies at every stage of growth. That requires continued reform, a deeper domestic investor base and a clear, evidence-led case for choosing London and staying there. The opportunity is significant, but the work to secure it must continue.

Anthony Parsons
Executive Chairman, Investment Banking and Capital Markets, Deutsche Bank

London's momentum is building – now it must be sustained

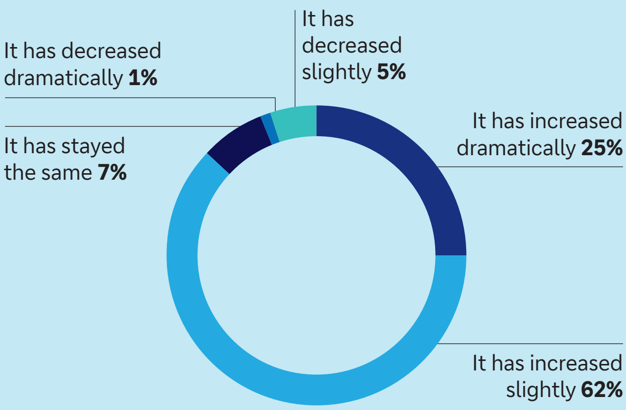
After several years of weak equity issuance levels, challenged valuations and concerns about companies choosing to list in other venues, the outlook for London appears to be shifting. Over the past year, the UK economy has proved more resilient than many expected. Company leaders believe recent regulatory reforms are improving London's public-market proposition, and – crucially – they remain confident about the city's ability to attract capital.

This sustained positive sentiment is reflected in the results of our latest Raised in London survey of UK-listed company directors, which is now in its fourth year. Looking ahead, 94% of respondents anticipate that London's competitiveness in IPOs and fundraising will improve over the next three years, and none expects its position to deteriorate. Along with these forward-looking expectations, 87% of respondents say the appeal of the UK as a capital market and investment destination has increased over the past 12 months, comprising 62% who report a slight increase and 25% a dramatic increase.

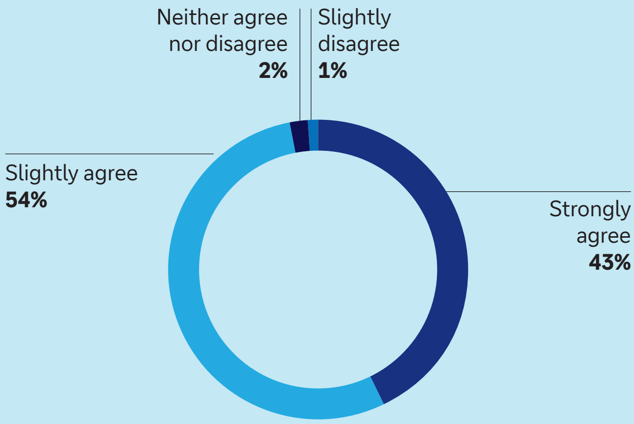
97% of leaders surveyed in 2026 agreed that the UK is an attractive market for launching an initial public offering (IPO) or raising primary or secondary capital. Some 43% of respondents strongly agreed; 54% slightly agreed.

Yet, this renewed confidence does not guarantee increased transaction volumes, deeper liquidity or higher public-market valuations. The survey revealed that some 75% of respondents have considered moving their listing from London or adding a dual listing, while 78% believe UK-listed issuers remain undervalued relative to their global counterparts. This latter point is of significant note, as a sustained actual or perceived valuation discount has the potential to undermine London's reputation. Listed issuers and potential IPO candidates need to believe the UK market values their business comparably to other global exchanges and that they will receive fair value at the point of any capital raise or sale. London cannot avoid being compared with other leading financial centres on measures of valuation, liquidity, investor access and the overall listing experience and therefore needs to continually seek to enhance its competitiveness.

Over the last 12 months, given persistent geopolitical tensions and uncertainty, how do you think the appeal of the UK as a capital market and investment destination has changed?



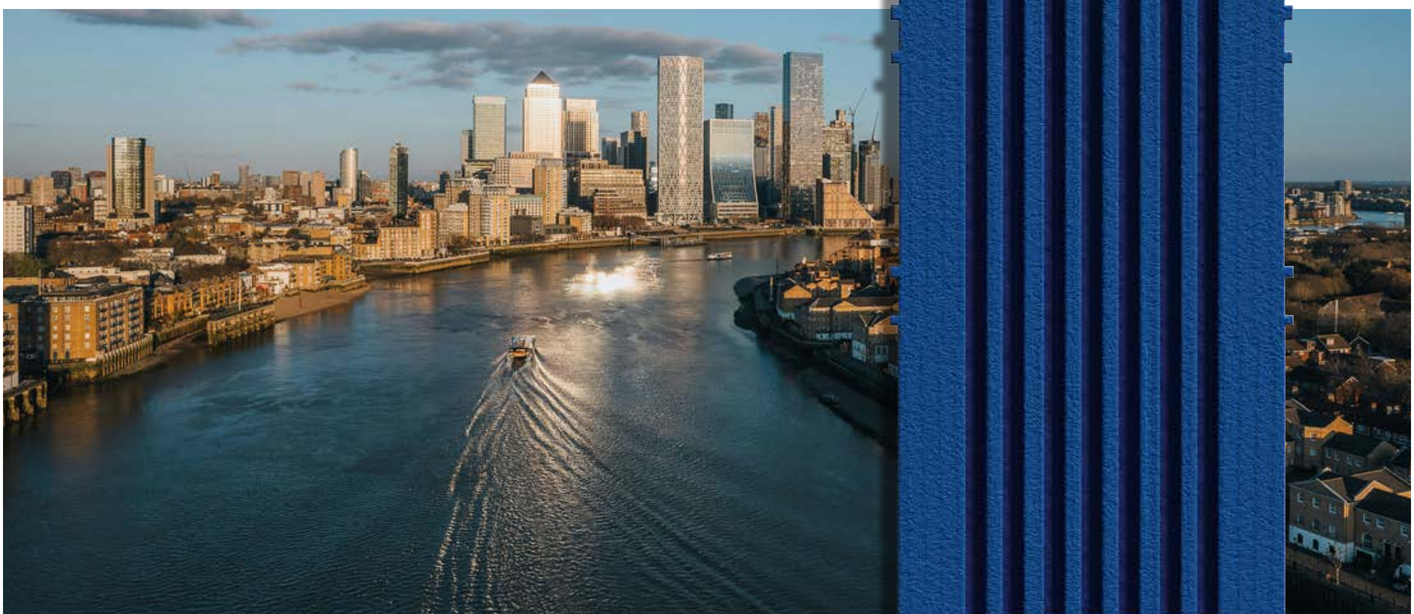
The UK is an attractive market for launching an IPO/raising capital. How strongly do you agree or disagree with this view?



While London continues to boast deep pools of expertise, strong institutions and a global proposition that other financial centres still struggle to replicate, these longstanding advantages are not sufficient to ensure the city continues to move forward. The main challenge now is to convert momentum into greater transaction activity, higher valuations and sustainable growth.

London is now in a stronger position than the persistent negative narrative surrounding its prospects might suggest -- but the hard work has only just begun. Building this positive sentiment into long-term growth will require coordinated action from investors, market participants and policymakers alike.

> "London remains one of the world's great financial centres. Its depth of expertise, international reach and strong institutions are powerful advantages at a time when companies and investors face greater uncertainty and challenges. Our survey shows that the market is regaining momentum, but its future cannot be taken for granted. We must keep improving the environment for companies to raise capital and grow, strengthen domestic investment and preserve openness to global capital and talent."
>
> **James Taylor,** Head of UK Investment Banking, Deutsche Bank



London's resilience in a changing world

Sanjay Raja
Chief UK Economist, Deputy Head of UKI Research and Managing Director, Deutsche Bank

London's prospects need to be judged on evidence, not by the media narrative. The UK economy, like others, has faced considerable headwinds over the past year – including geopolitical shocks, higher energy prices, pressure on household incomes and persistent political and fiscal uncertainty.

Yet it has proved more resilient than many expected – a statement many may find surprising. Growth has repeatedly exceeded forecasts; business investment remains supportive and there are early signs that the long-awaited recovery in the country's productivity may finally be taking shape.

That resilience provides an important backdrop to both London's performance and its enduring appeal. Few cities can match its vast financial and professional expertise, international connectivity, legal certainty, deep talent pool, infrastructure, cultural institutions and world-class universities. These strengths have been built over centuries and cannot easily be replicated or replaced by competitors overnight. In fact, there is good reason to believe that London's longstanding strengths can become more valuable in a world that is becoming increasingly fragmented and multipolar. I believe companies and investors are increasingly placing a premium on stability, strong institutions and diversification. The qualities that have made London successful in the past could become even more important in the coming years.

However, the city needs to become more confident in its potential. Genuine progress and positive economic data are all too often overlooked, reinforcing both domestic and international perceptions that are typically more pessimistic than the reality. Promoting London's strengths therefore relies on presenting a clear, evidence-based case for one of the world's most productive, influential, vibrant and institutionally capable cities.

My confidence does not mean I am complacent about the challenges ahead. London's competitiveness is and will continue to be increasingly earned rather than assumed. Recent regulatory, listing and prospectus reforms have helped rebuild confidence, while policymakers have placed greater emphasis on championing the City. While these are important foundations, they are not the finished product.

UK companies continue to face modest valuations in important growth sectors, liquidity is not deep enough, and too little domestic pension and insurance capital is currently allocated to UK equities and productive assets. The continued appeal of overseas markets and dual listings demonstrates perfectly why the task goes much further than simply attracting companies at the point of IPO. London needs an ecosystem that supports businesses throughout their growth journey – from start-up to global scale – with reliable access to capital, investors, skills, strong regulation and liquid markets.

The opportunities are substantial, but so is the responsibility. London must mobilise more long-term domestic capital, strengthen its ecosystems in areas such as technology, life sciences and clean energy, maintain access to the best talent and ensure regulation evolves alongside markets. London has all the ingredients to remain a leading global financial centre - and to become stronger still. The underlying message is positive, but progress must continue to be earned.

Confidence returns to London's capital markets

This year's Raised in London survey has revealed broad-based optimism towards London's capital markets.

After several years during which the City struggled to attract new issuance, respondents believe London and the wider UK are on track for a sustained recovery. 94% of respondents anticipate that London's competitiveness in IPOs and fundraising will improve over the next three years, and none expects its position to deteriorate.

Although these perceptions have not yet translated into a material uptick in ECM transaction volumes, the breadth of the optimism suggests it is not being driven by a small concentration of particularly optimistic respondents but represents a broader-based improvement in sentiment. The results are encouraging as they suggest London's appeal extends to both being attractive to new issuers and to supporting established listed companies as they continue to grow.

94% of respondents anticipate that London's competitiveness in IPOs and fundraising will improve over the next three years, and none expects its position to deteriorate.

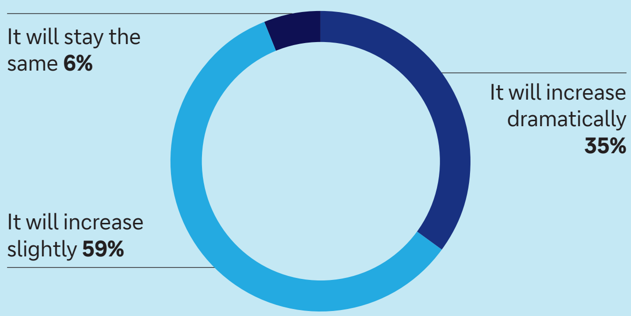
This confidence is also reflected in predictions for market activity: 94% expect UK IPO volumes to rise over the next two years, while 91% anticipate an increase in secondary offerings.

The optimism around stronger secondary issuance is important because it indicates businesses are expected to return to the market to pursue additional capital, finance acquisitions and invest in growth, rather than move to a competing stock exchange after flotation.

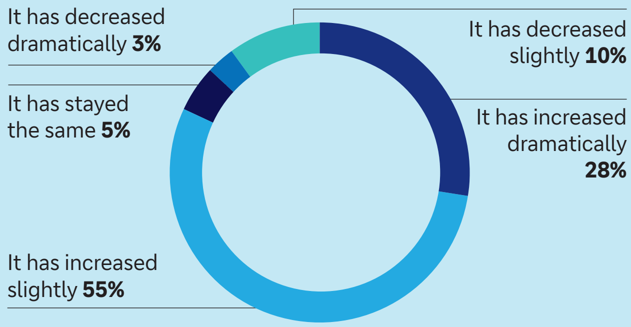
There is also clear optimism among the UK's largest listed companies, although the FTSE 100 cohort is slightly more measured than the overall sample. Nevertheless, 83% of FTSE 100 respondents say the UK's appeal has increased, while 90% expect London's competitiveness to improve.

These expectations must now be converted into results. Anticipated issuance can still be delayed or redirected to other capital markets. However, these findings offer encouraging evidence that confidence in London is returning.

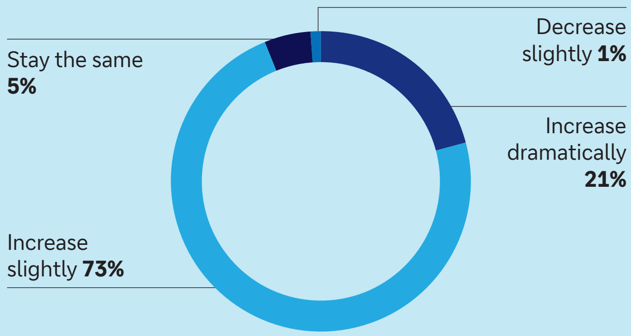
When compared to other key markets around the world for IPOs/fund raising, how do you see the competitiveness of London changing over the next three years?



Over the last 12 months, given persistent geopolitical tensions and uncertainty, how do you think the appeal of the UK as a capital market and investment destination has changed?



In the UK, how do you see the number of IPOs changing over the next 24 months?



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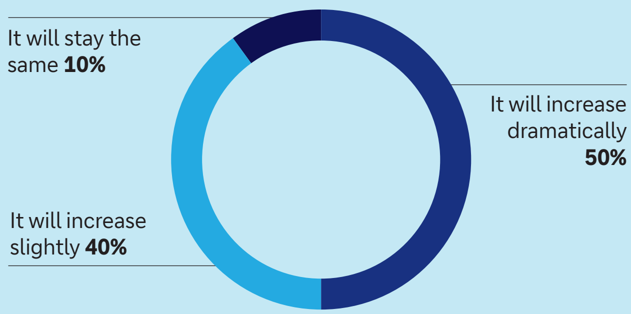


Turning confidence into economic growth

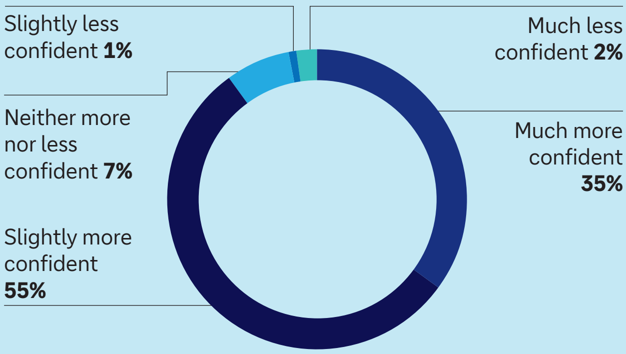
The renewed confidence in London's prospects, shown in our survey, is accompanied by a stronger perception of the wider UK economy. Some 90% of respondents say they felt more confident about the UK's growth prospects than they did 24 months ago, including 35% who are much more confident. Just 7% are neither more nor less confident, while 3% feel less confident.

Optimism is evident across every market segment, although to varying degrees. Some 98% of AIM respondents feel more confident about UK growth, compared with 93% of FTSE 250 respondents and 80% of the FTSE 100. This suggests confidence is particularly prevalent among companies that may be more sensitive to the domestic economic and financing environment.

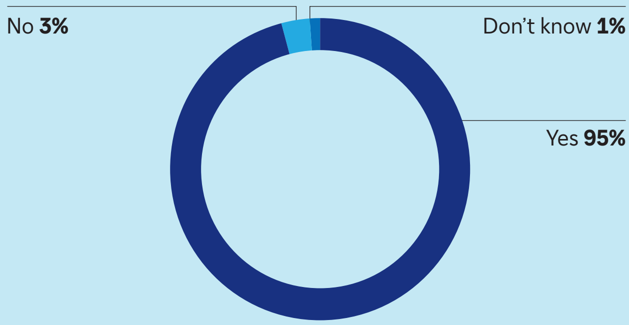
Government policy appears to be strengthening these perceptions. Some 95% of respondents believe the priorities established through the Invest 2035 Industrial Strategy[1] and the Financial Services Growth and Competitiveness Strategy[2] have increased the UK's investment appeal, while 97% agree that the Government must continue to pursue its growth agenda to support the wider UK economy. The results show considerable support for the direction of these policies, even while implementation remains an ongoing task. Andy Burnham's appointment as Prime Minister on 20 July 2026 and the resulting evolution of the Government's new policy measures will have a vital part to play for London's medium-term prospects.

London and the rest of the UK can produce economic growth when companies have the confidence to invest, recruit, innovate and expand. This is where our findings are more mixed. The cost of operating in the UK is the most frequently identified constraint on respondents' strategic growth ambitions, cited by 19% of respondents. Executive remuneration follows at 18%. Access to funding and the recruitment and retention of talent are each selected by 17%, while 15% point to the governance and disclosure burdens associated with the UK's listing regime.

Two years on from the election of the current UK Government, are you more or less confident on the UK's growth prospects than you were 24 months ago?



Do you feel the priorities set out in the Government's "Invest 2035" Industrial Strategy and the sector-specific Financial Services Growth and Competitiveness Strategy have increased the UK's investment appeal?

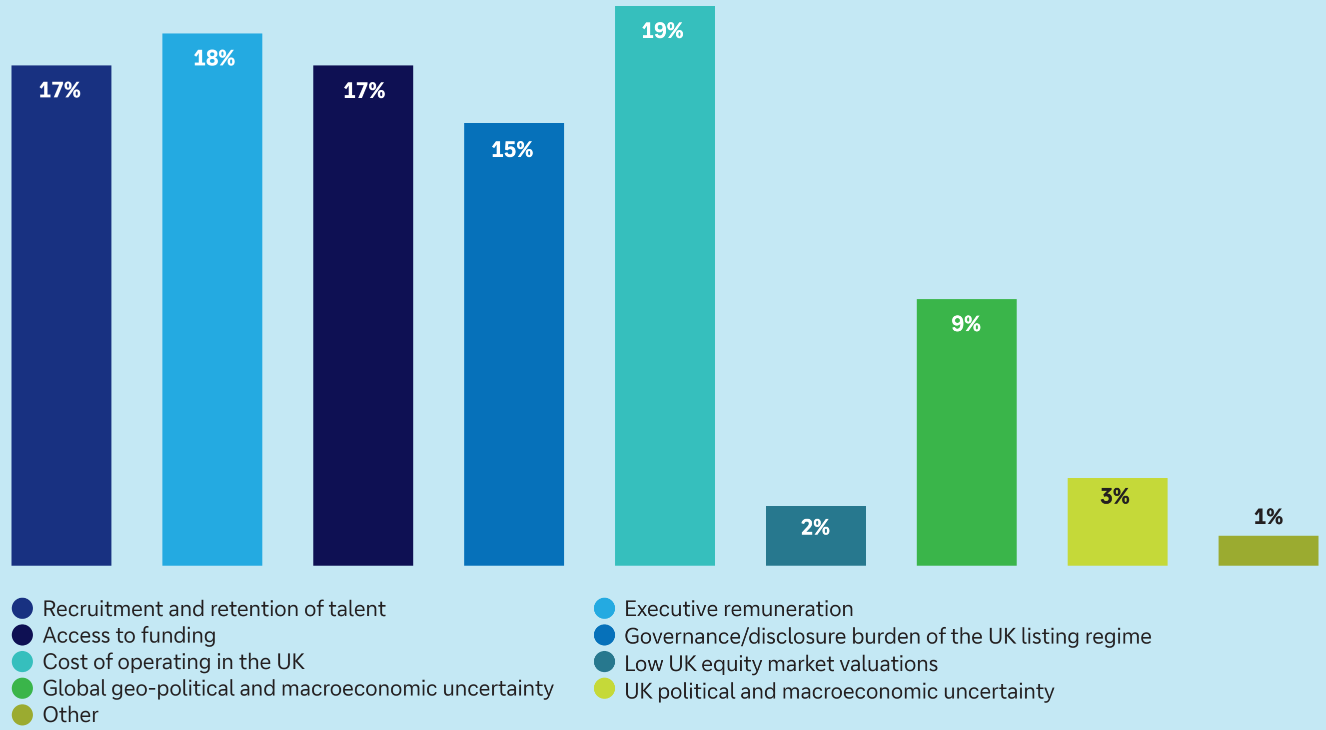


"London's competitiveness matters well beyond the City. Strong capital markets connect businesses with the finance they need to invest, innovate and create jobs across the UK. The survey's renewed confidence is encouraging, but the next step is to remove the barriers that still hold companies back, mobilise more long-term domestic investment and create the conditions for high-growth businesses to scale and remain in the UK. If that momentum is sustained, London can support growth across the whole economy."

Vathany Vijayaratna, CEO, UK and Ireland, Deutsche Bank

1 https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy/invest-2035-the-uks-modern-industrial-strategy
2 https://www.gov.uk/government/calls-for-evidence/financial-services-growth-and-competitiveness-strategy

What is the greatest constraint on your strategic growth ambitions? (Select one option)

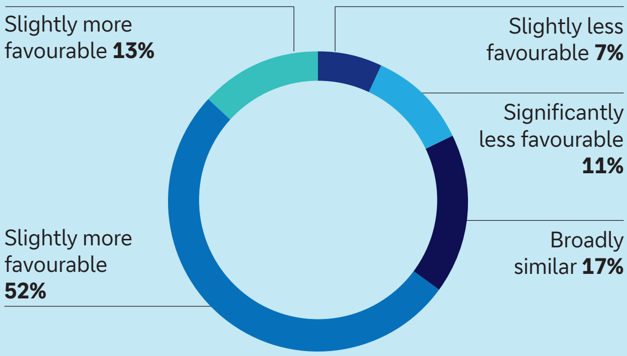


FTSE 100 companies are most likely to cite operating costs as the leading constraint, while FTSE 250 companies place executive remuneration and governance requirements first. Among AIM companies, access to funding and executive remuneration are the joint-leading concerns.

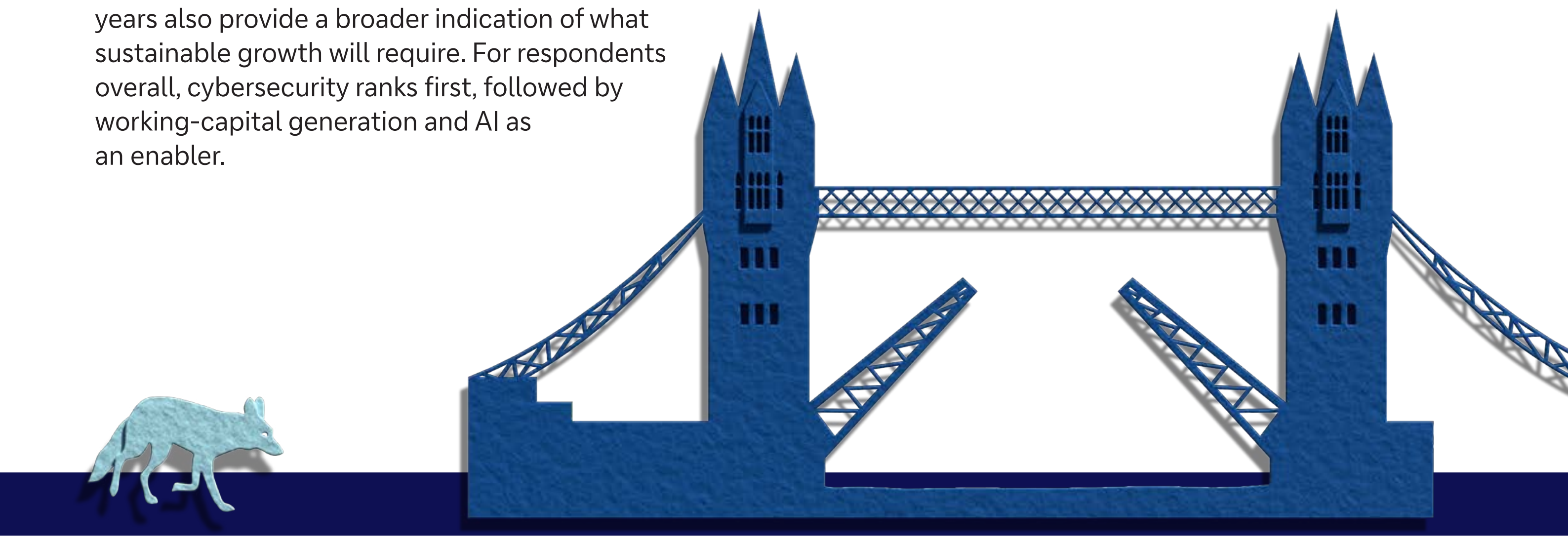
Turning London's renewed confidence into growth will therefore require an ecosystem capable of addressing these sources of friction across the full spectrum of UK companies.

Encouragingly, 65% of respondents consider UK export-finance support more favourable than that available in other G7 economies, although 18% take the opposite view.

How do you view UK's export policies from the lens of financing support mechanisms available in UK (e.g. UK Export Finance, British Business Bank) when compared to other G7 economies?



Companies' leading priorities for the next three years also provide a broader indication of what sustainable growth will require. For respondents overall, cybersecurity ranks first, followed by working-capital generation and AI as an enabler.



Which of the following themes do you consider the most important for your business in the next 3 years? (List top 5)

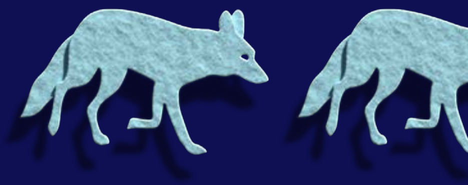
1. Cyber Security
2. Working capital / cash generation
3. AI as an enabler
4. Interest rate movements
5. Cost of doing business
6. Capex financing
7. Tax regime
8. AI as a threat / disruptor
9. Shift to a digital economy
10. Domestic and global political climate
11. Sourcing and retention of talent

Some 45% of all respondents also believe the UK should do more to promote its existing strengths in science and technology to encourage more companies to list in London, while 21% prioritise greater funding to help start-ups scale in the country. Nineteen per cent also favour reducing or eliminating stamp duty on purchases of UK shares.

Which of the below measures do you think is the most important for encouraging science and technology companies to list in London? (Please select one option)

Measure	%
Reduction or removal of the 0.5% stamp duty reserve tax on the purchase of UK shares	19%
Other tax or regulatory incentives	12%
Promotion of UK science and technology as a domestic strength	45%
More funding for science and technology start-ups to allow them to scale in the UK	21%
More competitive executive remuneration	0%
Support ease of movement for international students and STEM (science, technology, engineering & maths) skilled workers to come to the UK	3%

The objective should now be to build on this positive sentiment and ensure that companies view the London market as a long-term home after flotation where they can achieve their strategic objectives and growth ambitions. This can only be achieved by creating the conditions for businesses to scale, invest and remain in the UK - converting renewed confidence into lasting economic growth.

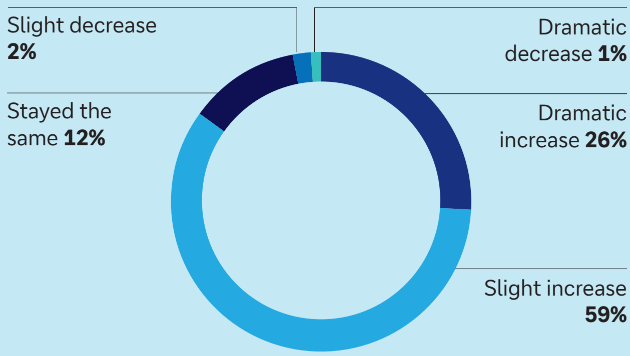


Winning the global competition for capital and listings

One of London's core strengths is its global reach. Connecting UK companies with investors around the world, it benefits from a deep pool of financial expertise, professional services and robust market infrastructure that can support businesses with increasingly complex global operations and ambitions.

Demand from international investors also appears to be strengthening. Some 85% of respondents say they have experienced an increase in the proportion of international institutional investors on their share register over the past 12 months, including 26% who reported a dramatic increase. Only 3% have experienced a decline.

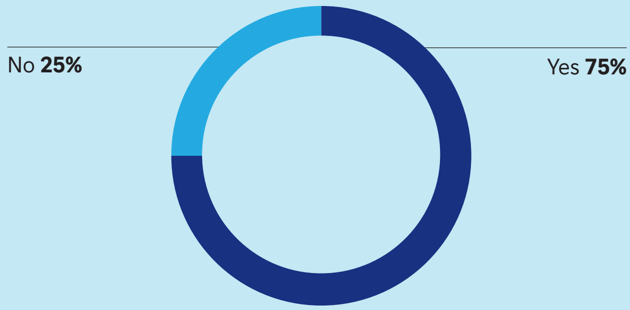
Have you experienced an increase in the proportion of international institutional investors on your share register over the last 12 months?



This trend is strongest among FTSE 250 leaders, 93% of whom report an increase in international institutional investment, compared with 90% across the rest of the listed market, 88% among AIM respondents and 73% among the FTSE 100. This suggests overseas investors are increasingly interested in companies beyond the UK's largest and most internationally recognised issuers.

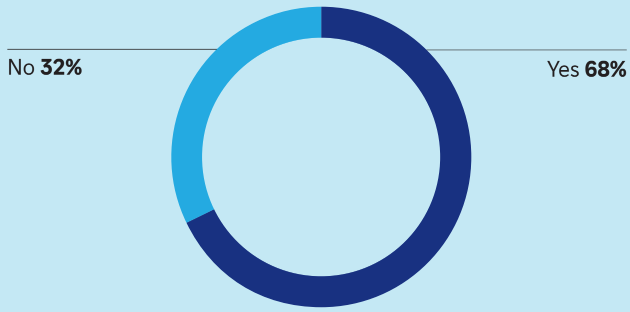
Stakeholder challenge on listing venue and competition from other global exchanges to attract UK listed companies remains strong. Three-quarters of respondents have considered moving their listing or adding a dual listing in the past year, slightly below the 83% recorded in 2025[3]. This is an important reminder that renewed confidence does not automatically translate into loyalty to the London market.

Have you thought about moving your listing or adding a dual-listing in the last 12 months?



More than two-thirds (68%) of respondents have also faced pressure from external stakeholders to move or add a listing in another jurisdiction.

Have you had any pressure from external stakeholders to move your listing or add an additional listing in another jurisdiction?



It may not come as a surprise that New York is the most popular alternative, cited by 73% of respondents who have contemplated a move or dual listing. However, Amsterdam follows at 62%, while Frankfurt and Tokyo are cited by 39% and 34% respectively. Companies experiencing external pressure are almost equally likely to cite New York (72%) and Amsterdam (71%) as alternatives. That said, whilst listing location continues to be a board-room topic of debate and a theme covered by a steady flow of negative-biased media articles, the number of UK listed issuers actioning a change in market or dual-listing remains relatively low. The examples that have happened have generally been for valid reasons (e.g. Glencore's recent announcement of its planned listing in Australia to complement its London listing).

3 https://country.db.com/uk/dedicatedtotheuki/raisedinlondon/

London therefore needs to compete with the depth and scale of both US and European markets. Some 96% agree that attracting more international issuers would help reinforce London's long-term position as a leading global financial centre. A stronger domestic market must therefore retain successful UK companies while attracting businesses and capital from overseas.

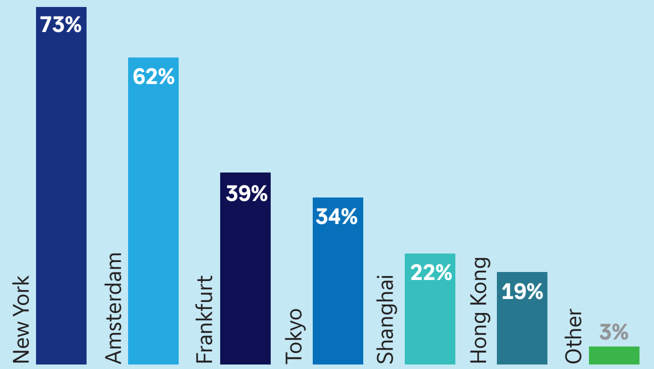
The findings therefore present two contrasting perspectives on London's international position. Global investors are showing increasing interest in UK-listed companies, but issuers continue to assess the opportunities available elsewhere.

This gives London a clear opportunity to strengthen its domestic investor base while continuing to attract institutional capital from around the world. Thanks to its historic reputation and international connectivity, it already has a strong foundation to achieve this.

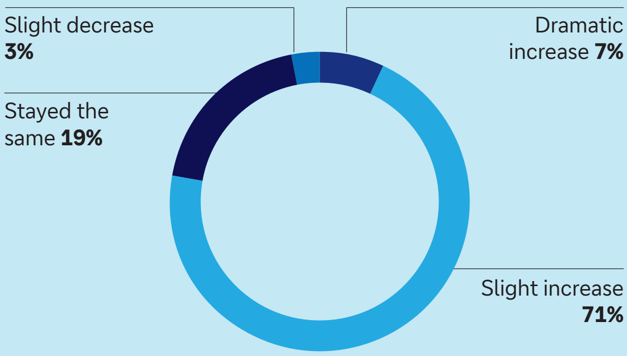
This also reinforces the need to emphasise the quality of companies' engagement with the equity market. Success should not be judged exclusively by the number of investors on a share register. London needs to identify the right long-term investors and communicate the equity story in a way that supports demand and valuation. That approach will differ according to a company's size, profile and natural investor base, making expert corporate-broking advice an increasingly important part of the public-markets proposition.

External scrutiny is also becoming more pronounced. More than three-quarters of respondents (78%) have experienced increased activist-investor activity over the past 12 months, including 7% who report a dramatic increase and 71% a slight increase. This reinforces the importance of engaging shareholders early, communicating a compelling equity story and demonstrating a credible route to long-term value creation.

If yes, which markets have you considered? (Please select all that apply)

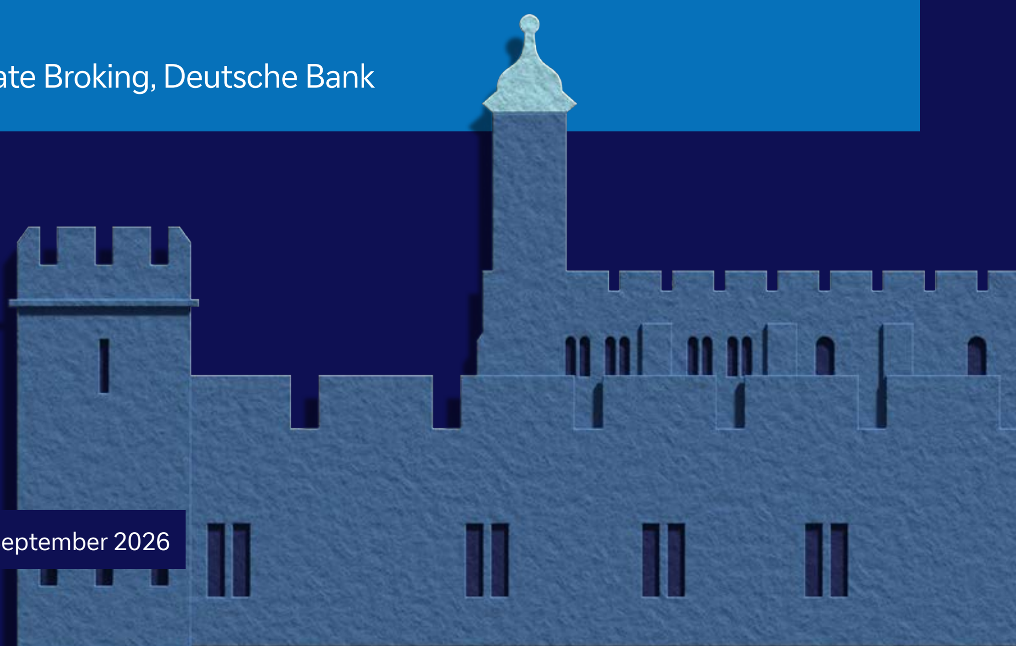


Have you experienced an increase in activist investor activity on your share register in the past 12 months?



"Every company needs the right investors on its register, but the appropriate investor base will vary with its size, profile and the natural appetite for its shares. A smaller, less well-known business may need a corporate broker's platform to drive investors to its proposition, while a household name may need advice on positioning its equity story. A strong corporate-broking model combines both capabilities: connecting companies with domestic and international investors and advising boards on how their proposition is presented to the market."

Lewis Burnett, Head of Corporate Broking, Deutsche Bank



Mobilising domestic capital and sustaining reform

Recent reforms have significantly strengthened London's public-market proposition and competitiveness relative to other global exchanges, yet there is still a great deal of work to do beyond simplifying the listing process.

This policy direction was reinforced in the former Chancellor's July 2026 Mansion House speech[4], which was delivered at the end of former Prime Minister Starmer's administration. It also highlighted changes to ISAs and financial advice alongside efforts to increase pension-fund and insurance investment in UK assets.

The next task is to increase the depth of capital available to companies as they grow. This will require greater domestic investment, wider market participation and a regulatory framework that evolves alongside these changes.

Some 95% of respondents say the FCA's 2024 Listing Rules reforms and the introduction of the Public Offers and Admissions to Trading Regime[5] have made life as a listed company easier or cheaper.

Further proposed changes are also being welcomed. Some 93% of respondents believed the FCA's proposed changes to information flows and research during the Main Market IPO process would make the UK more competitive as a listing venue and will therefore have welcomed the fact that the FCA implemented those changes in August. The same proportion agrees that the Government's Wholesale Financial Markets Digital Strategy[6] can make UK capital markets more competitive and efficient.

These results indicate that reform has improved sentiment, but regulation alone will not solve the challenges of low valuations and limited access to liquidity and capital. When respondents were asked what was most important to London's appeal as a listing venue, they were most likely to cite policies to increase investment in UK-listed equities. The second priority was measures to attract and retain issuers, followed by a more competitive environment for executive remuneration and greater retail participation.

The results also vary across the market. FTSE 100 companies are most likely to cite a stable economic backdrop as the leading government priority for improving London's appeal, while FTSE 250 and AIM respondents most frequently cite additional measures to encourage domestic pension funds to invest in UK equities. This reflects the particular importance of a large domestic investor base for the UK's mid-sized and growth companies.

London's recent challenges have not reflected any lack of entrepreneurial businesses or financial expertise. However, mobilising even a modest additional share of pension and insurance capital could strengthen the buyer base, support valuations and encourage companies to return to the market for additional funding.

Strong optimism around pension reform

Ninety-four per cent expect the reforms introduced by the Pension Schemes Act 2026[7] to increase investment in major infrastructure projects and private businesses. These reforms include consolidation measures intended to create larger funds, and no respondent expects them to have a negative effect. However, investment in infrastructure and private businesses should not be conflated with investment in publicly listed equities.

Our survey indicates that leaders want policymakers to address both. Almost two thirds (65%) support amending the rules applying to life insurers to make it easier for them to invest in equities, making this the most widely backed proposal. Fifty-nine per cent favour mandating a minimum allocation to UK equities, while 50% support revisiting accounting requirements that oblige companies to recognise pension deficits on their balance sheets. Well over a third (39%) favour allowing access to defined benefit pension surpluses to fund growth.

4 https://www.gov.uk/government/speeches/rachel-reeves-mansion-house-2026-speech
5 https://www.fca.org.uk/publications/policy-statements/ps25-9-new-rules-public-offers-admissions-trading-regime
6 https://www.gov.uk/government/publications/wholesale-financial-markets-digital-strategy/wholesale-financial-markets-digital-strategy
7 https://www.legislation.gov.uk/ukpga/2026/22/contents

Respondents differ on the appropriate mechanism, however. For example, 78% of FTSE 100 respondents support a minimum domestic allocation, compared with 48% of AIM companies and 45% across the rest of the market. However, every segment shows consistent support for reforming the rules applied to life insurers, even if there are differing views on the appropriate degree of intervention.

The importance of building the UK's retail base

Respondents agree that retail investors must form part of a deeper domestic market. Encouraging greater retail participation through government and regulatory reform is the priority among companies outside the FTSE 100, FTSE 250 and AIM cohorts, and the second priority among respondents overall.

Reforming incentives, promoting balanced risk-taking through vehicles such as ISAs and removing barriers to participation could help more UK savers connect with London-listed companies. However, it is important to note that reforms should preserve investor choice and avoid unintended consequences for other savings products or sources of funding.

Respondents are less likely to cite direct action on trading liquidity as a policy priority for UK regulatory reform. While improving liquidity remains important, they would prefer reforms to address the underlying causes of London's recent liquidity challenges. This includes a comparatively limited retail investor base and inadequate support for growth companies seeking capital. The UK Government's establishment of the Private Intermittent Securities and Capital Exchange System ("Pisces") and the London Stock Exchange's Private Securities Market being approved as the first PISCES operator is a good and innovative step forward, but more reform is needed.

These reforms will be successful if they lead to better market outcomes for both sides of the equation. London needs a framework that is proportionate and adaptable, encouraging investors to provide capital throughout a company's journey rather than only at flotation.

Which of the following themes do you consider the most important for your business in the next 3 years? (List top 5)

01 Supporting UK growth companies to raise capital, grow and scale in the UK economy

02 Encouraging greater retail market participation in the UK equity markets

03 Increasing institutional investment in the UK equity markets

04 Governance / Stewardship

05 Competition clearance

06 Sustainability disclosure requirements

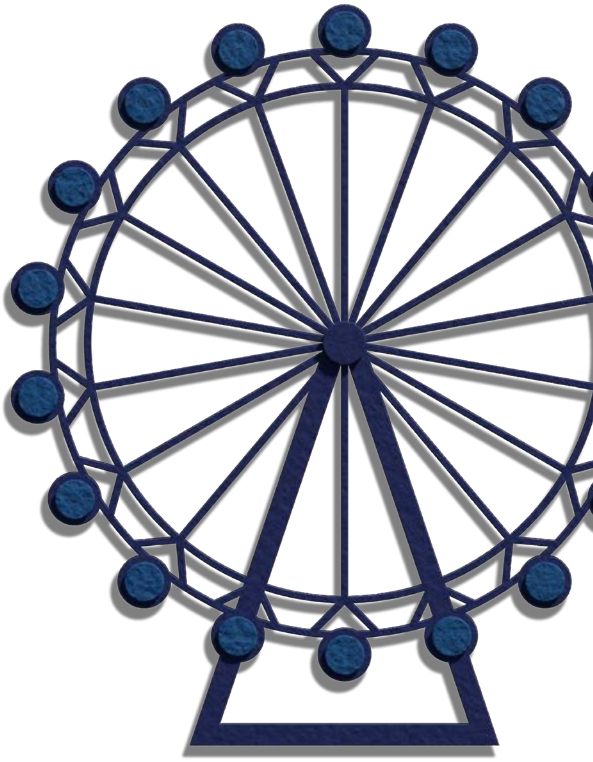
07 Digital innovation to create more efficient capital markets

08 National security clearance

09 Executive remuneration

10 Trading liquidity levels

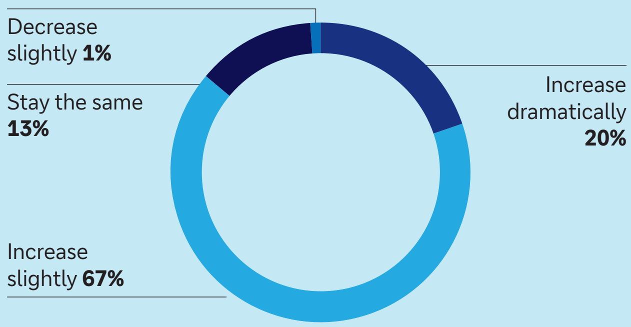
Financing the next phase: M&A, private capital and debt



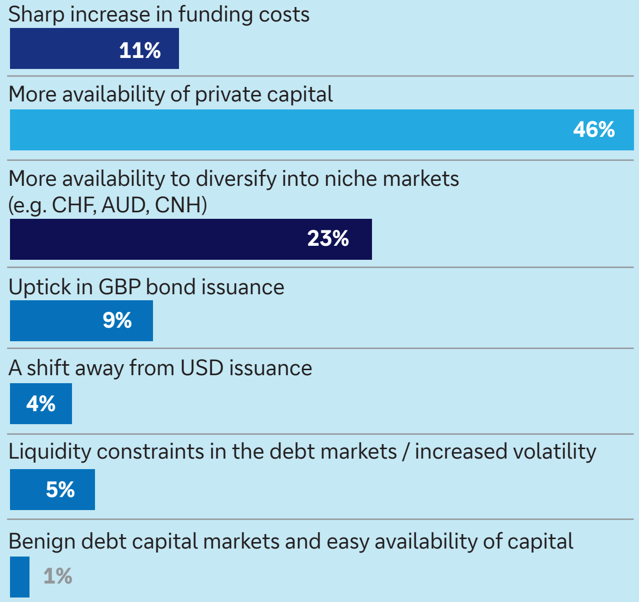
The positive outlook for corporate activity provides further evidence of improving confidence. Some 87% of respondents expect UK M&A activity to increase over the next 12 months, suggesting that companies and investors are becoming more willing to pursue inorganic as well as organic growth, following a period characterised by economic uncertainty, relatively high financing costs and cautious decision-making.

When asked about how they expect debt markets to evolve in the next 24 months, 46% of respondents expect greater availability of private capital, while 23% anticipate the market will have more ability to diversify into niche markets, such as Swiss Francs (CHF), Australian Dollars (AUD) or Chinese Renminbi (CNH).

What is your view on the general outlook for M&A over the next 12 months?



What trend do you most expect in the debt markets over the next 24 months?

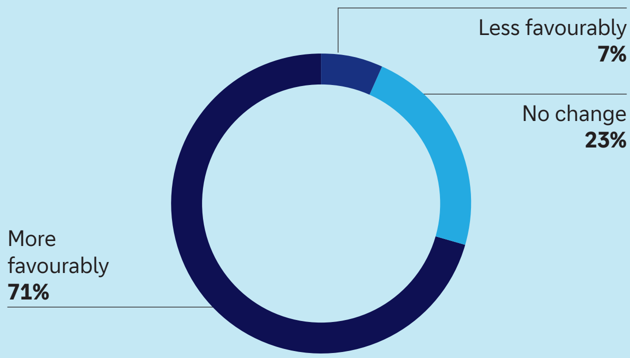


The UK's growing appeal as an M&A target

The UK itself is also becoming more attractive to prospective acquirers. Almost three quarters of respondents (71%) believe buyers view investment in UK companies more favourably than they did in 2025. This strengthening appetite matters not only because M&A generates transaction activity, but because acquisitions can enable companies to add capabilities, enter new markets and accelerate growth.

Corporate intentions reinforce this positive outlook. Some 90% say their own company is either somewhat or highly likely to undertake some form of M&A this year – although this is the same percentage as 2025[8]. Not every prospective transaction will reach completion, but the breadth of this interest suggests greater confidence is beginning to influence strategic decision-making.

Do you think buyers view M&A investment in the UK more or less favourably than in the 2025?



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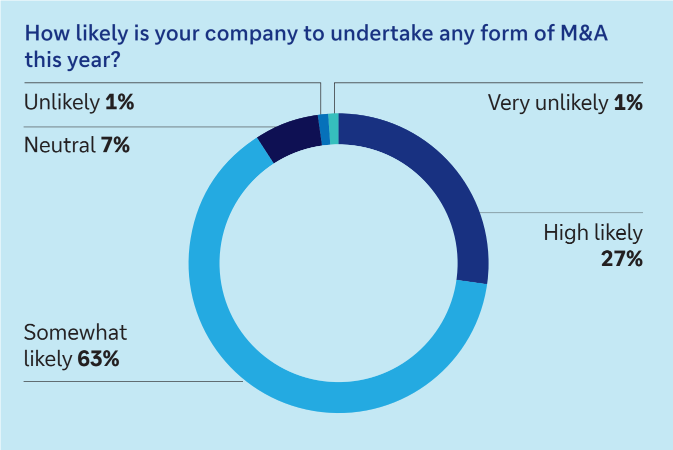
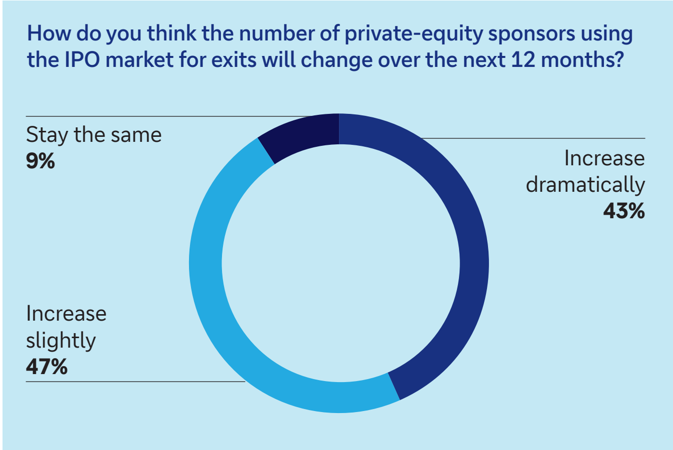
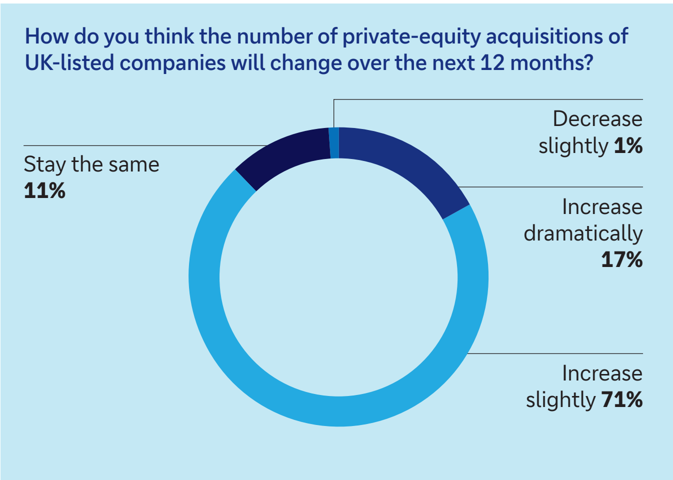




Private equity is expected to play an important role.

Some 88% of respondents anticipate an increase in private-equity acquisitions of UK-listed companies. Recent deal flow has reinforced this view with a wide range of live public offers for UK listed issuers in the market from both strategic and private equity buyers. This can be interpreted as a vote of confidence in the quality and long-term potential of UK businesses. However, it may also reflect the valuation gap identified elsewhere in the survey. Where listed companies trade below comparable businesses in other markets or the valuations available under private ownership, well-capitalised buyers may see opportunities to acquire strong assets at attractive prices.



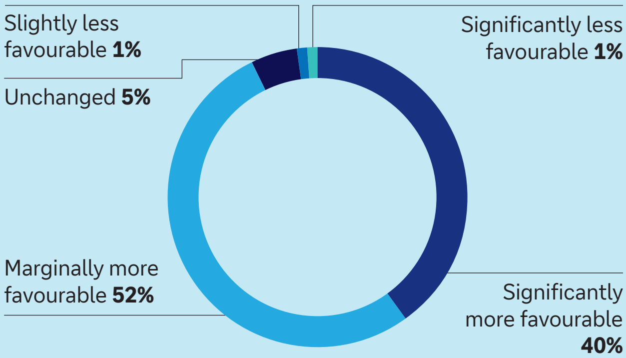
Some 90% of respondents expect private-equity sponsors to make greater use of IPOs as an exit route. A revival in private-equity-backed flotations could strengthen London's pipeline, return established businesses to public ownership and demonstrate that the UK market provides investors with a credible route to realising value.

"UK M&A activity has already accelerated markedly this year, despite continued geopolitical and macroeconomic volatility. Although UK-listed companies often trade at lower valuations than comparable overseas businesses, that discount should not be mistaken for a lack of quality or weakness in London's underlying proposition. Many are high-quality, internationally diversified businesses, and overseas buyers continue to be drawn to the UK by compelling assets, an established takeover framework and a sophisticated advisory ecosystem. In a low-growth environment, disciplined M&A can help corporates build scale, diversify and accelerate growth, while private equity has substantial capital to deploy and financing conditions have improved. We are seeing private-equity firms both compete for assets and co-invest on larger transactions. These conditions support continued activity, although investors remain selective and are scrutinising risks such as potential disruption from AI."

Oliver Ives, Head of UK M&A, Deutsche Bank

Debt conditions provide further reasons to be somewhat optimistic. Some 93% of respondents report more favourable pricing or tenor availability. Better access to appropriately structured debt can make acquisitions more viable, enable companies to refinance existing obligations and provide additional capital for investment. It can also give businesses greater flexibility in deciding how to fund transactions, rather than relying exclusively on equity issuance or internal resources.

Have you seen any impact on the pricing / tenor availability of debt financing over the past 12 month?



These findings indicate an increasingly active and interconnected financing environment. Strategic buyers, private equity firms, lenders and public markets each have a role in supporting the next phase of corporate growth. However, anticipated activity must still translate into completed deals, successful IPO exits and sustainable financing structures.

A healthy London market should not merely make UK-listed businesses attractive takeover targets. It should also give companies compelling reasons to access public capital, undertake acquisitions and continue growing from a London listing.

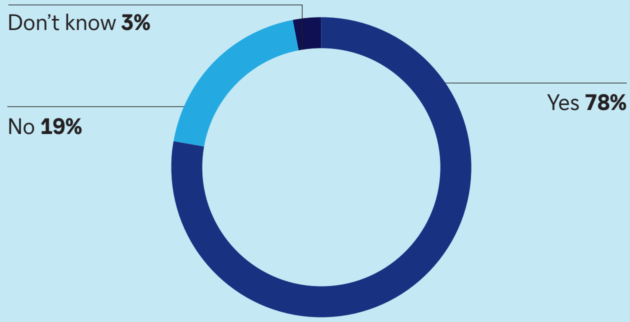
> "Sub-investment-grade credit spreads are close to decade lows, giving companies greater financing flexibility. Borrowers can also draw on a broader mix of bank lending, public debt and private capital, tailoring that mix to their refinancing, investment and M&A objectives. The more constructive market gives borrowers greater scope to pursue their strategic ambitions with confidence."
>
> **Sammy Naik,** Managing Director, Leveraged Finance, Deutsche Bank

The big picture

Our survey paints a picture of London's capital markets that is more positive than the recent narrative might suggest. The strongest signals are forward-looking: 94% of respondents expect London's competitiveness in IPOs and fundraising to improve over the next three years. Some 94% also expect UK IPO volumes to rise over the next two years, while 91% anticipate increased secondary issuance over the same period and 87% expect UK M&A activity to increase over the next 12 months.

However, the survey also identifies the conditions that could prevent these positive expectations from translating into a durable recovery. As highlighted earlier in this report, more than three quarters of respondents (78%) believe UK equity markets continue to undervalue listed issuers, almost as many (75%) have considered moving or adding a dual listing and respondents repeatedly return to the need for a deeper pool of domestic capital. The challenge is therefore not simply to attract the next cohort of IPOs, it is to build a market environment that supports companies before, during and long after flotation.

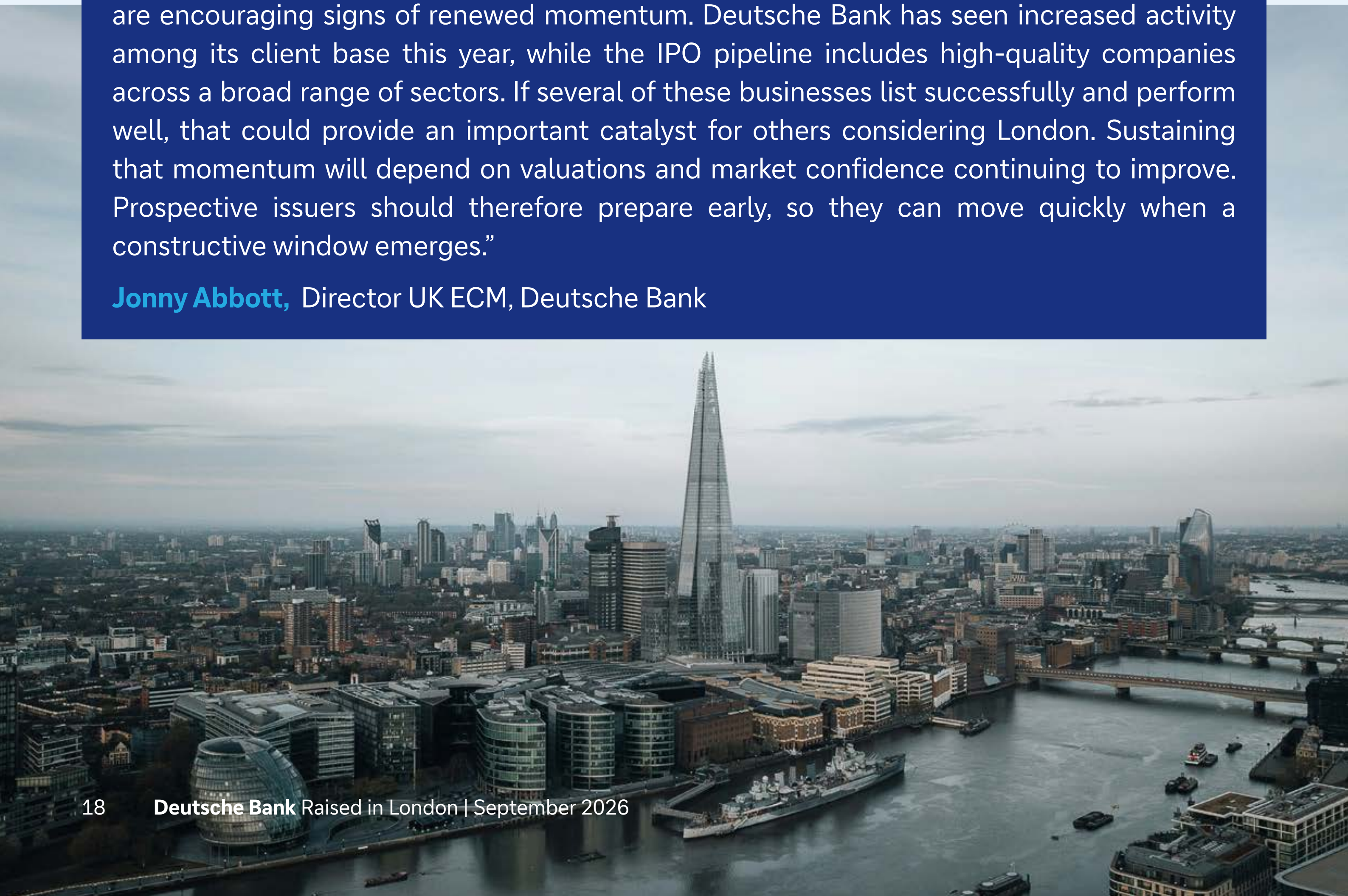
Do you believe that UK equity markets are currently undervaluing listed issuers relative to other global markets?



While a substantial number of respondents suggest no further measures, those who do propose action repeatedly call for policy stability, proportionate regulation, more domestic investment, stronger support for growth companies, better infrastructure and a clearer focus on the sectors in which the UK already has a competitive advantage.

"Although UK equity capital markets activity remains subdued by historical standards, there are encouraging signs of renewed momentum. Deutsche Bank has seen increased activity among its client base this year, while the IPO pipeline includes high-quality companies across a broad range of sectors. If several of these businesses list successfully and perform well, that could provide an important catalyst for others considering London. Sustaining that momentum will depend on valuations and market confidence continuing to improve. Prospective issuers should therefore prepare early, so they can move quickly when a constructive window emerges."

Jonny Abbott, Director UK ECM, Deutsche Bank



Views from UK-listed leaders

We asked 150 UK-listed 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?" Selected responses below have been lightly edited for spelling, punctuation and grammar only.

Mobilising long-term domestic capital

"Introduce stronger fiscal incentives to encourage a higher proportion of long-term capital to UK businesses."

"The Government should unlock domestic institutional capital until we create a reliable home-growth bid."

"Reduce or eliminate stamp duty on UK shares, because it reduces trading volume and liquidity."

Capitalising on sector strengths and innovation

"Prioritise the sectors where London has a clear competitive advantage."

"There has to be greater support for high-growth sectors such as AI and clean energy. It would help attract investment and strengthen the UK's long-term competitiveness."

"Strengthen partnerships between universities, research institutions and industry."

Helping high-growth companies scale and remain in the UK

"Continue to simplify listing requirements, improve regulatory clarity and strengthen incentives for high-growth companies to choose the UK."

"The Government can diversify and refine capital channels to improve the availability of scale-up finance significantly."

"Simplifying regulations for small businesses and start-ups, reducing paperwork and offering tax incentives, would encourage more companies to set up and grow in London."

Proportionate, predictable and faster reform

"Better policy and regulatory stability would boost businesses' confidence to make long-term investment decisions."

"Implement policies more quickly, rather than leaving them on paper for too long."

"Post-Brexit regulations need to be calibrated to reduce compliance friction without compromising market integrity."

Nurturing the IPO pipeline and London's global narrative

"Cutting red tape and easing listing rules will bring companies back to London."

"Making public listing more attractive would increase public-market competition."

"Increase support for technology and innovation through R&D tax credits and easier access to growth funding. Promote London as a global hub for fintech and digital businesses to attract more international listings."

These views from UK-listed leaders have helped shape the recommendations that follow.

Recommendations

The recommendations are drawn from careful dissection of the Raised in London 2026 survey responses, highlighting recurring operational pressures, capability gaps and opportunities for targeted improvement.

1 Mobilise long-term domestic capital via targeted fiscal policy measures and broader incentives

The most immediate priority is to expand the pool of long-term capital available to UK-listed and growth companies. Survey respondents support a range of mechanisms rather than a single solution, including reforming the rules applied to life insurers, increasing pension-fund participation, widening retail access and improving incentives to invest in UK equities.

Specific policy options for consideration include:
Removing avoidable investment friction, such as Stamp Duty Reserve Tax (SDRT).

Introducing positive fiscal incentives that strengthen the risk-adjusted case for holding UK assets, such as a dividend credit on UK shares and IHT exemptions linked to UK investment.

Exploring a UK-weighted default fund for defined contribution pensions, under which 20% to 25% of the fund's listed-equity allocation would be invested in UK-listed equities, while allowing individual savers to opt out.

Considering whether enhanced pension tax relief or tax-free benefits could be linked to pension arrangements that meet defined levels of UK-equity investment.

Any intervention should remain targeted, affordable and sustainable, focus on long-term UK savings vehicles and preserve appropriate diversification, member choice and fiduciary safeguards. This would encourage greater domestic investment without relying exclusively on hard mandation.

2 Make reform proportionate, predictable and faster to implement

The results of our survey confirm broad support for the direction of regulatory and policy reform. However, responses repeatedly emphasise the need for consistency, clarity and speed of implementation. This matters particularly for smaller and high-growth companies, for which the cost and complexity of compliance can absorb a disproportionate share of management time and capital. The next phase of policy measures should focus on how reforms operate in practice and ensure market practice evolves in response to implemented policy change. Regulation must continue to protect investors and market integrity, while recognising that an AIM-listed growth company faces different constraints from a FTSE 100 issuer. A stable tax and policy environment would also give boards greater confidence to make long-term investment decisions.

3 Help high-growth companies scale and remain in the UK

London's long-term competitiveness depends on the strength of the pipeline beneath the public market. Respondents call for better access to growth funding, more support for start-ups and scale-ups, and policies that encourage entrepreneurship and innovation. This includes improving access to capital across the full funding journey, from venture investment and private growth capital to IPO and follow-on issuance. It also means reducing the points at which promising companies are encouraged to sell, relocate or list overseas because the UK cannot provide sufficient capital at the next stage of growth.

4 Capitalise on the UK's sector strengths and expertise in innovation

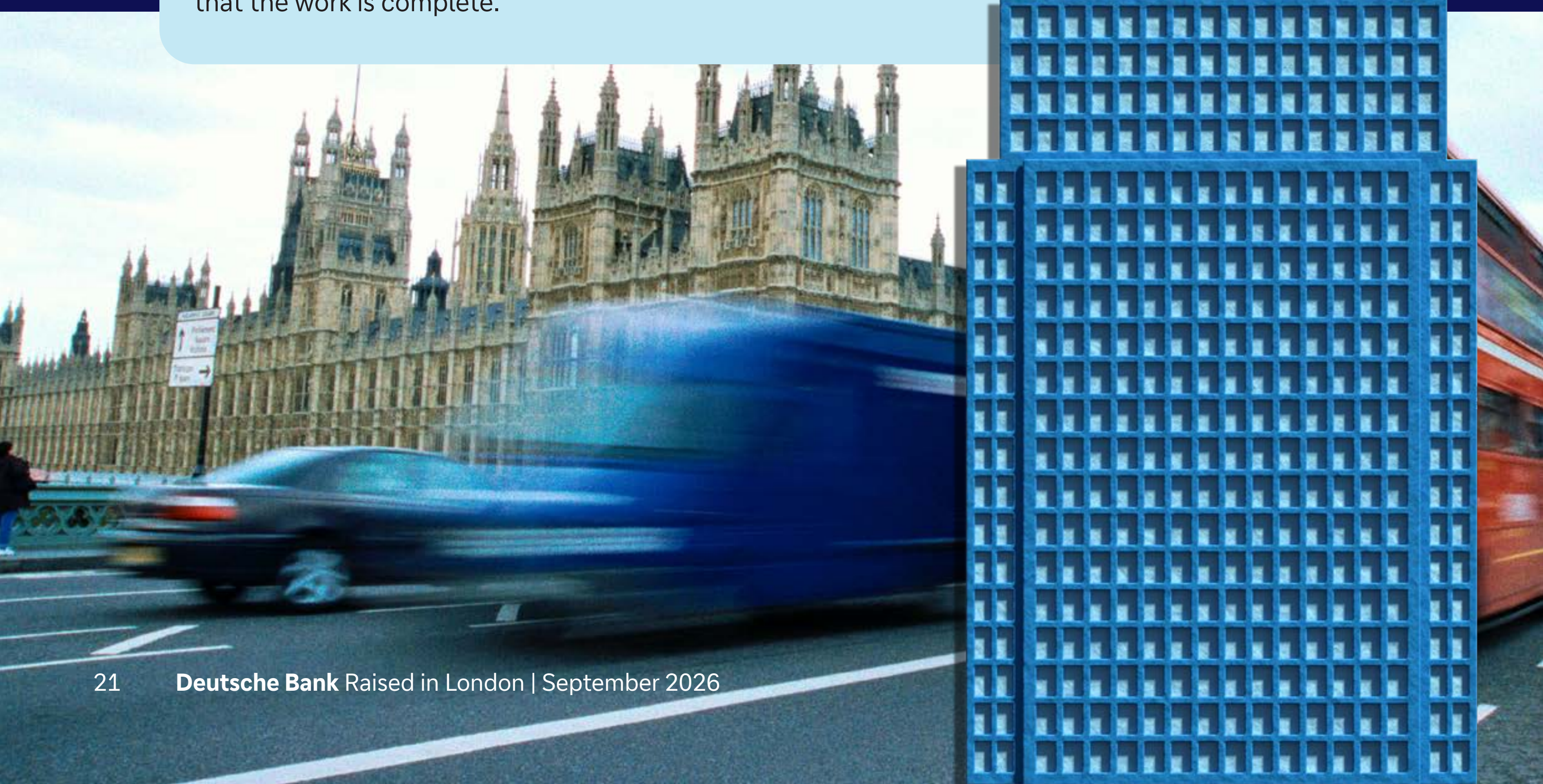
Survey respondents frequently refer to the UK's strength in technology, AI, life sciences, biotechnology, clean energy, advanced manufacturing and financial services. The Government should continue to promote these areas internationally, but this promotion must be supported by conditions, support and incentives that allow companies to grow. These include research and development incentives, collaboration between universities and industry, specialist talent, effective public procurement and access to later-stage finance. A stronger sector ecosystem would help increase the supply of high-quality issuers while giving global investors clearer reasons to allocate capital to the UK. In essence, the priority is to invest in the broader competitiveness of the UK economy and capitalise on our existing strengths, as capital-market reform cannot be separated from the wider business environment.

5 Nurture the UK IPO pipeline with listing incentives and a stronger proactive marketing narrative on London

This recommendation is consistent with our 2025 report. There has been encouraging growth in the pipeline of potential UK IPO opportunities through 2026, but unlike other global exchanges, we have yet to see this pipeline evolve into a successful series of completed transactions. A series of successful IPOs would demonstrably change the narrative on London. Regardless, more proactive action is needed to incentivise domestic and international issuers to target UK floats, alongside greater effort by all stakeholders in the London market to build on the more positive bias that has emerged in recent years.

London must also remain open to international investors, businesses and skilled workers. A more confident narrative should be based on evidence rather than promotion alone, connecting the UK's institutional strengths with a credible programme of investment and reform. That combination would help London compete for international listings and capital while ensuring that the benefits extend to businesses and regions across the country.

Taken together, these recommendations point towards a consistent objective: a deeper, more connected and more competitive market that enables companies to raise capital, invest, acquire and grow from a UK listing. The opportunity is substantial, but the survey's optimism should be treated as a mandate for continued action rather than evidence that the work is complete.



Background and methodology

Deutsche Bank commissioned market-research company Pureprofile to survey board directors and senior leaders at UK-listed companies. Respondents included chairs, CEOs, CFOs, heads of investor relations and senior independent directors.

The survey was completed online in July 2026 by 150 respondents: 40 from FTSE 100 companies, 40 from FTSE 250 companies, 50 from AIM-listed companies and 20 from other UK-listed companies.

Unless otherwise stated, percentages in this report refer to the overall sample. Combined figures - such as the proportion expecting an increase or expressing agreement - add together the relevant response categories. Segment findings are identified explicitly. Ranked questions report the order in which options were prioritised, while the recommendations section also draws on the qualitative responses to the survey's open-text question about additional measures to support the Government's growth agenda and improve London's competitiveness.

Comparisons with 2025 use the corresponding findings from that year's Raised in London report. Percentages may not always total 100% because of rounding.

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