

# UK Investor Magazine Virtual Investor Conference

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**March 2021**



**London**  
Stock Exchange

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# The World's Most International Exchange

A decorative graphic on the right side of the slide consisting of several concentric, overlapping arcs in shades of gray, creating a sense of depth and movement.

# A Snapshot of London Stock Exchange

£5.2 trillion of value with over £125 billion raised since 2018



**London**  
Stock Exchange

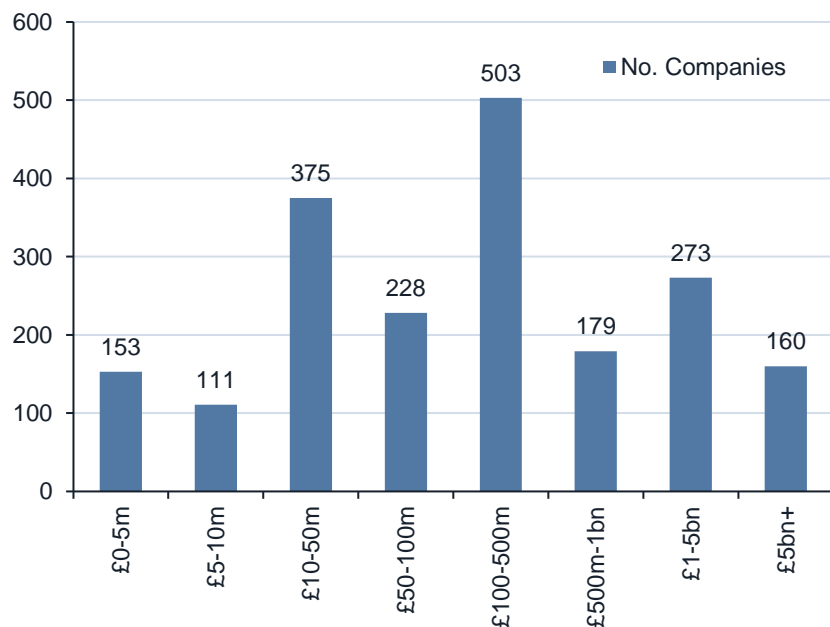
**1,982**

Number of companies listed in  
London

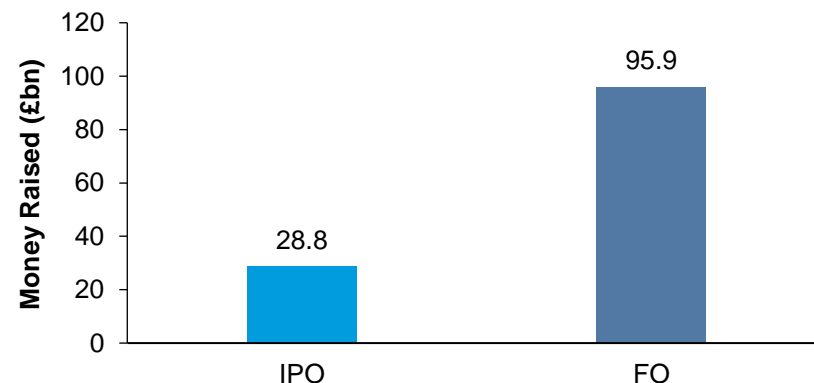
**£5.2 trillion**

Combined market cap of LSE's  
listed issuers

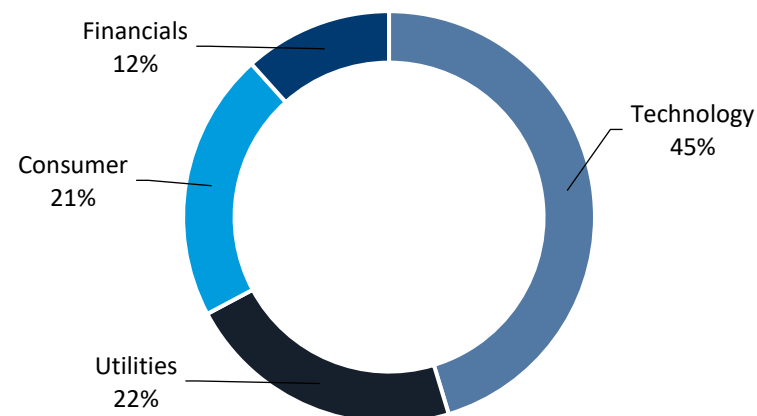
**No. of Companies on LSE by Market Cap**



**Over £125 billion from IPOs and FOs over the last 3 years**



**Largest IPOs over the last 6 months by sector\***



Source: LSEG, Dealogic, February 2021

\*IPOs raising more than £500m

# Europe's Most Active Equity Market

£51.2bn was raised in London through IPOs & FOs in 2020



London was the most active equity market in Europe in 2020, with:

- 2.7x more transactions (635 IPOs & FOs) than the next most active exchange, Stockholm (231 IPOs & FOs)
- 2.8x more in IPO and FO proceeds (£51.2bn) than the next exchange, Frankfurt (£18.0bn)

Top 10 European Exchanges by IPO & FO Capital Raised in 2020

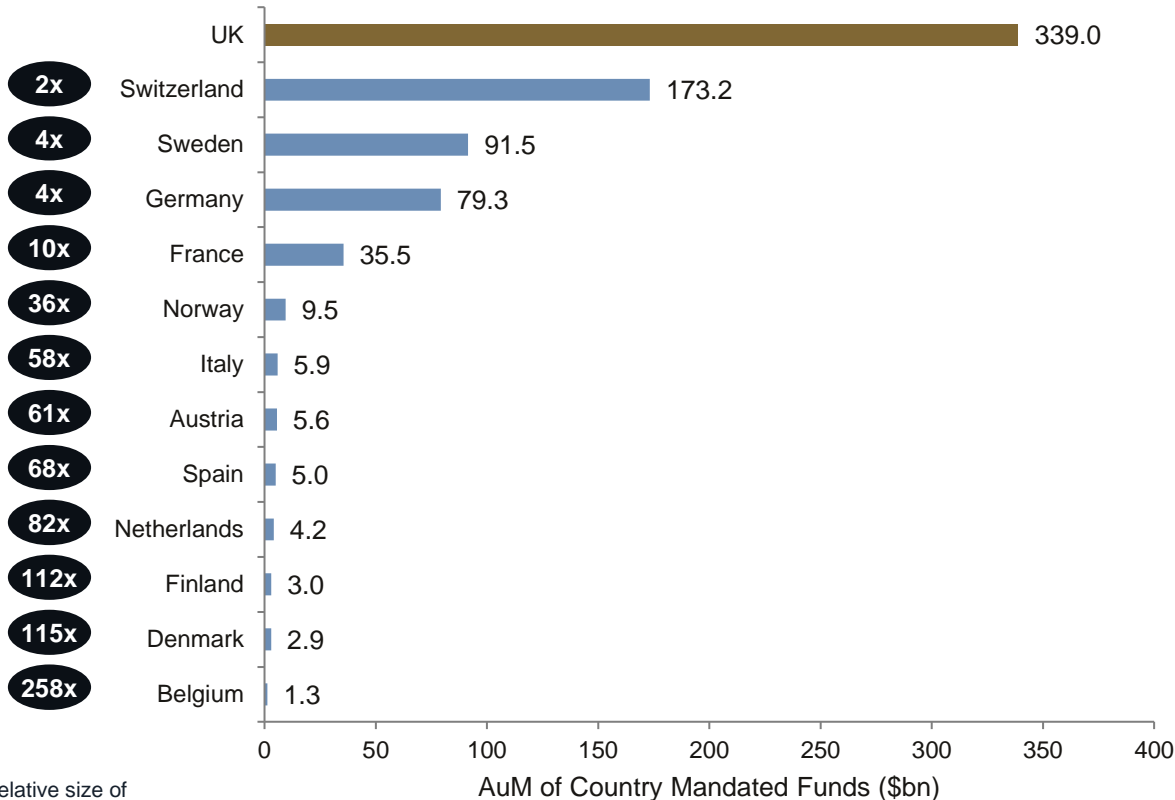


# London - Europe's Largest Capital Pool



Investors have ample capital to deploy incl. \$339bn of dedicated capital

Comparison of European country-dedicated AuM



Relative size of UK pool vs other W. European (DM) countries

The UK has a dedicated pool of capital which is restricted to investing in UK listed equities (currently \$339bn)

UK dedicated pool of capital has remained consistently larger despite the COVID-19 pandemic

Source: EPER Global, January 2021

Note: AuM data is as of 31 December 2020

# British Business Achieving Global Ambitions

## 75% of FTSE 100 revenues derived outside the UK



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Stock Exchange

London Stock Exchange is the natural home for UK businesses with global ambitions

### 100+

London issuers operate in over 100 countries around the world

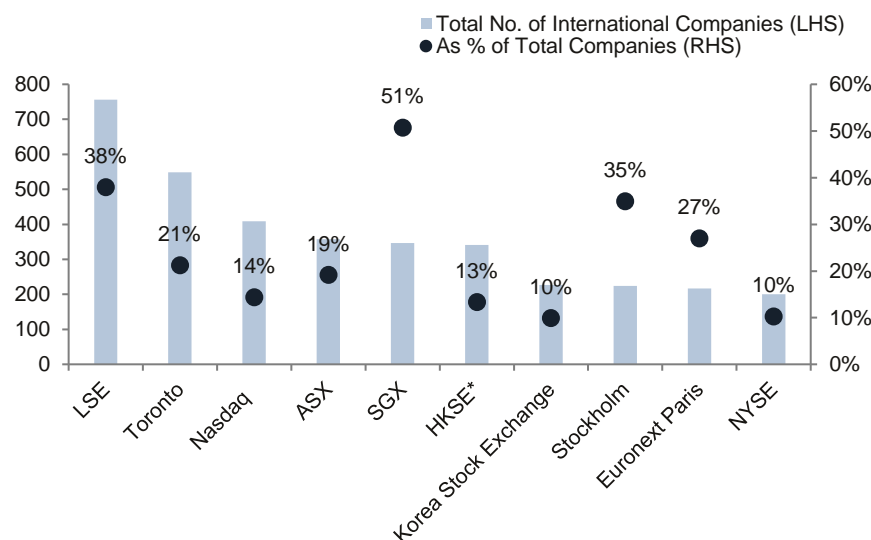
### 62%

of London-listed companies are UK companies

### 6/7

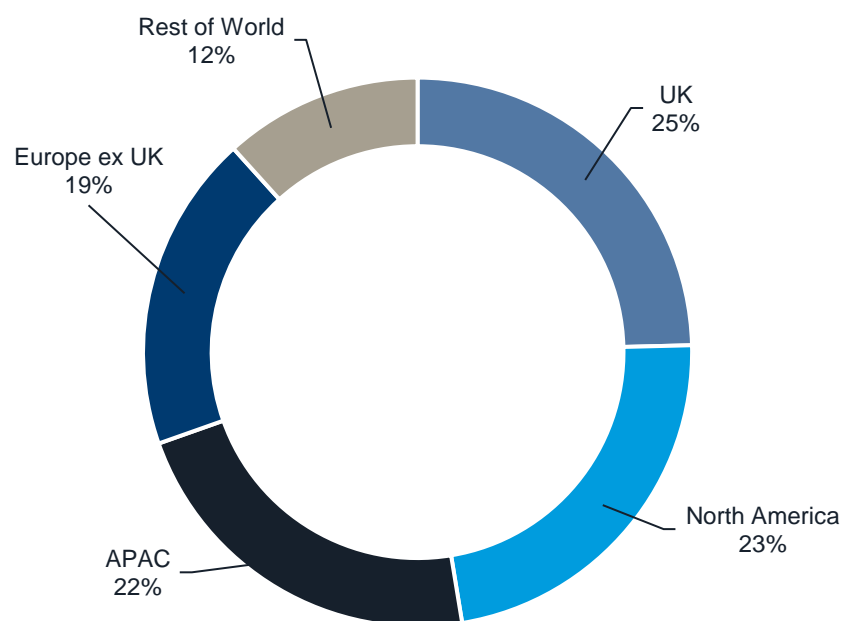
6 of 7 of the top London IPOs in 2021YTD were UK companies

### London has more international companies than any other major exchange



International	756	549	409	358	347	341	227	224	217	200
Domestic	1,233	2,029	2,427	1,506	337	2,210	2,045	416	586	1,739

### FTSE 100 Revenue Split



Source: LSE, FactSet, February 2021, Note: Exchanges with fewer than 250 companies listed are excluded

\*1530 (60%) of HKSE companies are Chinese

— International companies are those where the country of primary business of a company is not equal to the country of its primary listing. Our country of primary business methodology uses FactSet data and takes into account the country of largest revenue exposure, headquarters and incorporation

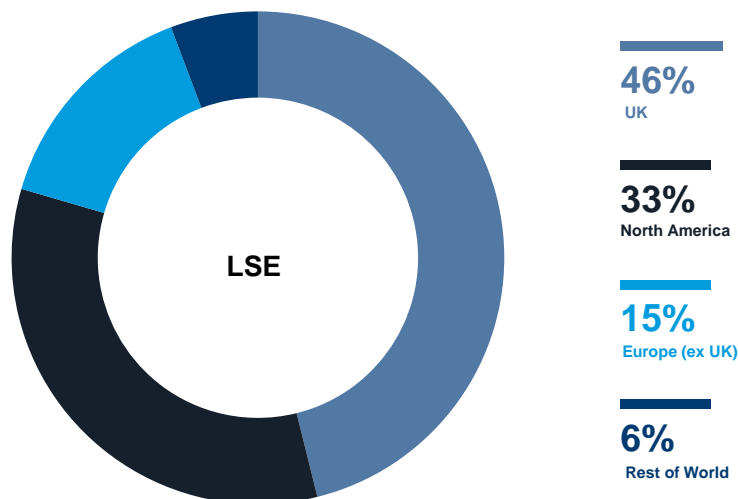
# A Globally Diverse Investment Base

Gain access to the most internationally diverse pool of investment



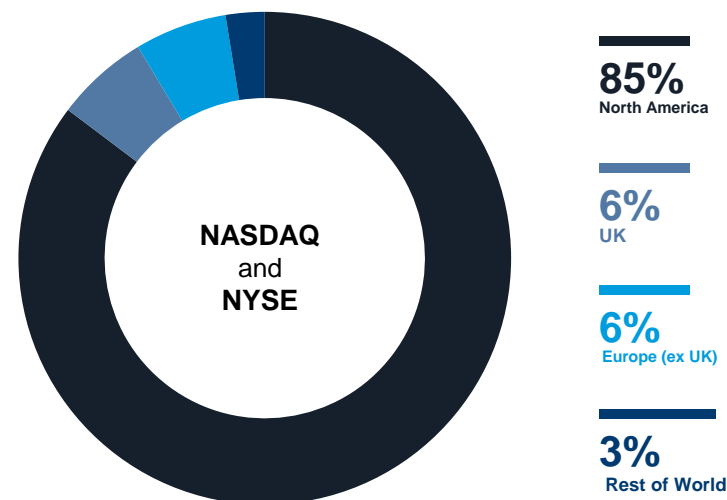
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## Domicile of Top investors in listed securities in London\*



- London has the most diverse investor base of any major global exchange, while still allowing issuers to access US institutional investors.
- This allows issuers access to a pool of capital that is comfortable with companies who build internationally facing business models.

## Domicile of Top investors in listed securities in the US\*



### Largest Institutions Investing in LSE Listed Stock

### Investor Country

BlackRock Investment Management (UK) Ltd.	United Kingdom	
The Vanguard Group, Inc.	United States	
Norges Bank Investment Management	Norway	
BlackRock Fund Advisors	United States	
Capital Research & Management Co.	United States	
Schroder Investment Management Ltd.	United Kingdom	

Source: FactSet, February 2021

\*Based on the Value of Securities Held

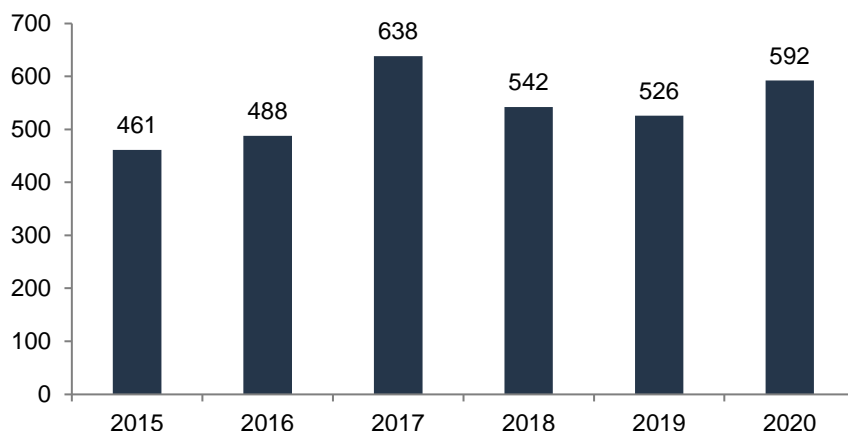
# Significant FO Activity in 2020

London's deep public markets provided support to the UK Recap effort

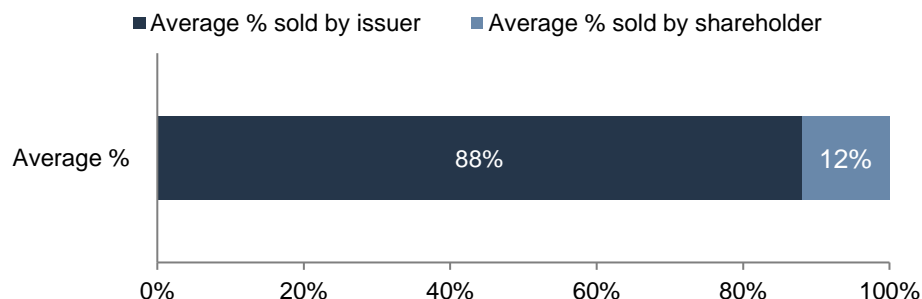


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No. of further offer transactions since 2015



Primary/secondary allocation for 2020 FOs



**£41.8bn**

Capital raised through further offers in 2020

**£2.8bn**

Capital raised through the largest further offer of 2020 by Aveva Group

**88%**

Of the capital raised through further offers has been through primary issuance

Largest Further Offers in 2020

Company	Date	Deal Type	Primary / Secondary	Proceeds (£m)
Aveva Group	10-Dec	Accelerated Bookbuild*	100 / 0	2,847
IAG	01-Oct	Rights Offer	100 / 0	2,497
Rolls-Royce Holdings	12-Nov	Accelerated Bookbuild*	100 / 0	2,277
Compass Group	19-May	Accelerated Bookbuild	100 / 0	1,999
Flutter Entertainment	04-Dec	Accelerated Bookbuild	100 / 0	1,121
Whitbread	10-Jun	Accelerated Bookbuild*	100 / 0	1,070
Informa	16-Apr	Accelerated Bookbuild	100 / 0	1,001
Flutter Entertainment	29-May	Accelerated Bookbuild	100 / 0	813
SEGRO	10-Jun	Accelerated Bookbuild	100 / 0	673
Ocado Group	11-Jun	Accelerated Bookbuild	100 / 0	657



# International Trends

## International issuers continue to access the London market

— In the last 3 years, the majority of the largest IPOs on LSE have been international issuers. This trend continued in 2020 with large IPOs from international companies such as China Pacific Insurance and China Yangtze Power (through the Shanghai-London Stock Connect)

### 5 of the top 10 2020 IPOs were international

Company	Nationality	Capital raised at IPO (\$m)
THG Holdings	United Kingdom	2,435
China Pacific Insurance	China	1,965
China Yangtze Power	China	1,963
Conduit Holdings	United Kingdom	1,097
Kaspi.kz JSC	Kazakhstan	1,000
Ignitis Grupe AB	Lithuania	527
Bytes Technology	United Kingdom	467
Calisen	United Kingdom	436
Home REIT	United Kingdom	311
Round Hill Music Royalty Fund	United States	282

### 3 of the top 5 2019 IPOs were international

Company	Nationality	Capital raised at IPO (\$m)
Huatai Securities	China	1,692
Network International	UAE	1,593
Trainline	United Kingdom	1,389
Airtel Africa	Pan-African	687
Schiehallion Fund	United Kingdom	477

### 3 of the top 5 2018 IPOs were international

Company	Nationality	Capital raised at IPO (\$m)
Aston Martin Lagonda	United Kingdom	1,407
Smithson Investment Trust	United Kingdom	1,084
Vivo Energy	Pan-African	819
Avast	Czech Republic	816
Nova Ljubljanska Banka	Slovenia	695

Source: Dealogic, December 2020

Note: international nature determined by main country of operation

  = international issuer

# The Home of Landmark Issuances

## Landmark recent UK growth company listings



February 2020

### Just Eat Takeaway.com

"Today's listing on the London Stock Exchange marks the beginning of a new era for our company. The Just Eat Takeaway.com merger provides the scale that is a necessary condition to remain competitive in a globalised environment. Our ambitions however reach much further. It is our intent to lead the sector, which not only means delivering the absolute best product for both consumers and restaurants."

**Jitse Groen, CEO, Just Eat Takeaway.com**

Just Eat Takeaway.com is a leading marketplace for online food delivery. Based in the Netherlands, the company was created through the combination of Just Eat and Takeaway.com, which were listed on London Stock Exchange and Euronext Amsterdam, respectively.



September 2020

### THG

"I am delighted that THG has received such strong support from some of the world's largest investors. The results of the offer are a clear validation of our business model, significant growth prospects, and recognition of the hard work and talent of all our colleagues."

**Matthew Moulding, Founder, Chairman and CEO**

THG is a vertically-integrated consumer brands group retailing its own brands in beauty and nutrition plus third party brands direct to consumer ("D2C") in 169 countries. In Sept 2020, THG became the largest IPO on the Standard segment of the Main Market in the last 10 years. It was also the largest technology IPO in London by market capitalisation at listing.



January 2021

### Dr Martens

"Today is a historic day for Dr. Martens, marking the start of a new chapter that will support our efforts in accelerating our growth ambitions, investing in our best-in-class digital and store experiences and executing against our proven strategy to take DM's to even more people all over the world. We are thrilled to begin trading on London Stock Exchange."

**Kenny Wilson, Chief Executive**

Dr Martens, is a British footwear brand that listed on the Premium Segment of the Main Market, raising £1.3bn in the largest London IPO for 2021 in the year to date. The IPO was priced at the top of the price range, was 8x oversubscribed and capitalised the business at £3.7bn



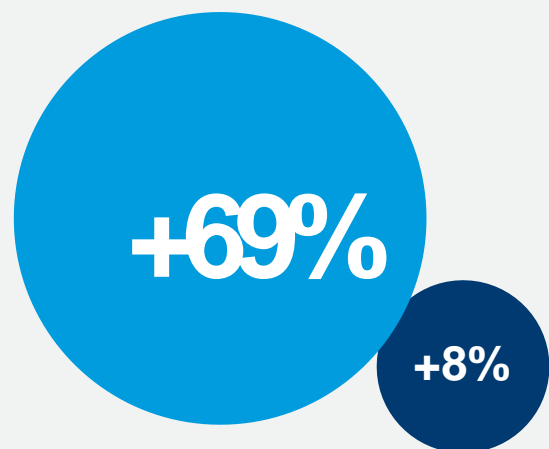
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# AIM – An Overview

# 2020 Highlights & Transactions

on the world's most successful growth market

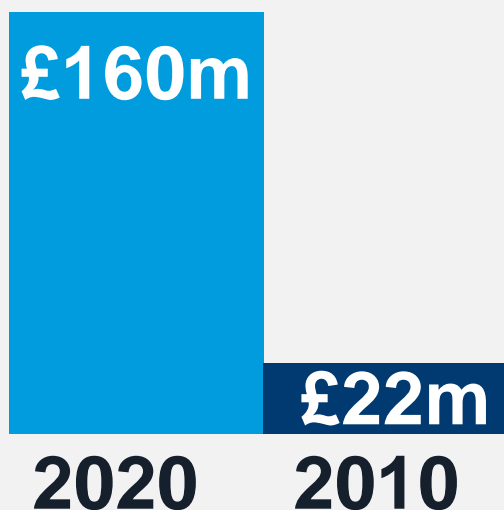
Average performance of AIM 100 companies (blue) vs FTSE 100 (gold) over the last five years



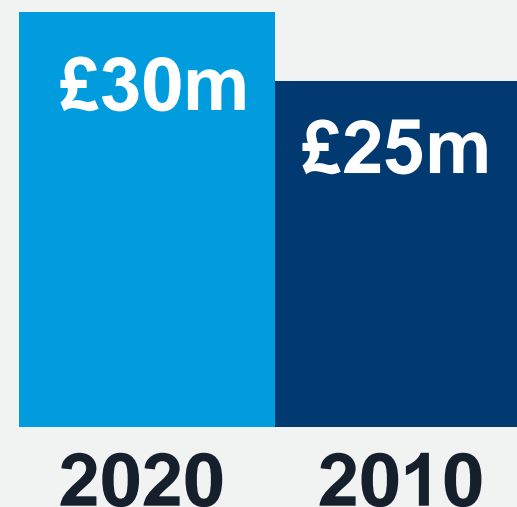
Current number of companies on AIM:

**819**

Average market cap of AIM companies



Average money raised at IPO by AIM companies



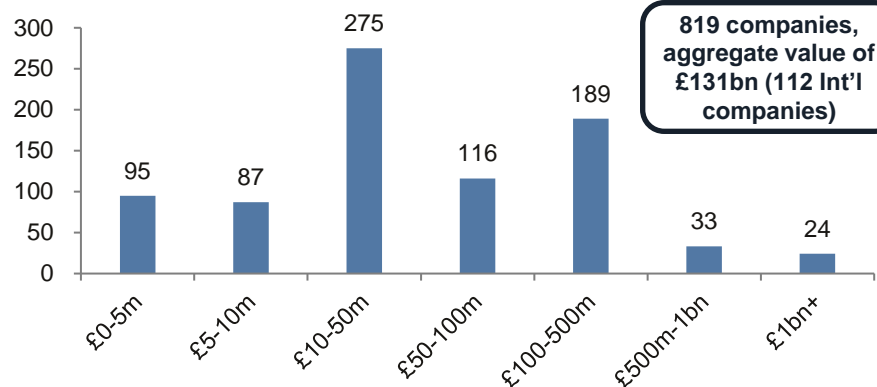
AIM remains a very international market



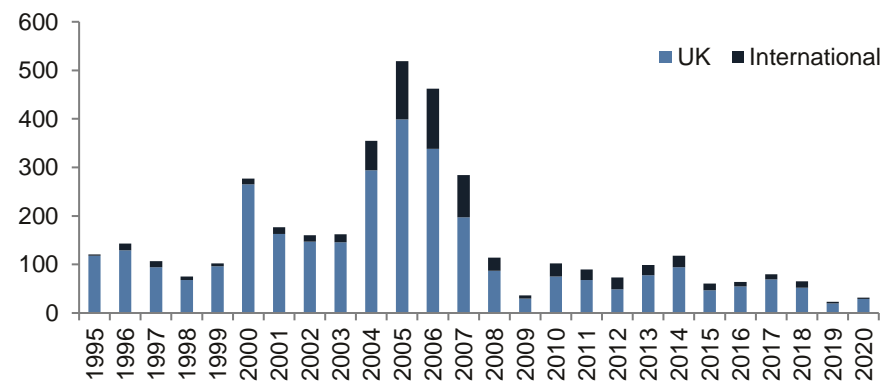
# A Snapshot of AIM

£121 billion raised since launch

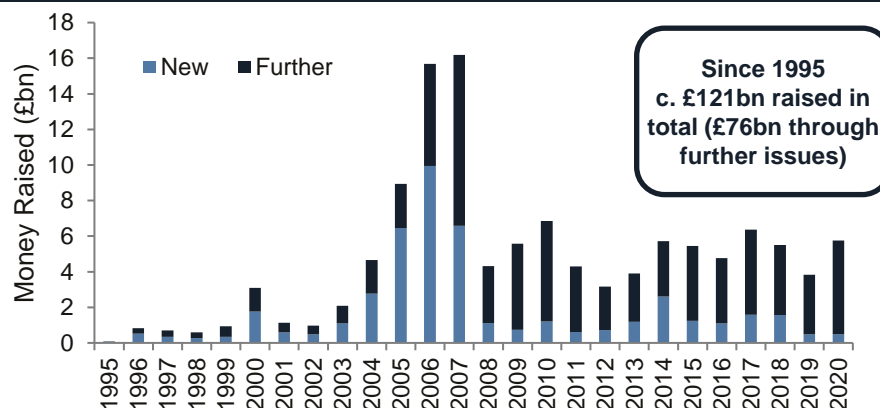
Profile of AIM Companies



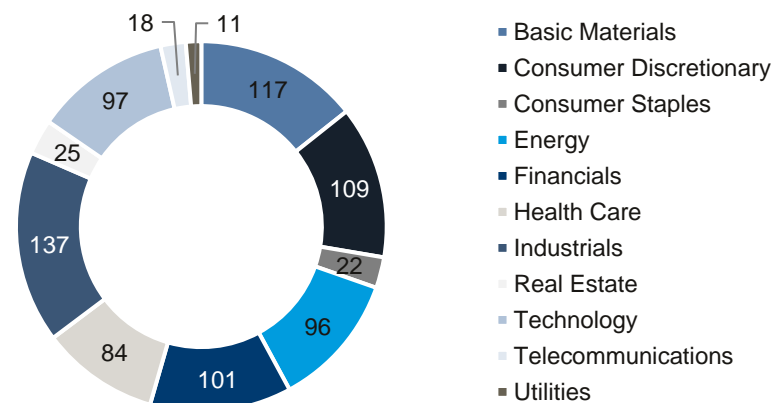
Admissions to AIM - 1995 to 2020



Fundraisings on AIM – 1995 to 2020



Industries represented (by no. companies)

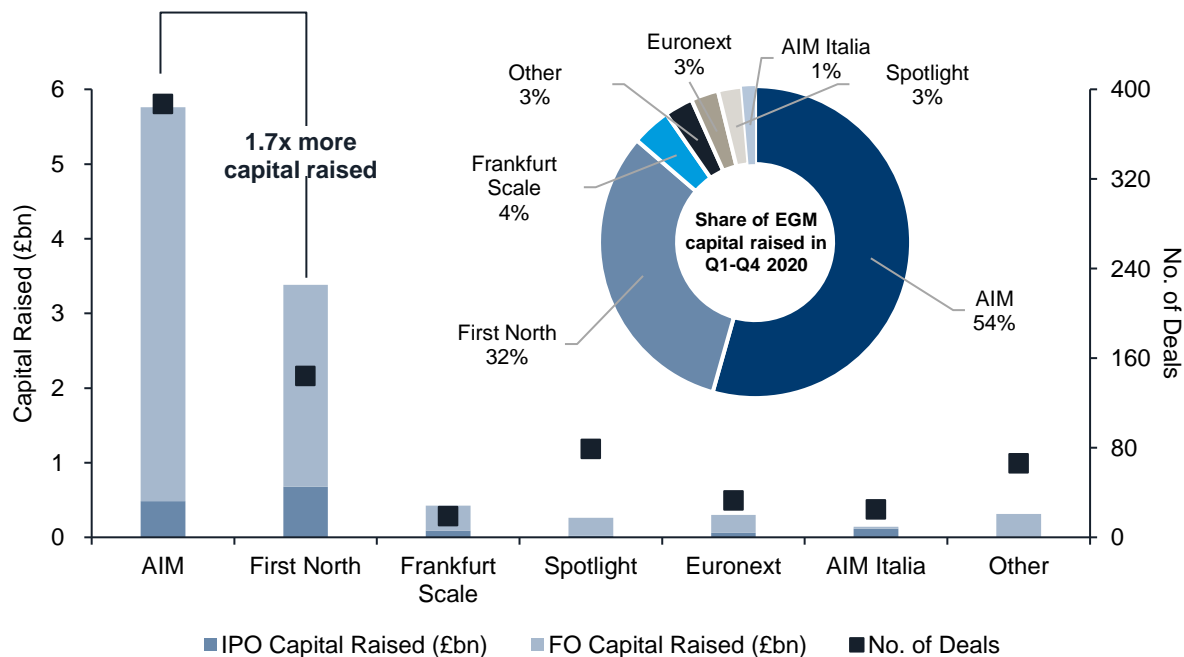


# Europe's Growth Market Engine

## 54% of Q1-Q4 European growth market capital was raised on AIM

- In 2020 Q1-Q4, AIM continued to drive growth market capital in Europe, accounting for 54% of all IPO and FO capital raised and 1.7x more than the next European Growth Market (First North)
- In total, there were 397 deals, raising £485m through IPOs and £5.3bn in FOs
- Seven of the largest 10 European growth market deals during Q1-Q4 took place on AIM, yet again dominating follow-on issuances

2020 Q1-Q4 capital raised across European Growth Markets



Top 5 2020 Q1-Q4 European Growth Market IPOs

Company	EGM	Proceeds (£m)
Thunderful Group	FN Stockholm	132
Offentliga Hus i Norden	FN Stockholm	131
Implantica	FN Stockholm	112
Inspects Group	AIM	94
fashionette AG	Frankfurt Scale	90

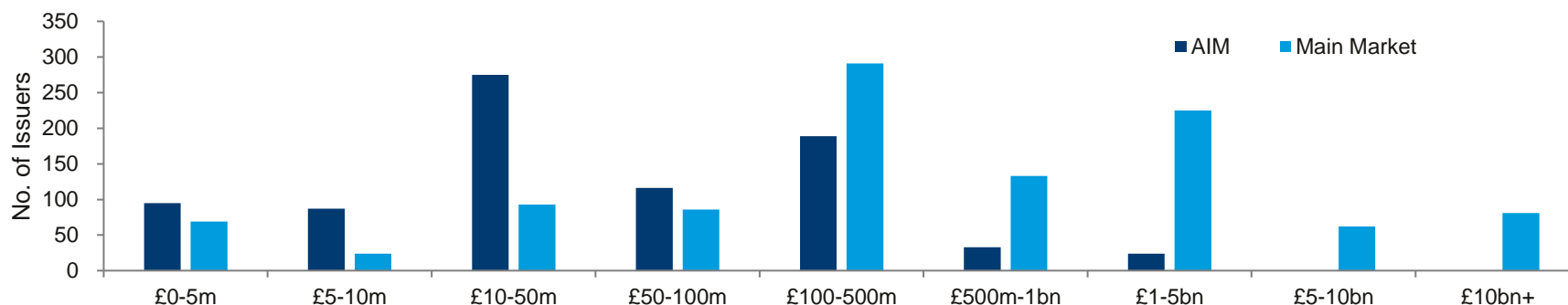
Top 5 2020 Q1-Q4 European Growth Market FOs

Company	EGM	Proceeds (£m)
Embracer Group	FN Stockholm	628
ASOS	AIM	247
Boohoo Group	AIM	198
Investment AB Latour	FN Stockholm	184
Dart Group	AIM	172

# AIM vs Main Market

## Comparing issuer and investor bases

Issuer Base by LSE Market and Market Cap Band



Top 10 Institutional Investor Holdings on AIM vs Main Market

AIM		
Rank	Institutional investor (parent level)	Market cap held (£bn)
1	Liontrust Asset Management Plc	3.24
2	Canaccord Genuity Group, Inc.	2.96
3	Jupiter Fund Management Plc	2.55
4	Standard Life Aberdeen Plc	2.40
5	Hargreaves Lansdown Plc	2.32
6	Octopus Capital Ltd.	2.16
7	BlackRock, Inc.	2.01
8	T. Rowe Price Group, Inc.	1.88
9	Invesco Ltd.	1.79
10	Schroders Plc	1.27

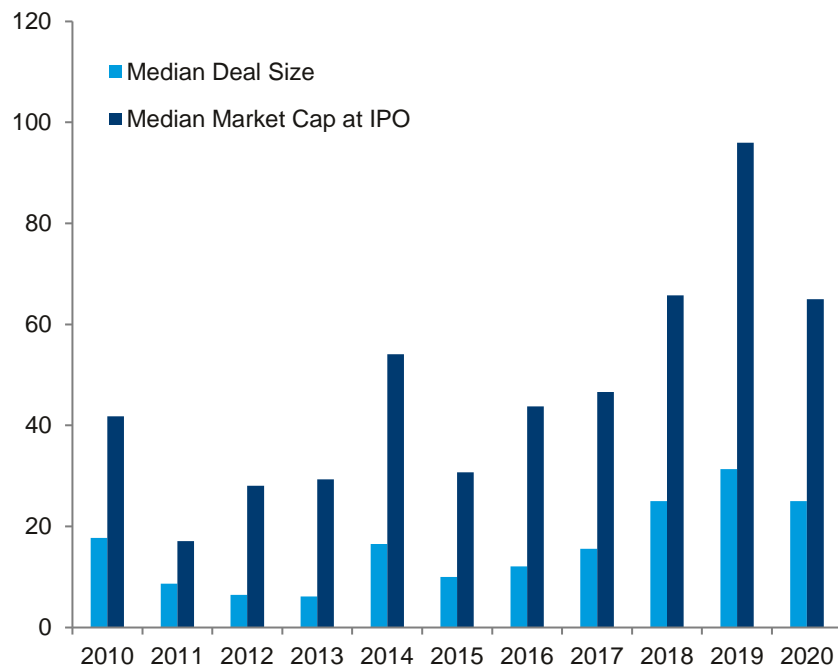
Main Market		
Rank	Institutional investor (parent level)	Market cap held (£bn)
1	BlackRock, Inc.	143.10
2	The Vanguard Group, Inc.	80.51
3	Standard Life Aberdeen Plc	58.55
4	The Capital Group Cos., Inc.	57.82
5	Government of Norway	53.78
6	State Street Corp.	49.16
7	Legal & General Group Plc	39.01
8	Schroders Plc	28.74
9	UBS Group AG	24.46
10	M&G Plc	23.76

# AIM Offer Sizes Continue to Grow

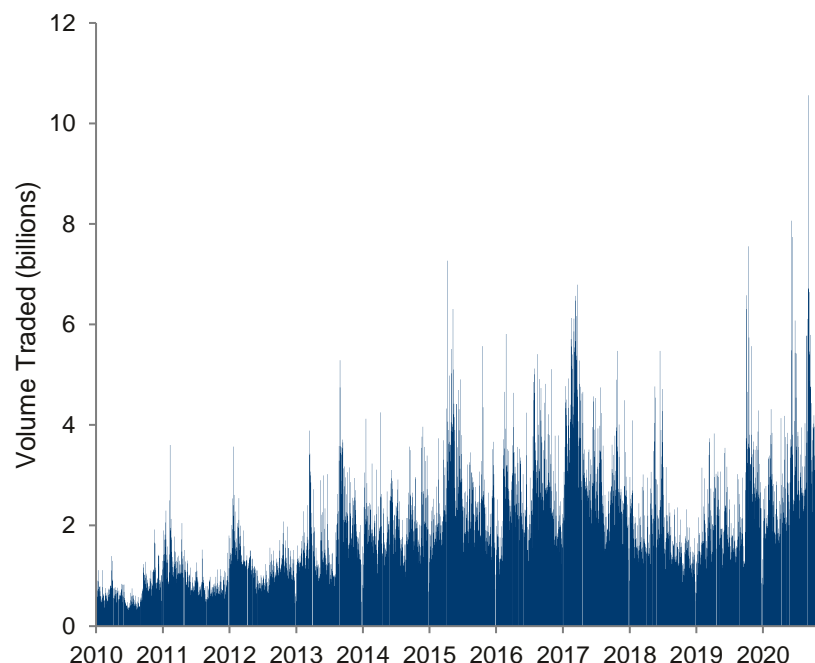
## Liquidity rises as institutional investor pool expands

- AIM stocks' representation in funds have continued to grow in recent years as fund remits have broadened to allow a greater proportion of their assets to be invested in AIM-listed stocks
- This has seen the average offer size and market cap at IPO grow, and market liquidity follow its upward trend

**Median offer size and market cap at IPO of AIM companies, 2010-2020**



**Volume of FTSE AIM All-Share shares traded**

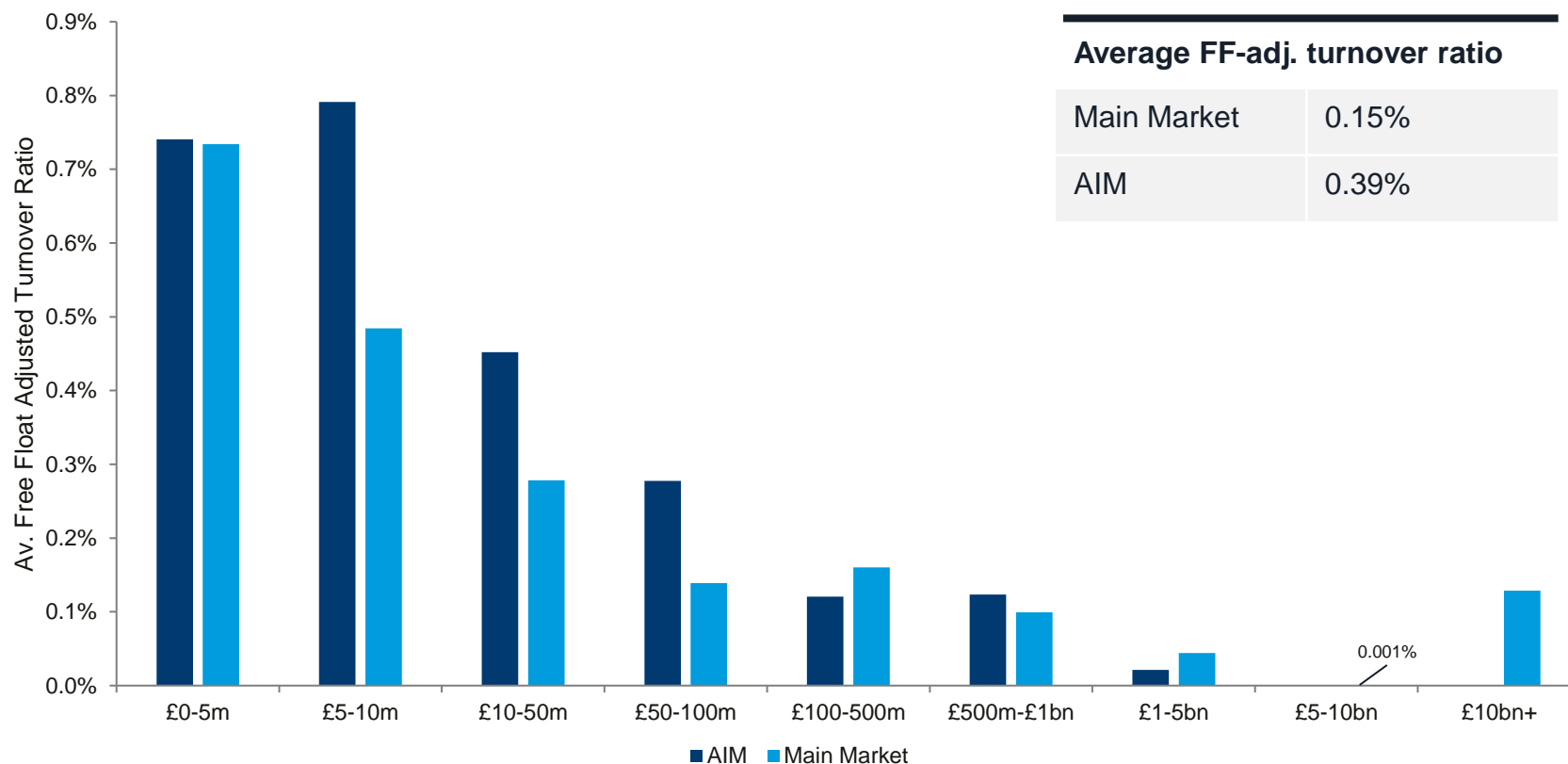




# AIM – Liquidity vs. Main Market

Greater liquidity on AIM as a percentage of free float

## Liquidity across AIM and the Main Market by Market Cap Bands



### Average FF-adj. turnover ratio

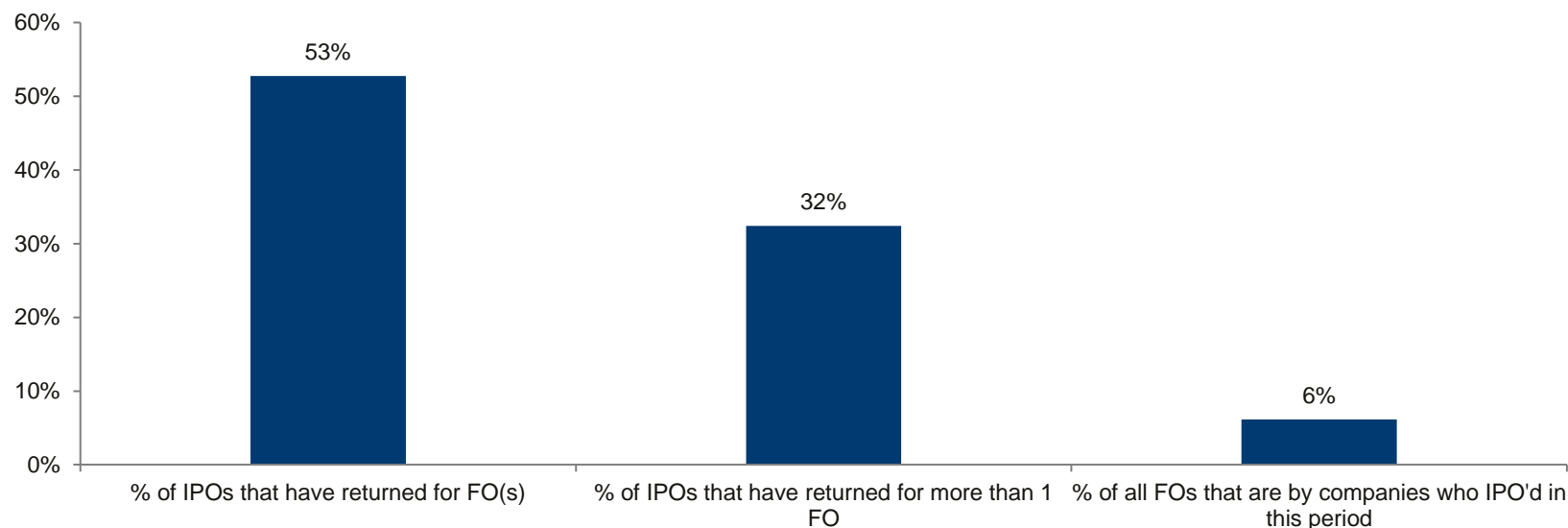
Main Market	0.15%
AIM	0.39%

# AIM - Unparalleled Follow-on Environment

Newly listed companies are able to raise additional capital

- Over the last 5 years, 53% of newly public companies have accessed additional equity capital in follow-on transactions
- 6% of all follow-ons since 2016 have been conducted by companies that have gone public in the same period
- During the current Covid-19 pandemic, 27% of companies that completed an IPO since 2016 have returned to the public markets in a follow on offer since 1<sup>st</sup> March 2020

## IPOs and FOs, last five years (2016 - 2020)





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# The Global Centre for Sustainable Investment

# Financing sustainability to foster long term growth

London Stock Exchange Group offers the most integrated suite globally of sustainable investment and capital raising tools to capture the global economy's long-term growth opportunities.

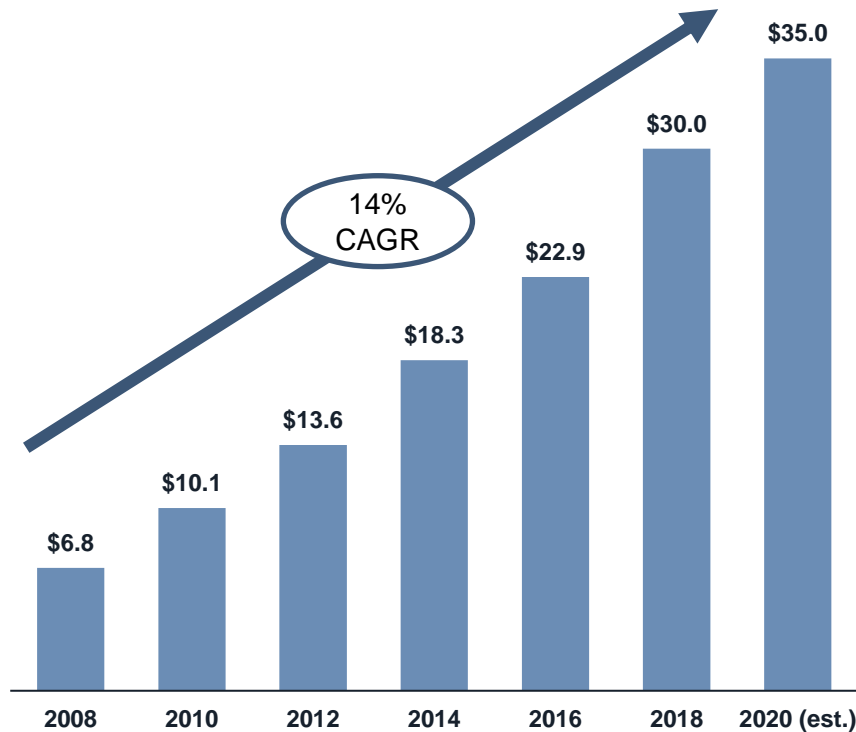
**London is a world leader in green financing - providing international sovereigns and companies with the opportunity to access global capital and meeting investors' sustainability needs.**



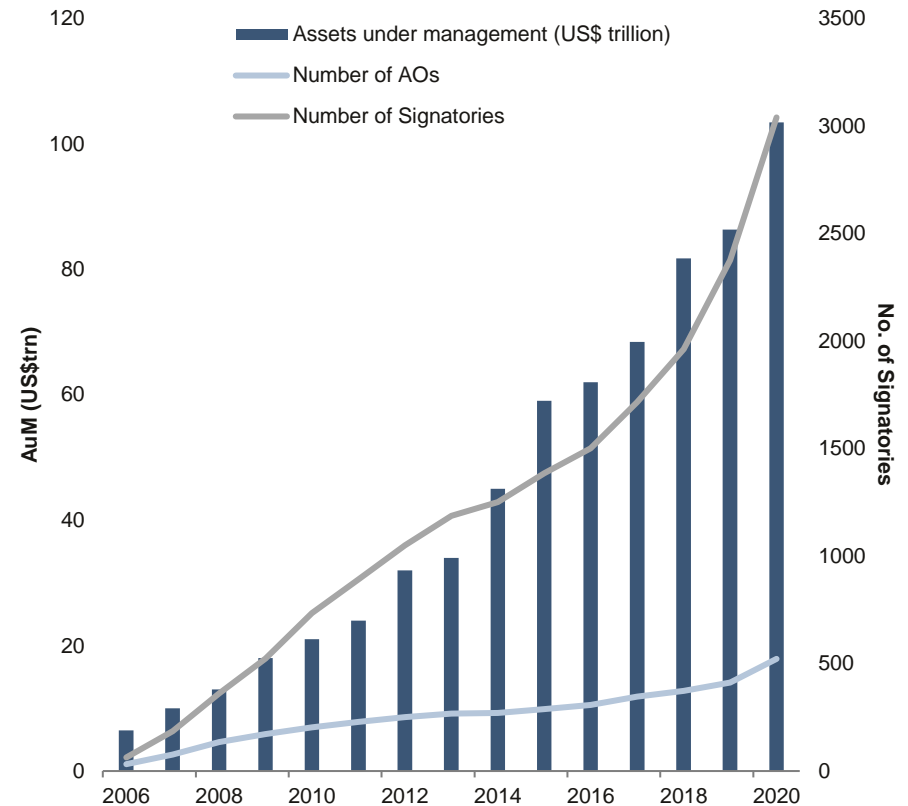
# Growth in ESG Strategies for Investors

Investors are increasingly pursuing ESG strategies

**Global Assets Under Management that incorporate ESG (USD Trillions)**



**UN Principles for Responsible Investment: Growth in no. of Signatories and associated AUM 2006-2020**



# London leads on supporting the rise of the Green Economy

## 1. Driving best practice in ESG and Climate disclosure

- Helping all equity, fund and fixed income issuers understand and implement effective, decision-useful ESG disclosures that reflect investor needs and trends in regulation.

## 2. Supporting the rise of the Green Economy

- Improving visibility of, and access to capital for, green & sustainable commercial activities worldwide.

## 3. Enabling the transition to a sustainable, low carbon economy.

- Innovating to enable companies in all sectors to access the capital needed to address environmental risk & opportunity



# Cross-asset Class Green Focus

Innovating in debt financing

## 100+ ESG Indexes

ESG  
Green Economy  
Carbon emissions  
Carbon reserves  
Green Real Estate

## 249 Green & Sustainable Bonds

Raised more than \$65 billion, Supporting renewables, water, green infrastructure and sustainable development.

## 100+ ESG ETFs

Total value traded in 2019 \$838m, up 110% on 2018.

## 25 Green Funds

With an aggregate value of over \$15 billion.

## 90+ Green Economy Companies

Those generating 50% or more of their revenues from 'Green Economy' industries, with an aggregate market capitalisation of more than \$170bn+



# The Green Economy Mark

Championing green economy issuers

## Green Economy Classification & Mark

- Available to equity issuers with meaningful exposure to the Green Economy
- 50%+ revenues generated from business activities within LSEG Green Revenue Classification System
- LSEG ESG coverage or self-identified
- No additional cost to issuers
- Raises visibility to investors
- Peer group events & services
- Provides insight into the market dynamics of the low-carbon transition



**Access to capital | Profile & Visibility | Issuer Tools & Insights | World Class Peer Group**



# Green Revenue Classification System

ENERGY GENERATION [EG] 19	ENERGY MANAGEMENT AND EFFICIENCY [EM] 13	ENERGY EQUIPMENT [EQ] 22	ENVIRONMENTAL RESOURCES [ER] 11	ENVIRONMENTAL SUPPORT SERVICES [ES] 5
Bio Fuels	Buildings & Property (Integrated)	Bio Fuels	Advanced & Light Materials	Environmental Consultancies
Cogeneration	Controls	Cogeneration Equipment	Key Raw Minerals & Metals	Finance & Investment
Clean Fossil Fuels	Energy Management Logistics & Support	Clean Fossil Fuels	Recyclable Products & Materials	Smart City Design & Engineering
Geothermal	Industrial Processes	Fuel Cells		
Hydro	IT Processes	Geothermal		
Nuclear	Lighting	Hydro		
Ocean & Tidal	Power Storage	Nuclear		
Solar	Smart & Efficient Grids	Ocean & Tidal		
Waste to Energy	Sustainable Property Operator	Solar		
Wind		Waste to Energy		
		Wind		

FOOD & AGRICULTURE [FA] 17	TRANSPORT EQUIPMENT [TE] 12	TRANSPORT SOLUTIONS [TS] 9	WATER INFRASTRUCTURE & TECHNOLOGY [WI] 10	WASTE & POLLUTION CONTROL [WP] 15
Agriculture	Aviation	Railways Operator	Advanced Irrigation Systems & Devices	Cleaner Power
Aquaculture	Railways	Road Vehicles	Desalination	Decontamination Services & Devices
Land Erosion	Road Vehicles	Video Conferencing	Flood Control	Environmental Testing & Gas Sensing
Logistics	Shipping		Meteorological Solutions	Particles & Emission Reduction Devices
Food Safety, Efficient Processing & Sustainable Packaging			Natural Disaster Response	Recycling Equipment
Sustainable Plantations			Water Infrastructure	Recycling Services
			Water Treatment	Waste Management
			Water Utilities	

<b>10</b> SECTORS	<b>64</b> SUBSECTORS	<b>133</b> MICRO SECTORS
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# Green Economy Mark Companies

London leads on supporting Green issuers



London  
Stock Exchange

**95**  
Equity issuers  
now have  
the Mark

**£134bn**  
Combined  
market  
cap

Collectively,  
issuers with the  
Green Economy  
Mark  
outperformed  
the FTSE All  
Share by

**42%**  
in 2020\*

**66**  
Corporates

**29**  
Funds

**54**  
Main Market

**41**  
AIM

Recent Green Economy  
Mark Issuers:



GRAPHITE



Downing Renewables &  
Infrastructure Trust plc (DORE)

# International and Diverse GEM Investors

\$72bn institutional investment in GEM companies on LSE



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## Top 15 Institutional Investor Holdings in GEM Companies on AIM vs Main Market

AIM		
Rank	Institutional investor (parent level)	Market cap held (\$bn)
1	Hargreaves Lansdown Plc	0.80
2	Canaccord Genuity Group, Inc.	0.43
3	Liontrust Asset Management Plc	0.41
4	BNP Paribas SA	0.32
5	Janus Henderson Group Plc	0.29
6	Allianz SE	0.28
7	Schroders Plc	0.26
8	HSBC Holdings Plc	0.25
9	FIL Ltd.	0.20
10	BlackRock, Inc.	0.18
11	Standard Life Aberdeen Plc	0.18
12	Investec Plc	0.17
13	UBS Group AG	0.17
14	Baillie Gifford & Co.	0.17
15	Commerzbank AG	0.17

Main Market		
Rank	Institutional investor (parent level)	Market cap held (\$bn)
1	BlackRock, Inc.	4.87
2	The Vanguard Group, Inc.	2.72
3	Government of Norway	2.49
4	Standard Life Aberdeen Plc	2.36
5	Ameriprise Financial, Inc.	2.07
6	Lazard Ltd.	1.92
7	Baillie Gifford & Co.	1.85
8	The Bank of New York Mellon Corp.	1.33
9	Banque Pictet & Cie SA	1.27
10	M&G Plc	1.25
11	State Street Corp.	1.22
12	Legal & General Group Plc	1.18
13	Aviva Plc	1.12
14	Royal London Group	0.98
15	Rathbone Brothers Plc	0.96

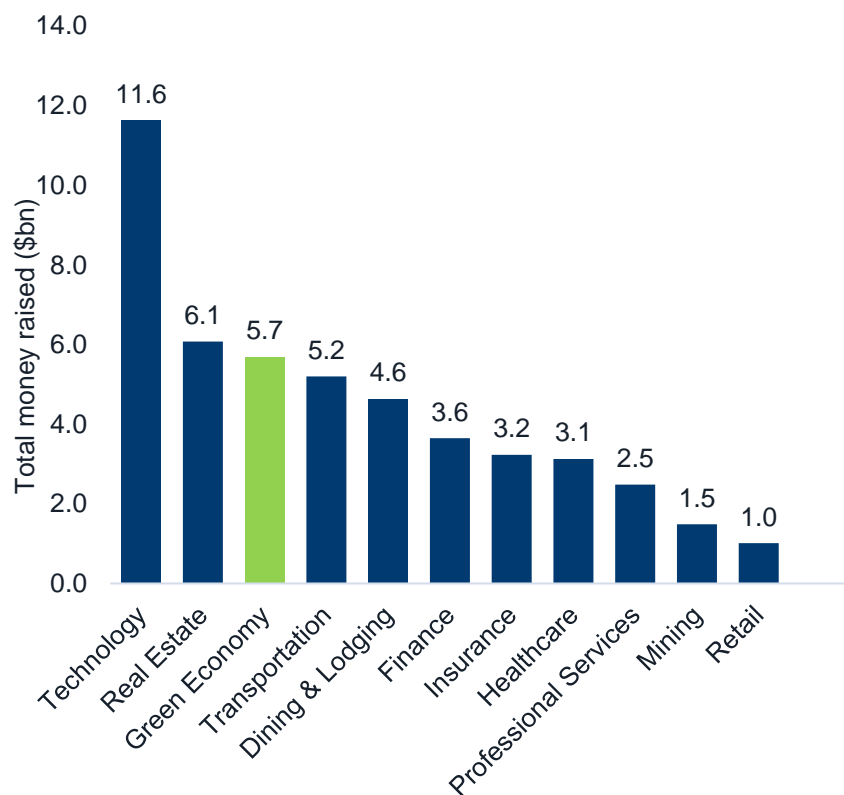
Source: LSE, Factset, January 2021

  Indicates a UK-based investor

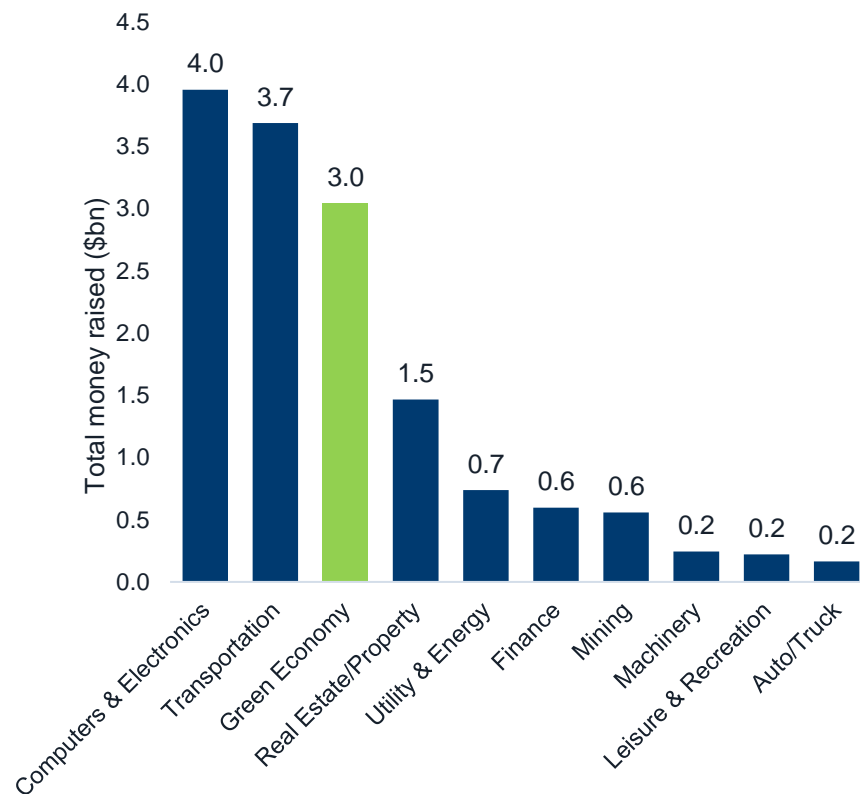
# Capital Raising By Green Issuers

GEM issuers are the 3<sup>rd</sup> largest group for capital raisings

## Capital raising over the last 12 months



## Capital raising over the last 3 months



# Growing Green economy Issuer Base

## Selected examples

ICB Sector	 <b>APPLIED GRAPHENE MATERIALS</b>	 <b>Benchmark Holdings plc</b>	 <b>CYPC</b>	 <b>DS Smith</b>	 <b>Genus</b>
	Chemicals	Pharmaceuticals, Biotechnology and Marijuana Producers	Electricity	General Industrials	Pharmaceuticals, Biotechnology and Marijuana Producers
Market Cap (£m)	22.9	374.6	49,920.1	5,019.8	3,485.8
ICB Sector	 <b>NANOCO GROUP PLC</b>	 <b>OXFORD INSTRUMENTS</b>	 <b>Polypipe</b>	 <b>SDIC</b> 国家开发投资公司 STATE DEVELOPMENT & INVESTMENT CORP.	 <b>SIMEC ATLANTIS ENERGY</b>
	Technology Hardware and Equipment	Electronic and Electrical Equipment	Construction and Materials	Electricity	Alternative Energy
Market Cap (£m)	51.3	1,130.4	1,201.3	6,508.3	95.6
ICB Sector	 <b>smart metering systems plc</b>	 <b>TI Fluid Systems</b>	 <b>TIRUPATI GRAPHITE</b>	 <b>verditek</b>	 <b>XEROS TECHNOLOGIES</b> Without limits. For a world with them.
	Industrial Support Services	Automobiles and Parts	Industrial Metals and Mining	Alternative Energy	Industrial Engineering
Market Cap (£m)	790 .3	1,394.3	57.6	20.6	57.7



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# PrimaryBid

# PrimaryBid digital IPO solution

## Retail investor participation in IPOs and beyond

**Friends & family**

**THG**

**£1.9 billion**

FTSE 250  
IPO

- Real time notifications
- Instant payments
- Seamless settlements

**Shareholders**

 **ocado**  
The online supermarket

**£1 billion**

FTSE 100  
Follow-on ABB

**Public**

**Shareholders**

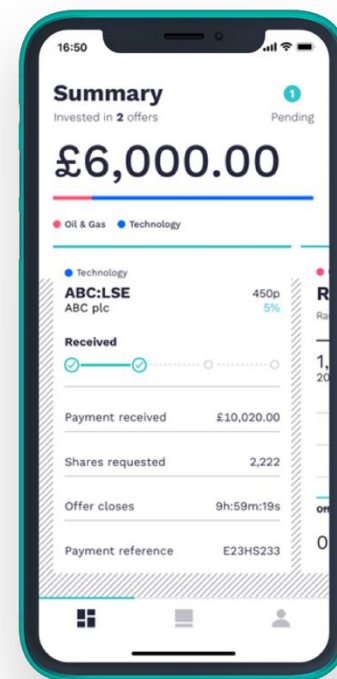
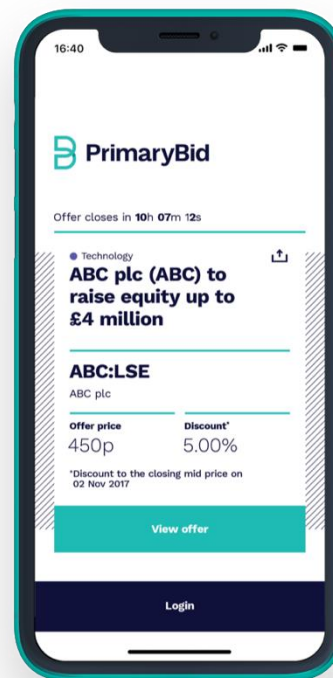
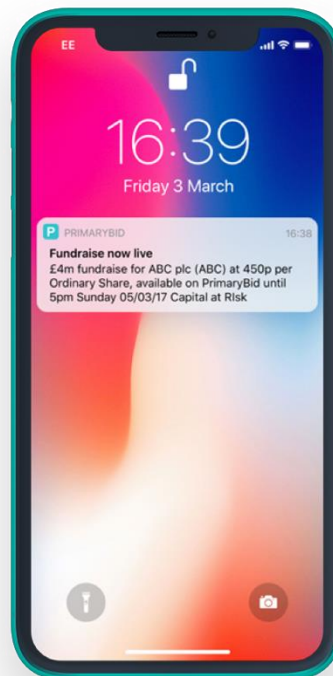
**CRODA**

**£627 million**

FTSE 100 / ABB

**Employees**

**Public**





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