

A SIGNIFICANT ANNIVERSARY DURING AN UNPRECEDENTED TIME

SUPPORTING COMPANIES THROUGHOUT CHANGING BUSINESS AND ECONOMIC CYCLES, AIM HAS BECOME THE MOST SUCCESSFUL GROWTH MARKET IN THE WORLD.



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For the past 25 years, AIM has provided a resilient platform for growth companies to raise equity capital. Supporting companies throughout changing business and economic cycles, AIM has become the most successful growth market in the world.

From the start of the COVID-19 pandemic, AIM has enabled companies to respond swiftly and positively to the challenges. From January to May 2020, 158 companies raised over £1.9bn in follow-on capital on AIM, including 27 healthcare companies – many of which are leading research into treatments for COVID-19 – that raised over £195m. The ability of the public equity markets to mobilise capital rapidly and at scale has been remarkable. And through our partnership with PrimaryBid, a new channel has also opened, enabling retail investors to participate more easily in equity offerings.

Through its constant support of ambitious and growing businesses, AIM has made a vital economic contribution to the UK. This report

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AIM’s success is in no small part due to its ability to attract a broad range of quality companies and investors. It provides investors with access to high-growth opportunities in an appropriately regulated environment and promotes the allocation of capital towards the most productive companies. By enabling retail and institutional investors to access growth, AIM plays a vital part in the nation’s wealth creation process.

Since its inception in 1995, the market has supported over 3,800 companies, and has evolved to suit business and economic cycles. Its ecosystem of support, with its diverse and committed base of investors, has enabled companies to flourish, currently attracting businesses from 79 countries across the globe. Combined, these companies have raised £118bn; 39% at admission and 61% through further fundraising, highlighting the long-term nature of support provided by investors to companies on the market.

The significance of this to the UK economy should not be understated. AIM companies’ ability to efficiently raise long-term patient capital enables them to support growth and create employment, benefitting the wider economy. In 2019 alone, they contributed £33.5bn Gross Value Added (GVA) to UK GDP and directly supported



more than 430,000 jobs. They made a tax contribution of £3.2bn to the Exchequer.

Over the past five years, the direct economic contribution made by AIM companies has grown by 35%, from £24.8bn, and their employment numbers have grown by 22%. The ripple effect of a vibrant AIM is striking. When economic activity through their supply chains and the expenditure of employees in their local economies is taken into account, the overall economic impact of AIM companies is even larger – equivalent to £67.2bn in GVA and over 900,000 jobs.

AIM companies create jobs, drive productivity, and foster innovation and exports. They are more productive – their GVA per job is £77,700, compared with the national average of £56,387. Over the last 10 years, AIM companies have grown their overseas sales from £7bn in 2010 to £12.4bn in 2019. This is a strength that will be particularly important as the UK reviews its trading relationships around the globe over the coming period.

This is a remarkable economic contribution – and one London Stock Exchange is very proud of. However, this contribution goes further and broader. Over recent months, we have been proud of the many achievements of AIM companies that have been in the frontline of the battle against COVID-19; from biotechnology companies seeking cures and treatments, to manufacturers pivoting their capabilities to produce personal protective equipment for healthcare workers.

The road ahead has many uncertainties. The global economy is having to adapt to the impact of COVID-19. The UK is reframing its international relationships and its approach to climate change. But, as we describe in this report, the process of becoming and remaining a public company creates more resilient, sustainable businesses that are capable of scaling and achieving their full potential – rewarding their employees, investors, stakeholders and the wider economy.