

Blow for London as another FTSE 100 firm eyes primary listing in New York

FTSE 100 building materials firm CRH has recommended moving its primary stock market listing to New York, exacerbating worries about the London market's standing as a global financial centre.

The Ireland-based company confirmed its plans to investors on Thursday morning as it revealed full-year results that showed a 12% rise in sales to \$32.7bn (£27.4bn).

Much of that growth was attributable to the United States which accounts for 75% of its earnings.

The company said the world's largest economy was a "one-way bet", with already robust demand through big infrastructure investment also boosted by the \$400bn Inflation Reduction Act which aims to stimulate the take-up and roll-out of green energy across the US.

CRH also benefited from a rise in the onshoring of manufacturing activity, partly due to disruption in China caused by COVID.

"The US really is in good shape and we're facing I suspect five to 10 years of really strong growth," chief executive Albert Manifold told the Reuters news agency.

"We are now at a historic step-off point in the United States. We had the confluence of events coming together, three very, very significant federally funded programmes, the likes of which the United States has never seen before."

Its London-listed shares were up by more than 10% at one stage on Thursday.

Analysts said that was mainly due to a 5% rise in dividends, plus the lure of a \$3bn share buyback that was almost triple the sum purchased by the company during 2022.

Advertisement

Its plans to shift the primary listing to New York follow in the footsteps of plumbing and heating merchant Ferguson – another US-focused company.

Please use Chrome browser for a more accessible video player



2:02

LSEG boss: More can be done to make London attractive

The proposed move, which shareholders must back, follows worries that London has lost its edge in the wake of Brexit and through the lure of a slice of big government spending across the Atlantic.

Russ Mould, investment director at AJ Bell, said the plan

reflected badly on government efforts to make London more attractive after the UK's separation from the EU.

"First, we had reports that Shell looked at shifting its stock market listing and headquarters to the US, although that doesn't seem to be on the table now," he said.

"Second, reports suggest that chip designer Arm will not return to the London stock market and instead opt for a US listing."

Read more from business:

[WH Smith targeted by cyber attack](#)

[Ted Baker-owner Authentic among Hunter Boot suitors](#)

Mr Mould added: "Now we've got the news from construction group CRH that it wants to switch its primary listing to the US.

"That would mean it no longer qualifies for inclusion in FTSE indices and therefore would leave the prestigious FTSE 100 index."

He continued: "Efforts to relax the listing rules to attract more companies to London come across as a bit desperate.

"It should be a badge of honour to list in the UK, but that reputation is dwindling fast. Overseas investors lost interest in the trading venue as soon as the UK voted in favour of Brexit, and valuations have got even cheaper.

"That's hardly a good sales pitch to attract more big companies to the UK market.

"There are plenty of other companies in the FTSE 100 which do business in the US that could easily follow Ferguson and CRH," he warned.