

Interactive Investor lines up banks for blockbuster London flotation

Interactive Investor (II), the online retail investment platform, is lining up bankers to orchestrate a London flotation that could value it at up to £2bn.

Sky News has learnt that Britain's second-largest fund supermarket this week invited investment banks to pitch for a role on an initial public offering that is likely to be among the City's most prominent in 2022.

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II, which has grown rapidly under the majority ownership of JC Flowers, the private equity firm, has more than 400,000 customers and £55bn of assets under administration.

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It trails only Hargreaves Lansdown by size in the UK market.

A formal decision to proceed with an IPO has yet to be taken, and will depend on market conditions, according to bankers.

They added that a flotation was likely to value the company at between £1.5bn and £2bn.

Investors' appetite for retail platforms such as II, Hargreaves and AJ Bell has soared in recent years, with the pandemic having fuelled a surge in customer activity.

II is unique among its peer group because it operates a flat-fee subscription model which has proved to be successful.

In its results for the six months to the end of June, II said net revenue has risen by 19% to £76.1m, with more than 30,000 new clients added during the period.

II chief executive Richard Wilson has established a track record of smoothly integrating potentially complex acquisitions, while being a vocal advocate for greater involvement for retail investors in companies' public share sales.

Mr Wilson has spoken repeatedly about the stock market being a natural home for the company.

Earlier this year, it appointed Gordon Wilson, a former Travelport executive, as its non-executive chairman as part of its planning for an IPO.

The latest steps being taken by II towards a public debut come months after a review led by Lord Hill, a Treasury board member, recommended measures to make it simpler for retail investors to participate in IPOs.

Ordinary customers are often frozen out of prominent floats, although the advent and rapid growth of services such as that offered by PrimaryBid have begun to make them more accessible.

An II spokesman declined to comment on Thursday.