

The London Tunnels

Travel and leisure
11 March 2025

Making good progress

The London Tunnels' (TLT's) management has made good progress, achieving what they targeted at the time of share listing in Amsterdam in July 2024. These included obtaining the required planning permission and the acquisition of the tunnels. The company continues to raise equity via its placement, which is funding its operating costs as TLT progresses through the design and planning stages of the development, ahead of construction when further funding, likely to be debt, is required. The prestige of the development is evidenced by the appointment as lead designer and architect of WilkinsonEyre, the architectural practice responsible for the redevelopment of Battersea Power Station. The project's unique heritage and its redevelopment has gained a significant amount of media interest around the world, which should be very helpful for future visitor numbers. Management is hosting preview visits to the tunnels, prior to the commencement of the redevelopment, so that investors can get a full appreciation of the scale of the project and the investment opportunity. Interest can be registered at TLT's [website](#).

Planning permission received, design progressing

In June and July 2024, TLT received full planning permission from the City of London Corporation and Camden London Borough Council to develop the tunnels. This was followed by the purchase of the freehold from BT. The project will soon enter RIBA Stages 3 (spatial coordination) and 4 (technical design), expected to take around six months to complete, of seven RIBA stages in developing the tunnels. The company has recently become a partner of [Opportunity London](#), an initiative that helps companies to promote themselves and raise capital.

Key financial highlights

TLT's H125 results (to September 2024) revealed an operating loss of £2.8m, mainly due to listing costs and fees for equity raises, and a net loss of £3.2m. By end-H125, all (£6.8m) of the convertible bonds had been converted to equity, as had the majority (£410k remain outstanding) of the zero coupon convertibles bonds so that the period end net debt position was 2.2m. Following its listing on Euronext Amsterdam, TLT has placed a further 4.37m new shares at £2.00 per share as part of its ongoing £30m equity placement. In H125, TLT will likely generate minor levels of revenue in H225 and H126 from visits by individuals and possible filming opportunities.

What is the opportunity?

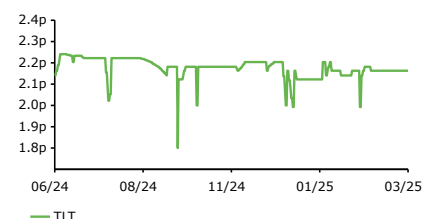
Our [initiation](#) detailed the history and management's plans for the development of the tunnels and the potential financials and investment opportunity. Management provided an overview of its plans in our [executive interview](#) and [webinar](#).

Historical financials			
Year end	PBT (£m)	EPS (p)	P/E (x)
3/24	(4.1)	(9.00)	N/A

Source: Company data

Price 216.00p
Market cap £151m

Share price performance



Share details

Code	TLT
Listing	AEX
Shares in issue	69.8m
Net cash/(debt) as at 30 September 2024	£2.2m

Business description

The London Tunnels is aiming to develop a major heritage and cultural attraction in central London on the site of the historic Kingsway Exchange Tunnels, which it has agreed to purchase. Full commercial launch is targeted for late 2027/early 2028 (c 1.7 million visitors in 2028).

Bull points

- Huge landmark site with compelling history and high media interest in popular location.
- Very considerable scope to develop in growth areas of experiential leisure and digital art.
- Attractive to potential operating partners, such as content owners and theme parks.

Bear points

- Further funding will be required for completion of the project.
- Execution risk of complex project with potential cost and time overrun.
- No trading record and uncertainty of long-term financial estimates.

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