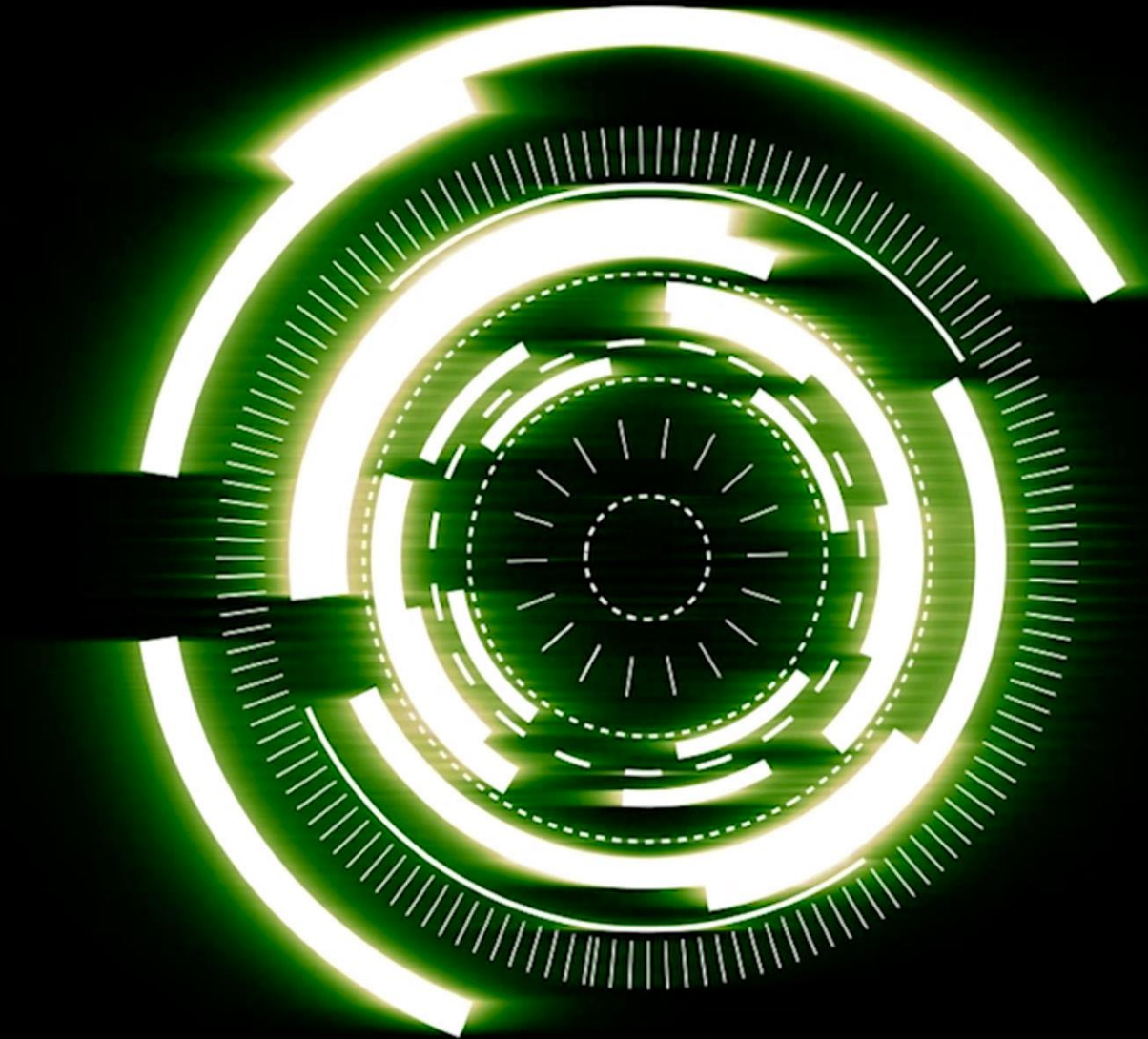


**Deloitte.**  
Private

Private company  
outlook:  
**Raising capital**



Deloitte Private asked **100 private company C-suite executives** about their outlook and strategies for navigating financial risks and opportunities.

## METHODOLOGY

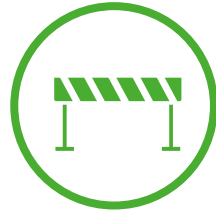
Deloitte Private's pulse survey, "Private Company Outlook," is intended to gauge private company leaders' perspectives on opportunities and risks to business now and in the near future.

The survey of 100 private company executives was conducted online by an independent research company between June 19 and 30, 2023. Respondents represented C-level, president, board member, partner/owner roles at private companies in the US with annual revenues of US\$100 million to US\$1 billion+. One-third of respondents were CEOs and one-fifth partners/owners of their organizations.



**Private companies expect to heavily rely on raising capital as a source of funding.**

Private company leaders surveyed say they intend to raise capital to fund growth initiatives — talent (93%), technology (88%), productivity (87%) to name a few — and are primarily looking to equity financing (88%) and existing investors (80%) as sources as compared to debt financing (48%) and bank loans (48%).



**The majority (88%) of private companies surveyed are facing issues accessing capital.**

Respondents indicated investors' valuations (52%), interest rates (51%), and liquidity challenges (48%) as top barriers, with only 12% indicating they have no barriers.



**Raising capital is critical to smaller private companies looking to expand — but they anticipate more challenges acquiring it.**

Leaders surveyed from businesses with \$100 to \$200 million in annual revenue are two times or more likely than those earning \$200 million and above to expect difficulty raising capital for the remainder of 2023. These smaller organizations also report being more likely to rely on bank loans as a source of funding.



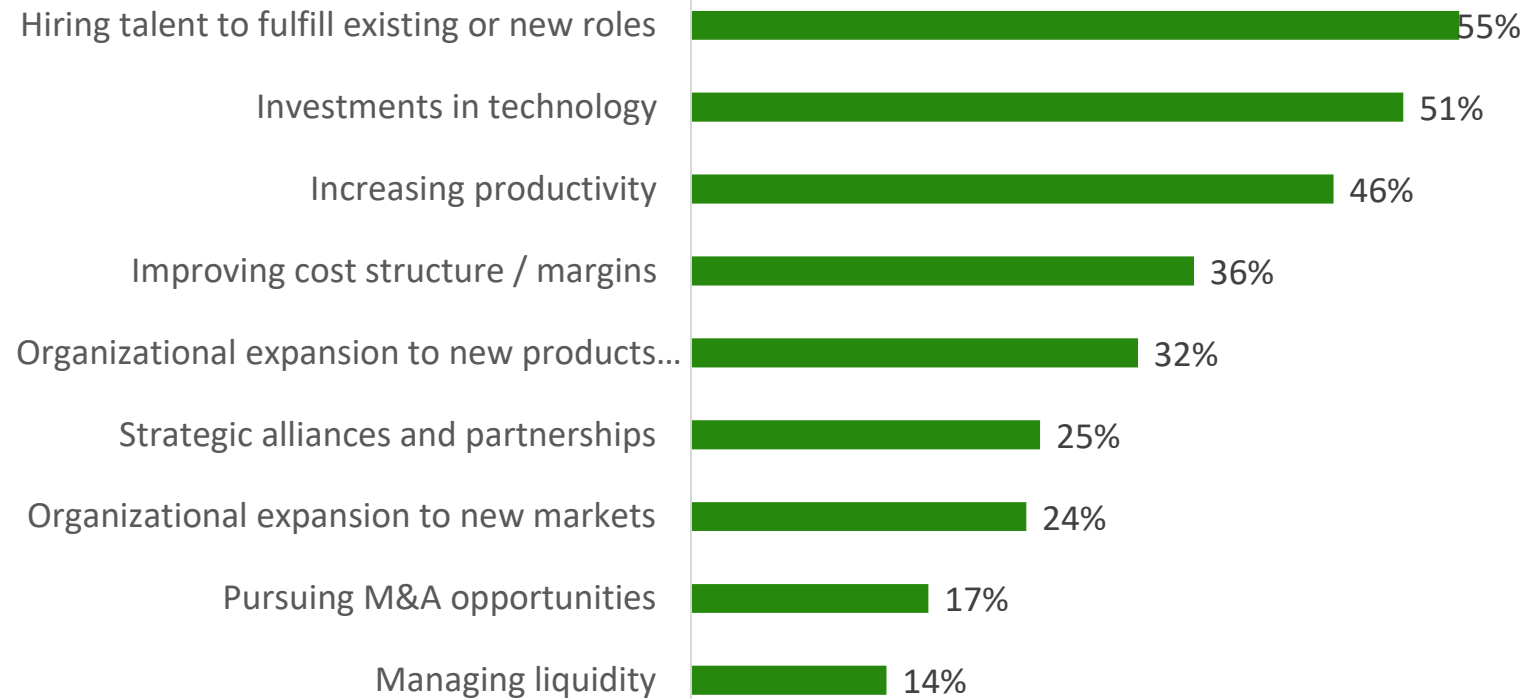
**Declining valuations can compound issues like talent shortages and interest rates—potentially fueling a wave of acquisitions in the near term.**

Nearly half (48%) of private company leaders surveyed say their organization's valuation has declined and rank external factors as significantly high risks to their organizations, such as inflation (87%), rising interest rates (85%), and talent shortages (85%). A majority (91%) of these executives say their business is strongly considering being acquired in the next six months.

## Private company outlook: Raising capital

Hiring talent and investments in technology top the list of near-term priorities among private company leaders surveyed.

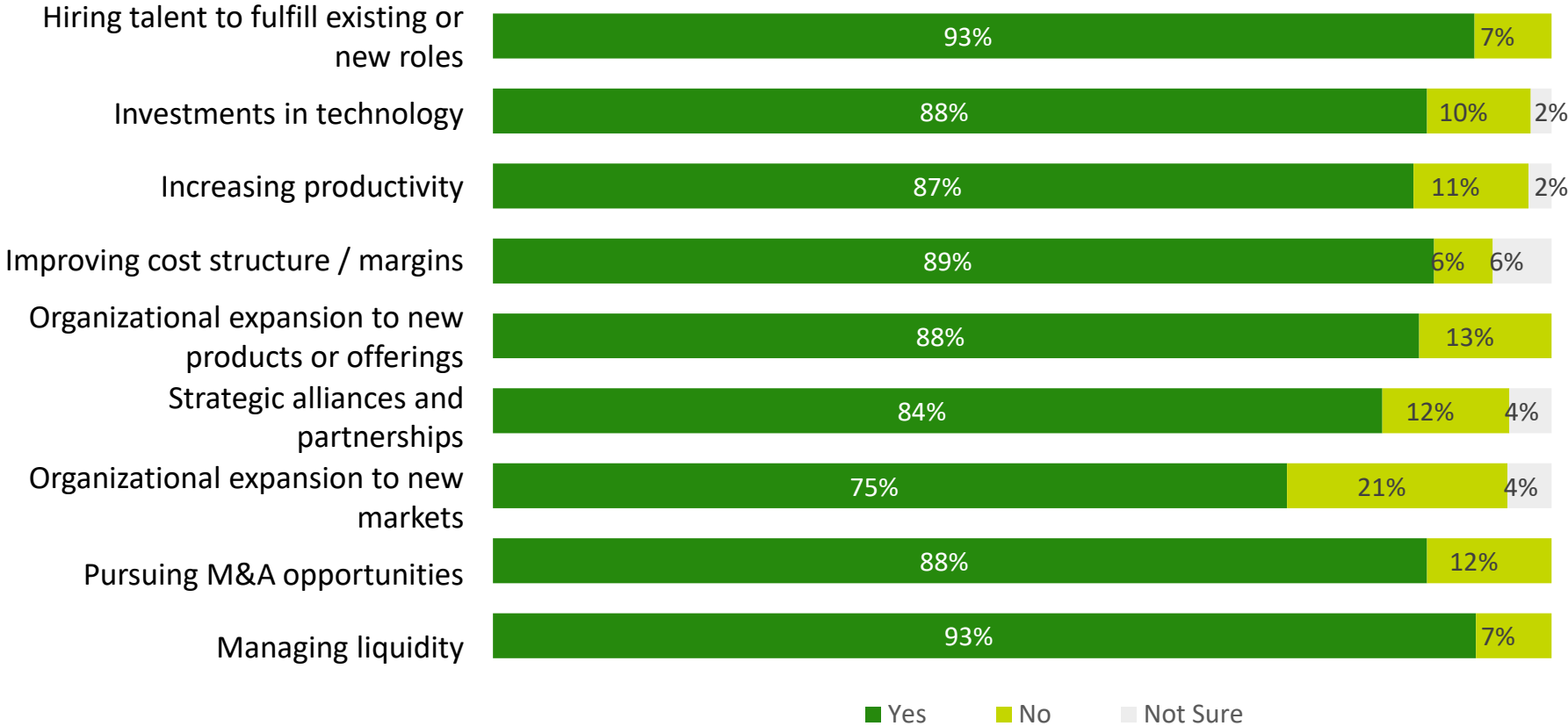
**What are the main priorities for your business over the next six months?**



Private company outlook: Raising capital

Surveyed private companies rely heavily on raising capital to fund these priorities.

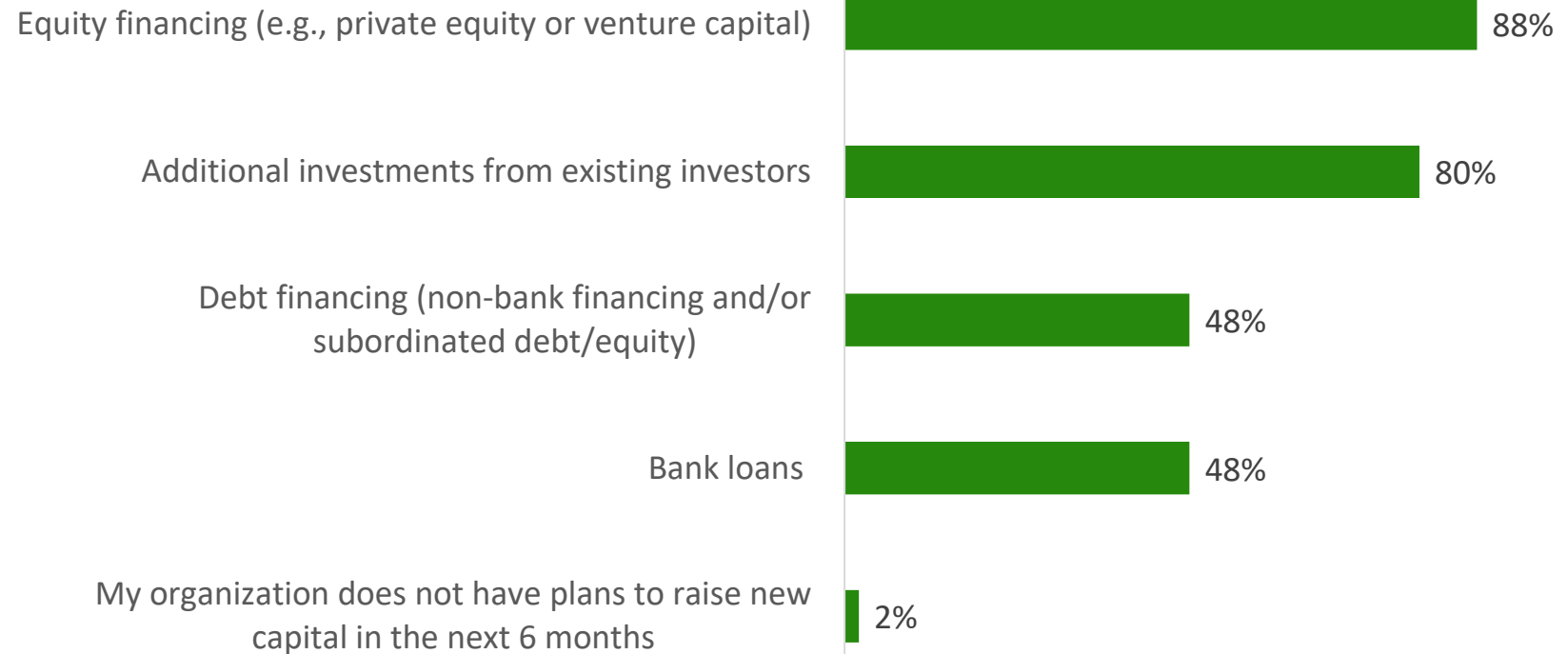
Will you be raising capital to fund the following projects?



## Private company outlook: Raising capital

Private businesses surveyed are turning to equity financing and additional investments from existing investors as sources of funding.

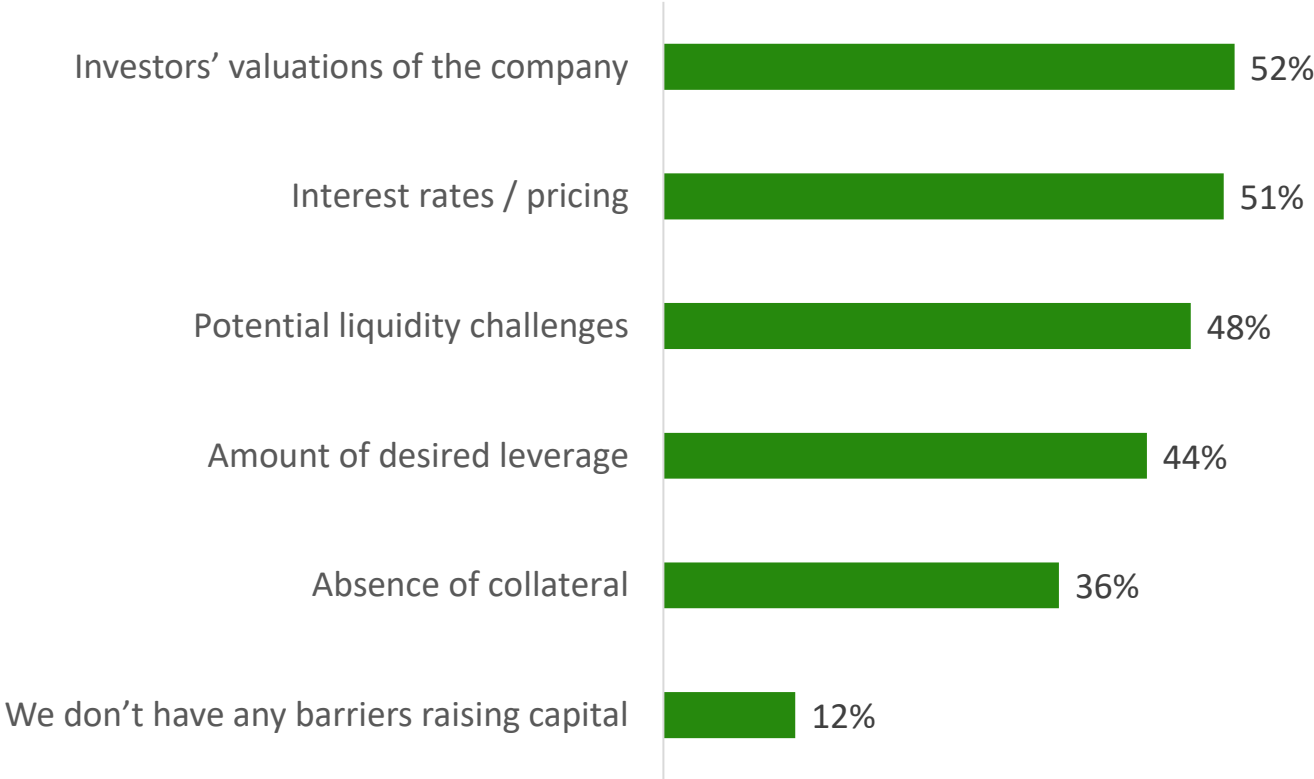
**Over the next six months, in which ways is your organization planning to raise capital?**



Private company outlook: Raising capital

Roughly half of respondents indicated rising interest rates/pricing and investors' valuations as primary barriers to raising capital.

**What are the greatest barriers affecting the ability of your organization to raise capital?**

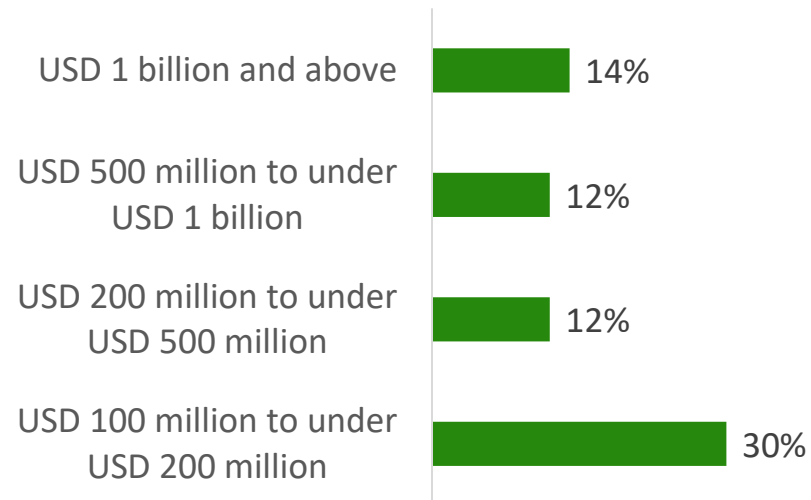


## Private company outlook: Raising capital

Private businesses surveyed with revenue under US\$200 million are more likely to say new lines of capital are essential to growth, but expect capital will be more difficult to acquire.

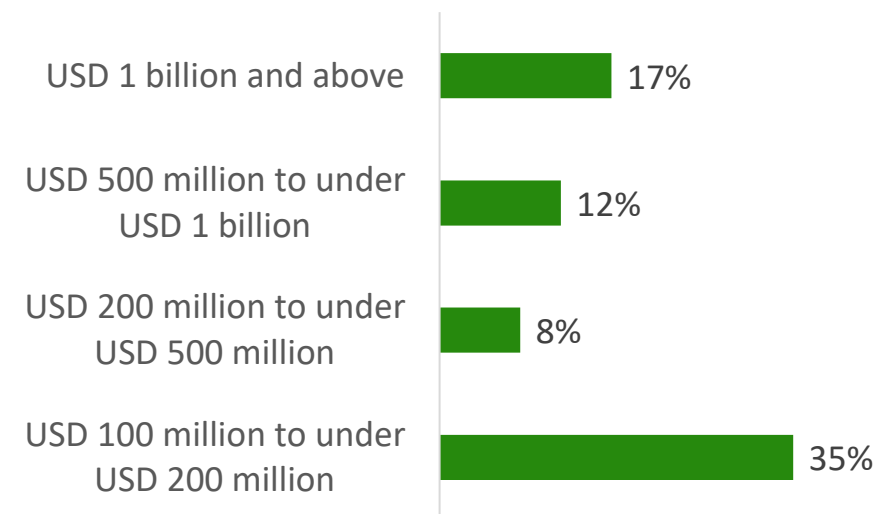
**Please rate your agreement with the following statement:  
I expect difficulty raising capital  
for the remainder of 2023.**

(Shown: percentage responding strongly agree)



**Please rate your agreement with the following statement:  
My organization will not be able to grow in 2023  
without raising new lines of capital.**

(Shown: percentage responding strongly agree)

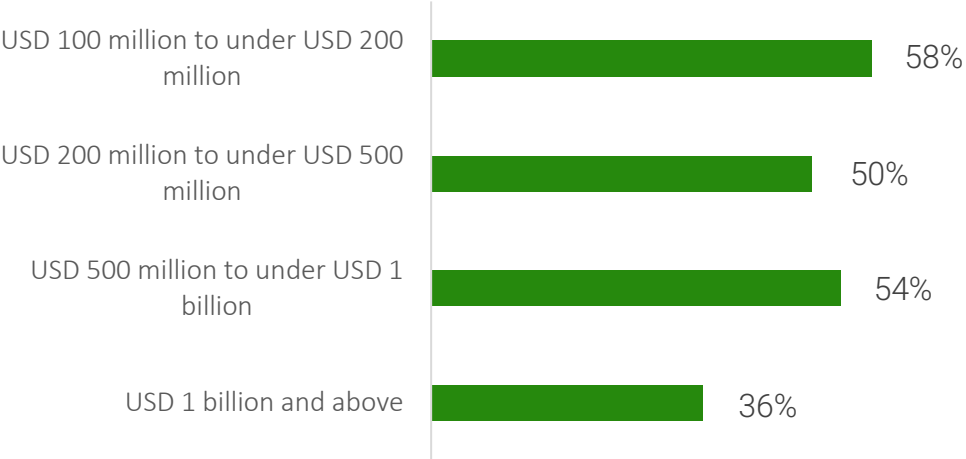




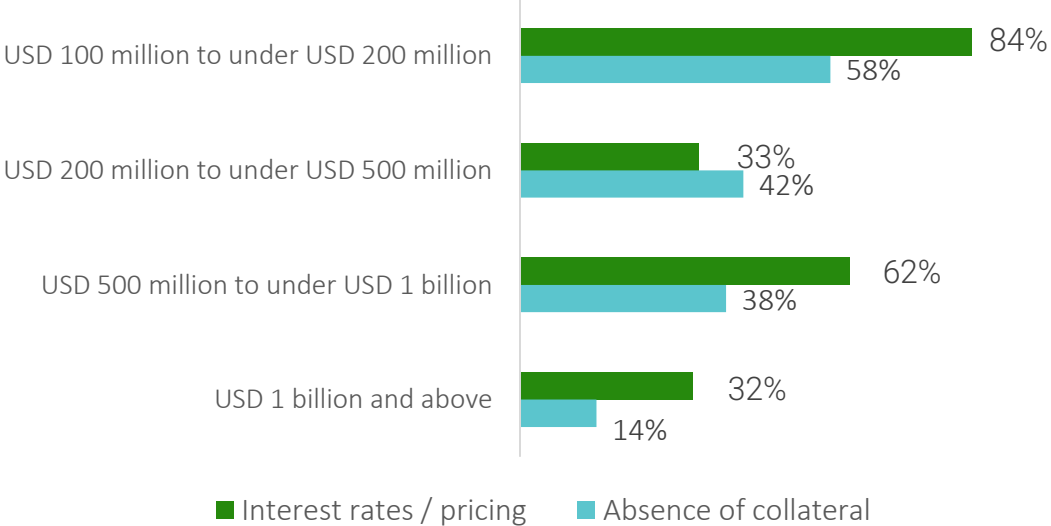
Private company outlook: Raising capital

Private companies surveyed under US\$200 million in revenue are more likely to rely on bank loans, while also feeling the impact of interest rates and absence of collateral than companies with higher revenue.

**Over the next six months, in which ways is your organization planning to raise capital?**  
(Shown: respondents by company revenue who chose bank loans)



**What are the greatest barriers affecting the ability of your organization to raise capital?**  
(Shown: respondents by company revenue)



## Private company outlook: Raising capital

Businesses surveyed with revenue under US\$200 million are twice as likely to rank inflation, recession and rising interest rates as high risks to the organization than those with greater revenue.

### How would you rank the risk of the following to your organization?

(Shown: respondents by USD revenue who ranked risk as high or very high)

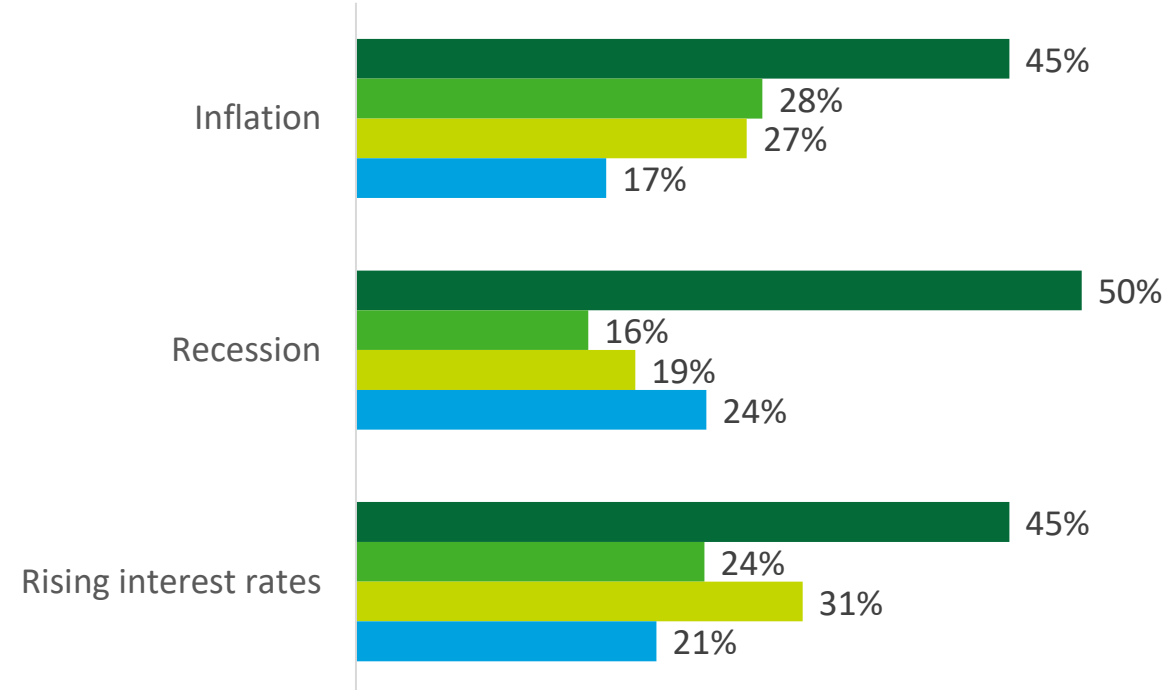


■ USD 100 million to under USD 200 million

■ USD 200 million to under USD 500 million

■ USD 500 million to under USD 1 billion

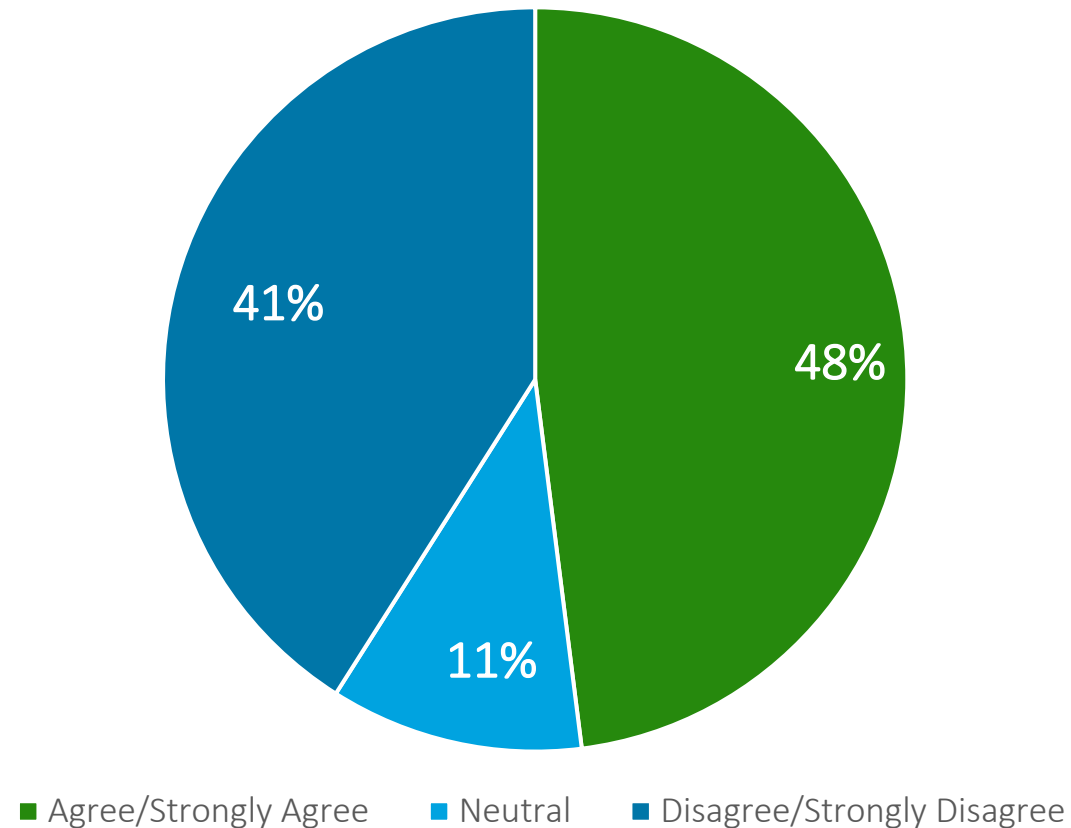
■ USD 1 billion and above



Nearly half (48%) of respondents agree that their organization's valuation has declined.

**Please rate your agreement with the following statement regarding private company growth and raising capital in the current economy: "My company's valuation has declined."**

(Shown: respondents who agree/strongly agree valuation has declined)

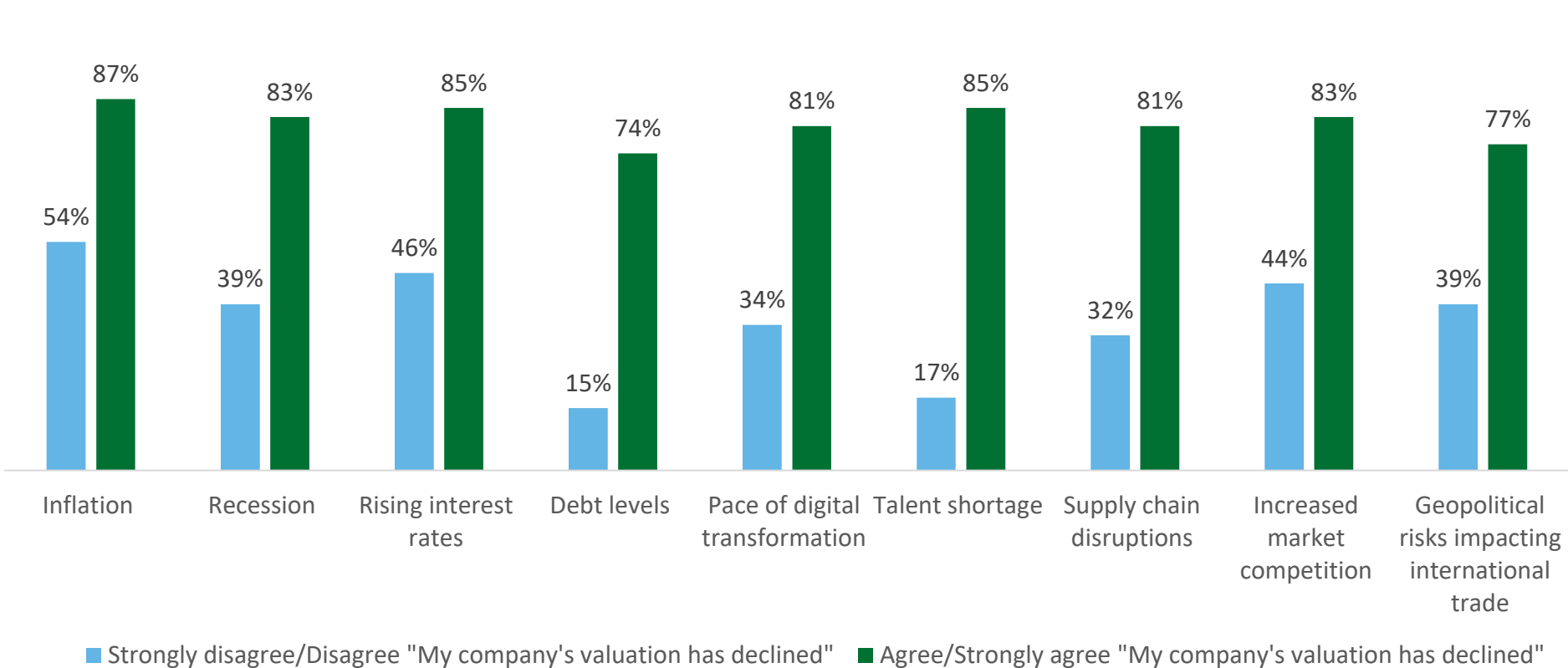


Private company outlook: Raising capital

Respondents who say their organization's valuation has declined view a range of external factors as significantly higher risks to their organizations.

**How would you rank the risk of the following to your organization?**

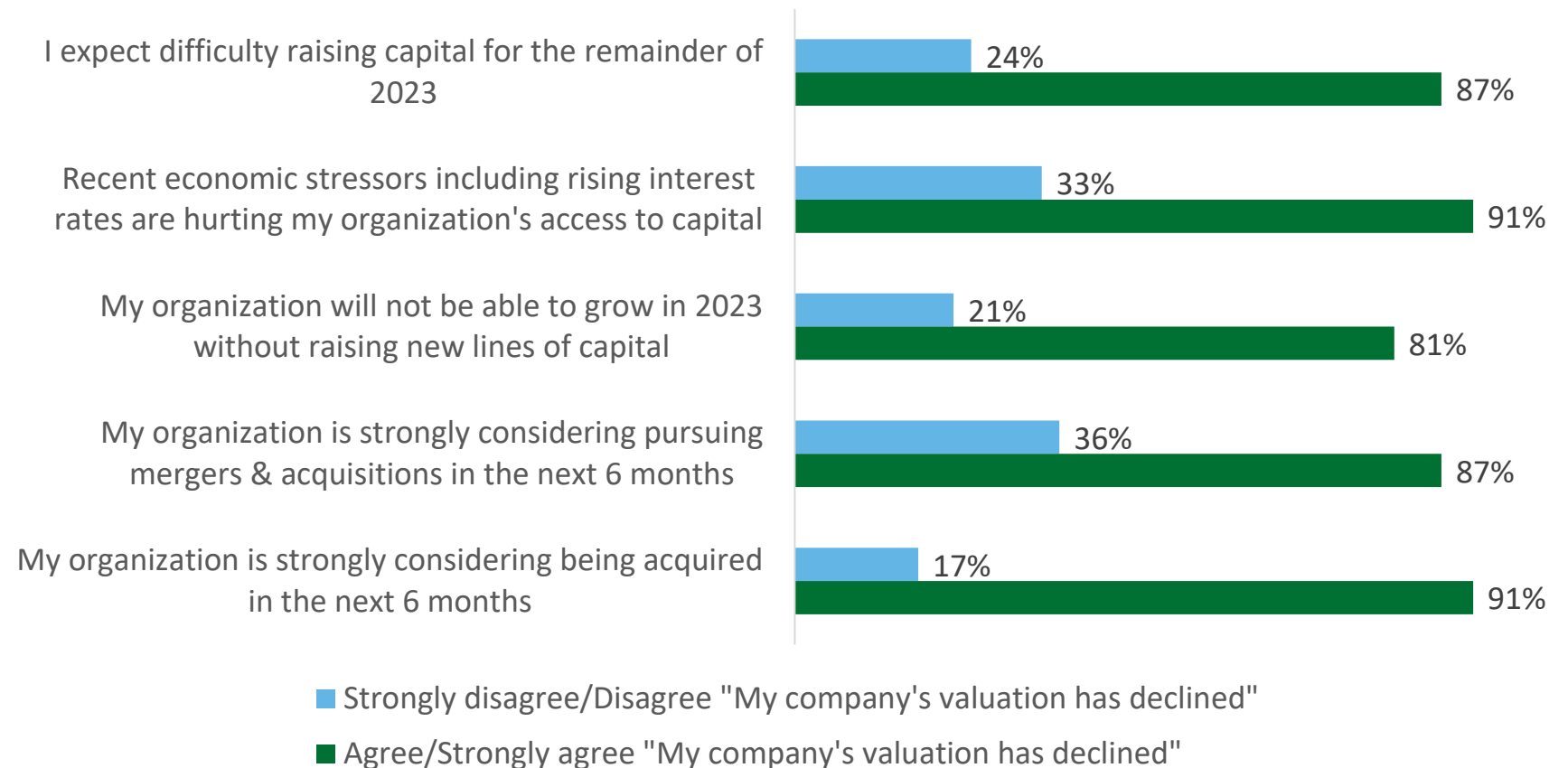
(Percentage ranking risks as high/very high)



Acquisition is can be an attractive exit strategy for companies that have reached their growth limit. Among respondents reporting their company valuation has declined (48%), more than 90% also said their organization is strongly considering being acquired within the next six months.

**Please rate your agreement with the following statements regarding private company growth and raising capital in the current economy.**

(Percentage responding agree/strongly agree)



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