

EDGE SUMMARY OF THEMES

Funding growth in an uncertain world: how high-growth boards approach capital decisions

June 2026



Increasing volatility in the operating environment is making it harder for high-growth companies to fund expansion. Boards must weigh a widening range of financing options and the trade-offs they bring for control, risk, and long-term strategy.

On 10 June 2026, members of European Directors of Growth Enterprises (EDGE) met virtually with William Rix, partner and head of capital and debt advisory, UK regions, EY, to explore how boards are approaching capital decisions amid heightened economic, technological, and geopolitical uncertainty.

For a list of meeting participants, see Appendix 1 (page 5).

This *Summary of Themes*¹ highlights key themes that emerged in the discussion:²

Lenders have adapted to volatility—markets may pause, but not for long

AI and energy exposure have emerged as key concerns shaping lender risk appetite

Debt and equity remain primary financing tools, but there is no single “right” answer

Preparing early gives the board greater control

Cultural factors continue to shape Europe’s ability to fund and scale high-growth companies

Family offices are emerging as a more flexible and strategic source of capital

Green and sustainable finance is evolving

Effective capital oversight relies on strong board-finance relationships and financial visibility

Funding growth in an uncertain world: how high-growth boards approach capital decisions

When companies need to keep growing—ideally faster than competitors and the wider market—funding choices can shape a company’s trajectory for years to come. The challenge is not only securing capital, but securing it from the right sources and on the right terms. Each choice carries implications for ownership, governance, cost, and strategic flexibility.

These decisions are not new. What has changed is the environment in which boards are making them. *“We wake up in the morning to things we didn’t consider possible the night before,”* Mr. Rix observed. The market no longer offers sustained periods of calm. As he noted, *“We’ve seen over the past 3–4 years, and certainly over the last ten, periods of acute and heightened volatility become the new normal.”*

The scale of the challenge is not lost on policymakers. In establishing its €5 billion Scaleup Europe Fund—announced in June 2025 and making its first investments this autumn—the European Commission was candid: *“Despite Europe’s thriving startup ecosystem, many innovative European companies face significant challenges in accessing the capital they need to scale up and become global leaders in Europe.”*³ The fund targets technology companies, but the problem it describes is felt more broadly.

EDGE members and Mr. Rix explored how boards are approaching growth funding decisions today: balancing financing options, managing the trade-offs they create, and preparing for capital needs well before they become urgent. Several themes emerged:

- **Lenders have adapted to volatility—markets may pause, but not for long.** *“Over the last decade, there’s been an adjustment to the idea that, notwithstanding the peaks and troughs, the show must go on,”* said Mr. Rix. *“Investors are now used to taking the temperature and looking for signs of medium-term opportunities to deploy capital.”* A recent example, he noted, was the onset of the Iranian conflict, after which sub-investment grade bond issuance in Europe paused for several weeks before activity returned *“despite the fact that the situation is far from resolved.”*
- **AI and energy exposure have emerged as key concerns shaping lender risk appetite.** *“Two risk factors have come to the fore in 2026,”* said Mr. Rix. *“There’s the threat that AI might pose to a business’s right to exist—its ‘right to win’—and its business model. And, as a result of the conflict in the Middle East, the threat of rising energy costs and the extent to which companies can manage or pass them through.”* He noted that lenders are increasingly looking beyond companies’ direct energy exposures to assess indirect risks across their supply chains.
- **Debt and equity remain primary financing tools, but there is no single “right” answer.** Members emphasized that capital choices are highly dependent on context, with genuine divergence in preference across the group. They identified several factors at play:
 - **Immediate market conditions.** The ideal of choosing from a range of attractive funding

options rarely holds in practice. *“Often you don’t have a choice, right? That’s the sad reality,”* one director said, describing being *“forced into looking at debt”* when equity proved unavailable. *“You’ve got to keep the company alive and growing,”* she added. *“You’re kind of forced into a corner and you just try to negotiate the least restrictive covenants.”*

- **Trade-offs between autonomy and distributing risk.** *“I’m team debt usually, but it depends on what you plan to use the funds for,”* said a member. *“Use debt if you’re confident and want to retain control. Use equity if you want to share risk. In profitable, fast-moving industries, debt can make sense to maintain control and grow faster.”*
- **The business narrative.** Equity investors prioritize upside and ambition; lenders focus on downside protection, testing whether a business model is defensible and resilient. As Mr. Rix put it, *“An equity investor wants to hear you’re shooting for the moon, whereas a debt provider is thinking, ‘What would it take to break this business?’”* He cautioned against relying on growth alone, stressing that resilience remains paramount for lenders: *“Growth is fine, but growth alone is not going to woo a debt provider.”*
- **Private equity options.** Members reported mixed experiences with PE, noting differences between the firms and personalities involved. Some described PE firms as constructive partners that *“really add value”* and can provide capital quickly: *“They can deliver it overnight.”* Others described them as *“very intrusive”*, with close involvement in operations and costs. For less mature companies, this intensity can create cultural friction and pressure on management. *“They have their own timeline, and that is not necessarily the timeline of the company,”* said one director. These challenges can multiply where multiple investors have competing agendas.
- **Preparing early gives the board greater control.** *“You need to be ready when a window appears. You might not get the terms you want, so you don’t do the deal, but having the choice makes a difference,”* said a member. The group agreed. *“It gives you the luxury of choosing your window,”* said Mr. Rix. *“Being fully prepared—everything buttoned down and working with bankers or advisors—means you can decide when the market backdrop is right. It’s never too*

What lenders are now asking about AI

AI is increasingly shaping how debt providers assess risk. Mr. Rix highlighted two areas of focus:

- **Proprietary advantage is critical.** For software and technology businesses in particular, the question is whether they can demonstrate protected data, mission-critical use cases, and resilience to substitution by large language models.
- **The gap between AI-native and legacy businesses is widening.** As Mr. Rix noted, *“AI-native businesses are different from software businesses that grew up pre-Claude.”* A board needs a clear view of where its company sits and how its competitive position may evolve.

early to start preparing.”

- **Cultural factors continue to shape Europe’s ability to fund and scale high-growth companies.** *“The US is much more open to trying and failing,”* said Mr. Rix. *“They listen to your current story with a fresh set of ears.”* He contrasted this to the UK where failed ventures are more likely to follow founders. *“It’s unfortunate. Markets are inherently smaller, and this baggage has a disproportionately larger effect on people,”* he said. A similar divide exists in employee ownership: equity participation is common in the US but often resisted in Europe, yet it is a powerful driver of employee loyalty and sense of ownership.
- **Family offices are emerging as a more flexible and strategic source of capital.** *“They weren’t one of my top two go-tos before, but they are now,”* said a member. *“Family offices are becoming more strategic and a bit more risk taking.”* Another added, *“They’re becoming much more active in markets they weren’t in before. They can be an alternative to private-equity investors and can be less difficult to deal with—they often don’t have the bandwidth to sit on boards.”*
- **Green and sustainable finance is evolving.** *“The focus on climate is not the same,”* said EY’s François Langlois. *“You see it shifting more toward energy-related themes: a possible redefinition of what green financing looks like. We’re also finding that assessing sustainability-related investments has become more complex.”* Members noted that sustainability continues to influence investment and lending decisions, but the narrative around it has become more cautious, reflecting a broader trend of “green hushing”. One said, *“Institutions still need to show a level of sustainability, but communication has reduced. Risk appetite hasn’t changed; visibility has.”*
- **Effective capital oversight relies on strong board-finance relationships and financial visibility.** *“It’s about fluid and open discussion,”* said a member, *“but also the frequency of engagement; checking in without being intrusive or overstepping.”* Boards often need visibility beyond the executive team, particularly into the finance function. Members noted that the level of support should reflect the maturity of the business and the finance team. In smaller companies, where in-house expertise may be limited, audit committee chairs may need to take a more active role in monitoring lending arrangements and supporting management. As one director put it, *“You may need an audit chair who can look at the documents and coach management on what needs to be done.”*

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Appendix 1: Participants

The following members participated in all or part of the meeting:

Nadja Borisova, BlaBlaCar and Pomegranate Investment
Carolyn Dittmeier, Illy Caffè
Brenda Eprile, Olympia Trust
Christoph Hütten, Brockhaus Technologies
Hanna Jacobsson, IFS
Linda McGoldrick, SmileyLife Holding
Antonella Mei-Pochtler, Westwing Group
Hanna Moisander, Lager 157

EY was represented by the following in all or part of the meeting:

Ombretta Cabrio, Director, Global Assurance
Hildur Eir Jónsdóttir, Deputy Assurance Managing Partner, Europe West
François Langlois, Partner, Global Markets Leader, Assurance Advisory & Forensics and Integrity Services

Tapestry Networks was represented by the following in all or part of the meeting:

Jonathan Day, Chief Executive
Laura Koski, Project and Event Manager
Jo Rhoden, Executive Director
Todd Schwartz, Executive Director
Hannah Skilton, Senior Associate

Endnotes

- ¹ Use of Artificial Intelligence: Portions of this document may have been prepared with the assistance of artificial intelligence tools. All content has been reviewed and approved by Tapestry Networks.
- ² *Summary of Themes* reflects the network's use of a modified version of the Chatham House Rule whereby names of members and their company affiliations are a matter of public record, but comments are not attributed to individuals or corporations. Quotations in italics are drawn directly from members and guests in connection with the meeting but may be edited for clarity.
- ³ European Innovation Council, "[Scaleup Europe Fund](#)," European Commission, accessed 15 June 2026.