

The Structural Mid-Market Financing Gap in Europe.

Companion report to Fuels Capital's press release, including methodology and sources supporting the 25–30 percent estimate cited in the press release dated 3 June 2026.

Where do viable mid-market companies go when neither bank lending, private credit funds, nor bond markets are not a fit?

25 – 30 % of European mid-market companies do not qualify for any of the three mainstream financing channels. Not because they lack viability, but because their financial profiles fall outside standard underwriting models.

The three channels and what each requires.

Bank lending

Stable, predictable cash flow. Conservative collateral structures. Low risk weighting under CRR/Basel III. Cash-flow lending dominates corporate facilities.

Private credit funds

Primarily sponsor-backed, cash-flow-based deals. Standardised underwriting processes. Capital focused on transactions that fit established models, leaving limited room for complexity.

Bond markets

Minimum issuance size typically start at €100m. Credit ratings, disclosure requirements and ongoing reporting obligations create significant overhead. Best suited to large, mature issuers.

Why the gap is structural. Two observations illustrate that the gap is not cyclical.

European private credit is booming, yet most viable mid-market companies still cannot access it. Two structural dynamics explain why the disconnect persists.

Outcome: 25–30 percent of viable mid-market companies fall outside mainstream channels.

5 – 10%

Private equity-backed companies

PE-backed companies represent just 5–10 percent of investable companies in Europe, yet absorb 89 percent of private credit. The imbalance leaves the broader market competing for a limited share of available capital.

Financial Times, cited May 2026

13% vs 34%

Non-banks in asset-based finance

Non-bank lenders account for only 13 percent of the European asset-based finance market, compared with 34 percent in the US. Europe's non-bank financing eco-system is structurally underdeveloped.

Cited in Fuels Capital press release, 3 June 2026

Key figures with verified sources. The numbers behind the gap.

All public figures are sourced from the cited authorities.
The 25–30 percent structural estimate is derived
analytical work by Fuels Capital based on these inputs.

25 – 30%

European mid-market companies that do not qualify for any of the three mainstream financing channels.

[Fuels Capital market analysis, June 2026](#)

€39bn

Annual EU debt financing gap for European businesses.

[European Commission, September 2025](#)

982k–1.4M

Financially viable businesses turned away from financing each year.

[European Commission](#)

€800bn

Annual private investment Europe needs to stay competitive.

[Draghi report, September 2024](#)

50+ / 300+

Companies financed and cases assessed by Fuels Capital in Sweden over the past year.

[Fuels Capital operational data](#)

€25m

Maximum asset-backed ticket size offered by Fuels Capital from June 2026.

[Fuels Capital press release, 3 June 2026](#)

The gap in practice. Who falls inside the structural gap, and what Fuels does about it

Entrepreneur-led companies

Founders- and majority owner-led businesses focused on long-term value creation. Cash-flow profiles fall outside traditional bank lending frameworks; while growth ambitions make private equity dilution unattractive.

Growth-stage businesses

Companies pursuing operational expansion, market entry, or capital reallocation. Their risk profiles fall outside what cash-flow underwriter models can systematically accommodate.

Transitional ventures

Generational transitions, partner buyouts, restructurings, and succession events. Capital need is real, but rarely aligns with standard financing mandates or timelines.

Asset-rich, cash-constrained positions

Real estate, financial assets, unlisted shares, and other assets with underlying intrinsic value. Strong long-term value creation potential, limited near-term liquidity.

Fuels Capital. Asset-backed financing at scale.

Fuels Capital provides asset-backed financing secured against real estate, financial assets, unlisted shares, and other assets with underlying intrinsic value, for entrepreneur-led companies, growth-stage businesses, and transitional ventures that fall outside traditional lending criteria.

From 3 June 2026, asset-backed funding extends to up to €25 million across all asset classes.

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