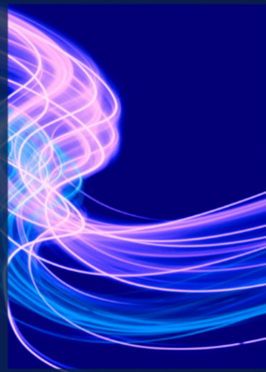
KPMG Private Enterprise



Private Enterprise Barometer Pulse 2026

From pressure to repositioning: how UK private businesses are adapting

KPMG. Make the Difference.

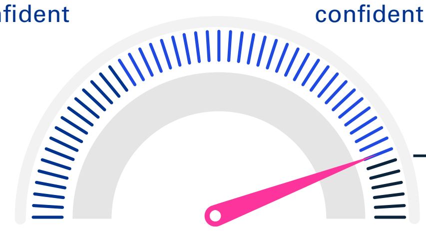
Based on a **survey of 1,500 UK private enterprise leaders conducted in June 2026,** these findings provide a mid-year snapshot of the business environment. They highlight the key pressures businesses are currently facing and how these are shaping short-term priorities and longer-term planning.

Growth

Growth ambition remains strong despite lower confidence

32% very confident

48% confident



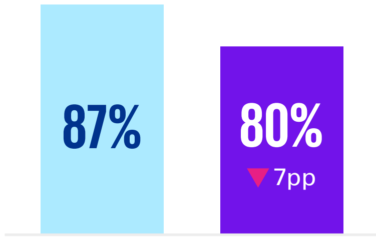
Growth confidence

80%

of businesses are confident in growth prospects

Confidence has declined

vs. Dec 2025 survey



Growth activity remains stable

63% developing new products/services

61% entering new markets

22% using acquisition as a growth route

How growth is funded

Internal funding	57%
Private equity	45%
Capital markets	32%
Government support	31%
Senior debt	26%

What this shows

01 Growth confidence has **declined**

02 Growth activity and expansion behaviour remain **unchanged**

03 Businesses are continuing to pursue growth using **consistent strategies and funding models**

Resilience

Pressure remains the defining feature of the operating environment

Short-term risks facing UK businesses

Inflation and ongoing cost pressures	47%
Supply chain and trade disruption	33%
Tax and fiscal policy uncertainty	25%
Weak UK growth and demand	25%
Employment and regulatory costs	23%
Labour and skills shortages	18%
Cost of borrowing and access to finance	18%

Cost pressures have eased from **52%** but remain the most cited risk **47%** ▼ 5pp

Looking beyond the short term

34% of private businesses cite availability and cost of capital as a key long term factor

45% cite stability of tax and regulatory environment

56% cite UK economic outlook and productivity growth

What this shows

Risk is **multi-factor and distributed,** not concentrated in one issue **01**

Cost pressure remains the consistent baseline condition **02**

Economic outlook and regulatory stability are central to planning **03**

Innovation

Where businesses are investing

66% Technology (e.g. AI, cyber, digital)

37% Workforce and skills

32% Innovation

26% Sustainability

15% Regulatory compliance

Innovation in practice: growth through development

63% plan to create **new services** or product categories

Policy alignment

41% prioritise **technology adoption** in the UK business environment

39% prioritise **growth-focused investment** and **industrial strategy**

What this shows

Investment priorities are **shifting significantly toward technology** **01**

Workforce and capability investment is rising alongside transformation **02**

Policy expectations align closely with business investment focus **03**

Productivity

Skills, capability and performance are central to long-term growth

Investment and capability priorities

37% prioritise workforce and skills **investment**

36% cite access to skills and talent as a **long-term factor**

32% prioritise skills, workforce and productivity in **policy expectations**

Constraint and pressure indicators

18% cite **labour availability and skills shortages** as a short-term risk

A material shift in focus

Workforce investment up

+12pp

vs. Dec 2025 survey

Factors most likely to influence long term planning for growth, investment and exit

Factor	%
UK economic outlook and productivity growth	56%
Stability of the UK tax and regulatory environment	45%
Access to skills and talent over the medium to long term	36%
UK competitiveness in global markets	36%

What this shows

01 Skills appear across **investment, constraints and policy priorities**

02 Productivity is driven by a **combination of workforce, capability and economic factors**

Get in touch

Whether you are establishing or scaling a new venture, planning an investment or exit, we are here to support your business growth. Our multidisciplinary KPMG Private Enterprise teams work across the UK to support privately owned businesses to grow.

Get in touch to discuss your ambition.

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