

The uncomfortable truth about private equity and founder led businesses

A growing number of PE funds can't raise another fund and can't get out of the deals they've already made.

LONDON, UNITED KINGDOM, February 17, 2026 /EINPresswire.com/ -- Forbes has published a piece calling out "zombie" [private equity firms](#). The simple version is this: a growing number of funds can't raise another fund and can't get out of the deals they've already made. So they sit on portfolios for longer, investors get impatient, and everyone becomes more cautious.

That matters because when exits slow down, deal terms get tougher. Buyers still buy, but they stop taking leaps of faith. They want proof, and they want clean numbers. And when they do not get it, they protect themselves with price and structure.

"People keep saying the market is quiet," said Luke Tobin, Founder of Succeed, a UK based [M&A advisory firm](#). "It's not quiet. It's picky. And if your business only works because you're the one holding it together, a buyer will see that straight away, and they'll pay you less for it."

In the wider market, the backlog is real. Reports have put the number of unsold private equity-backed companies at around 30,000, with capital remaining in those businesses longer than planned. That's one of the reasons investors have been pushing harder for cash back, and why fundraising has become more selective.

What agency founders should expect to see more of in 2026; Succeed expects three things to show up more often in agency deals this year: Harder questions on recurring revenue. What's contracted, what's sticky, and who actually owns key relationships.



Luke Tobin, Founder of Unusual Group & Succeed

Less tolerance for messy margin stories. If your numbers are hard to follow, buyers assume there's a reason.

More strings attached when trust is low. More earn-outs, more conditions, and longer diligence.

"The playbook is pretty boring," Luke added. "Make it easy to trust the numbers. Make it obvious that the team can sell and deliver without you. Then you get better offers, and the deal is cleaner."

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Notes to editors

Succeed, part of [Unusual Group](#), advises agency founders on mergers, minority investment, and exits, with a focus on making businesses buyer-ready before going to market.

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