

Deloitte. Private



Private Company Outlook Market Readiness

December 2025

Deloitte Private asked **leaders of 100 private companies** planning a future transfer or sale about their organization's timing, readiness, goals and preparation for a transaction.

METHODOLOGY

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

The survey of 100 private company leaders was conducted online by an independent research company between October 23 and 29, 2025. Respondents included CEOs, CFOs, presidents, board members, and partners / owners of private companies in the US with annual revenues of US\$100 million to US\$1 billion+ that anticipate a future transfer or sale.

Executive summary

A transfer or sale is a short- to medium-term focus for private companies.

Nearly 6 in 10 (57%) respondents that anticipate their organization will engage in a future transfer or sale expect a transaction in the next 1 to 3 years. Market conditions (50%) and go-to-market readiness (43%) are the top factors expected to impact organization's timeline for pursuing M&A transactions, according to respondents.

Business continuity is the primary goal for a transfer or sale.

The most common goal for pursuing a sale or transfer is business continuity (40%), ahead of liquidity for the business (22%) or owners (13%). Scaling the business is the primary motivator to sell all or part of the organization.

About half of private companies selling in 1-3 years are prepared for the due diligence process.

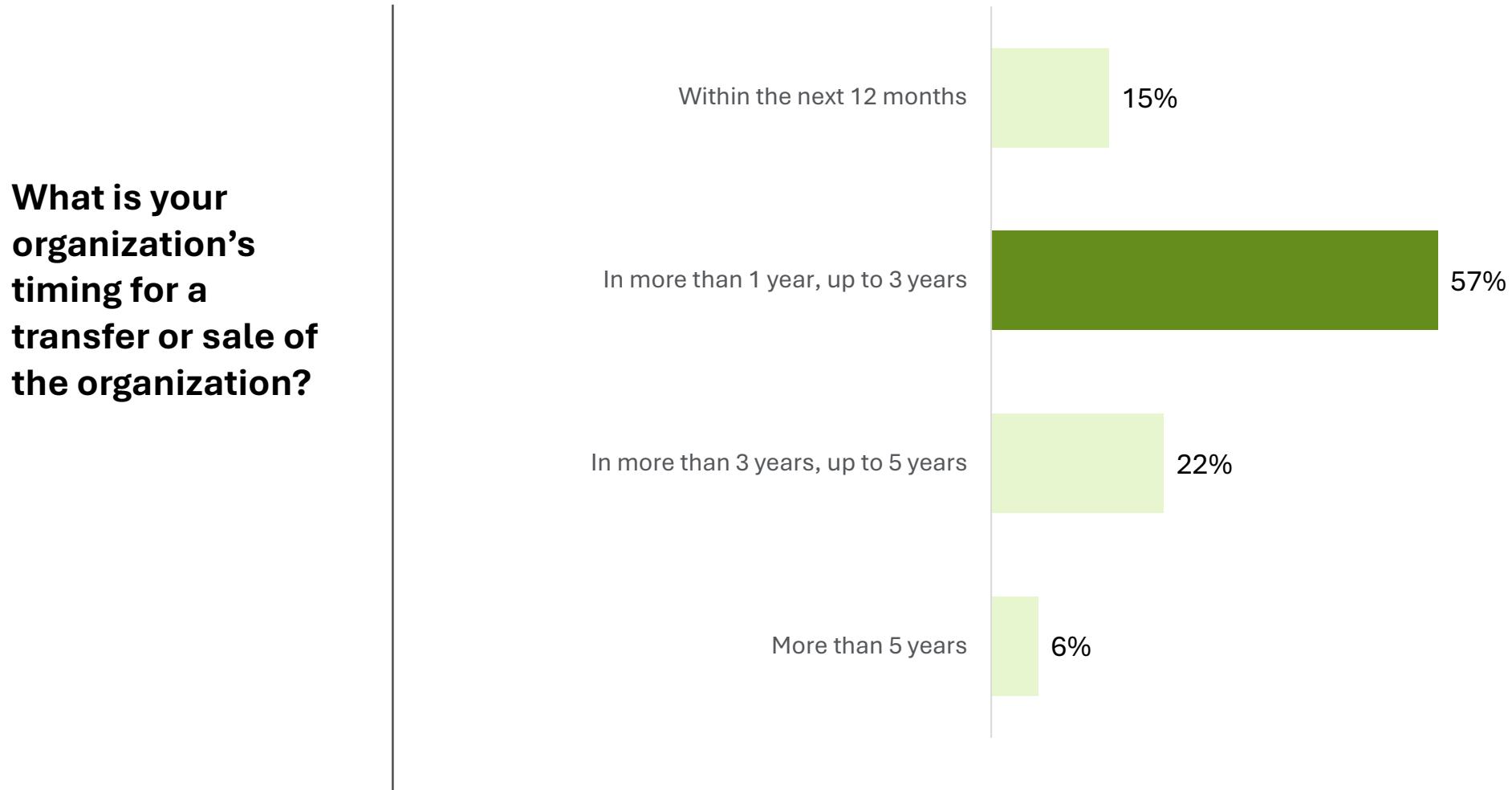
Among private company leaders surveyed, 63% report their organization has obtained a recent fair market value appraisal. Roughly half of those businesses who plan to sell between 1 to 3 years (51%) and 3 to 5 years (55%) are prepared to participate in the due diligence process but still indicate that they need to hire third party advisors.

Recognized gains and transfer taxes are primary concerns as companies go to market.

Nearly 9 in 10 private company leaders surveyed report tax on recognized gains (88%) and transfer taxes (87%) as major concerns. Respondents cite existing losses (43%) and qualified opportunity zones (36%) as primary tax planning concepts.

Private company outlook: Market readiness

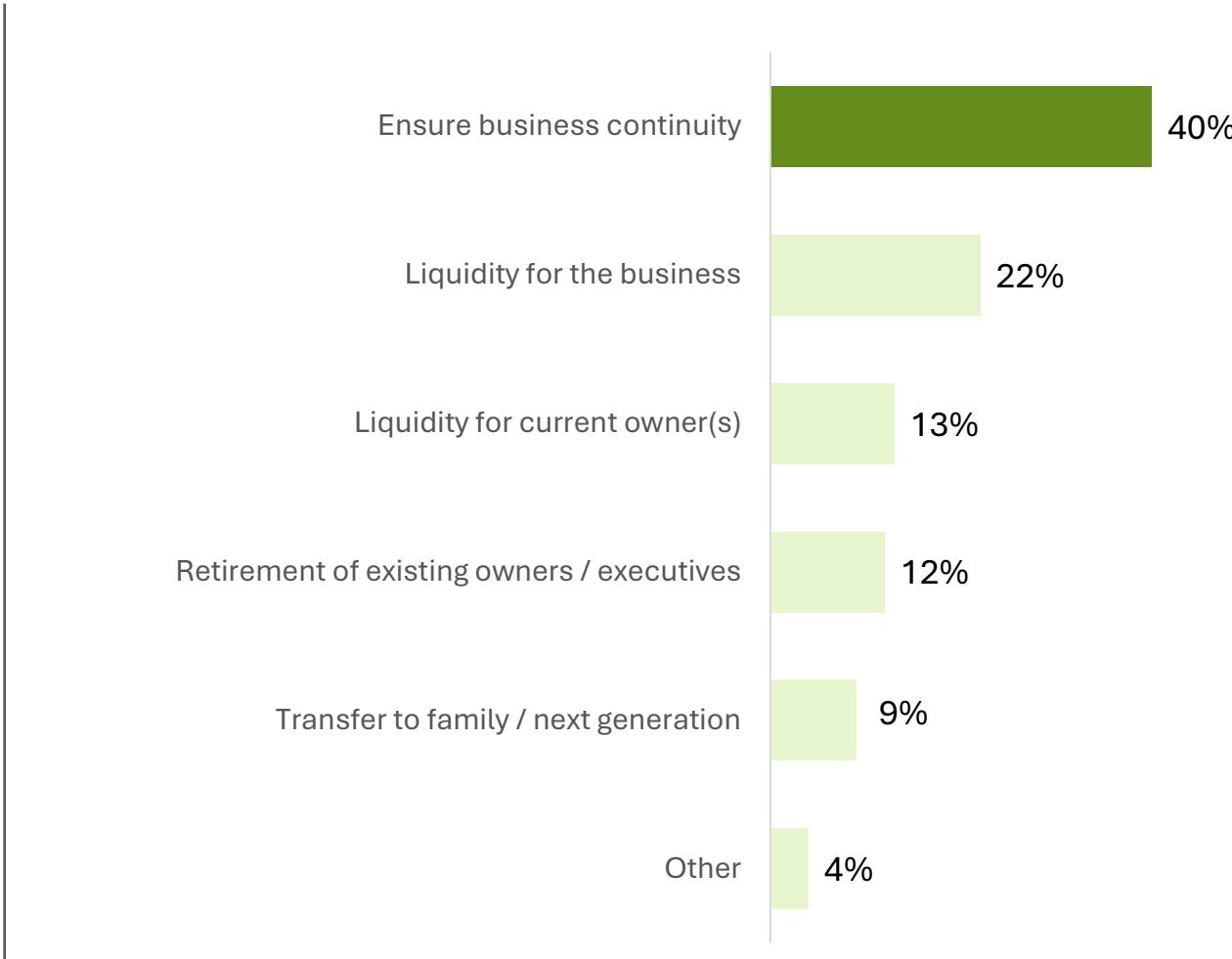
Among private company leaders who said their organization is planning a future transfer or sale, 57% said their organization's timing is more than 1 year and less than 3 years.



Private company outlook: Market readiness

The top reason for a sale or transfer of an organization is to ensure business continuity (40%), according to survey respondents.

What is your organization's main goal for a transfer or sale of the organization?

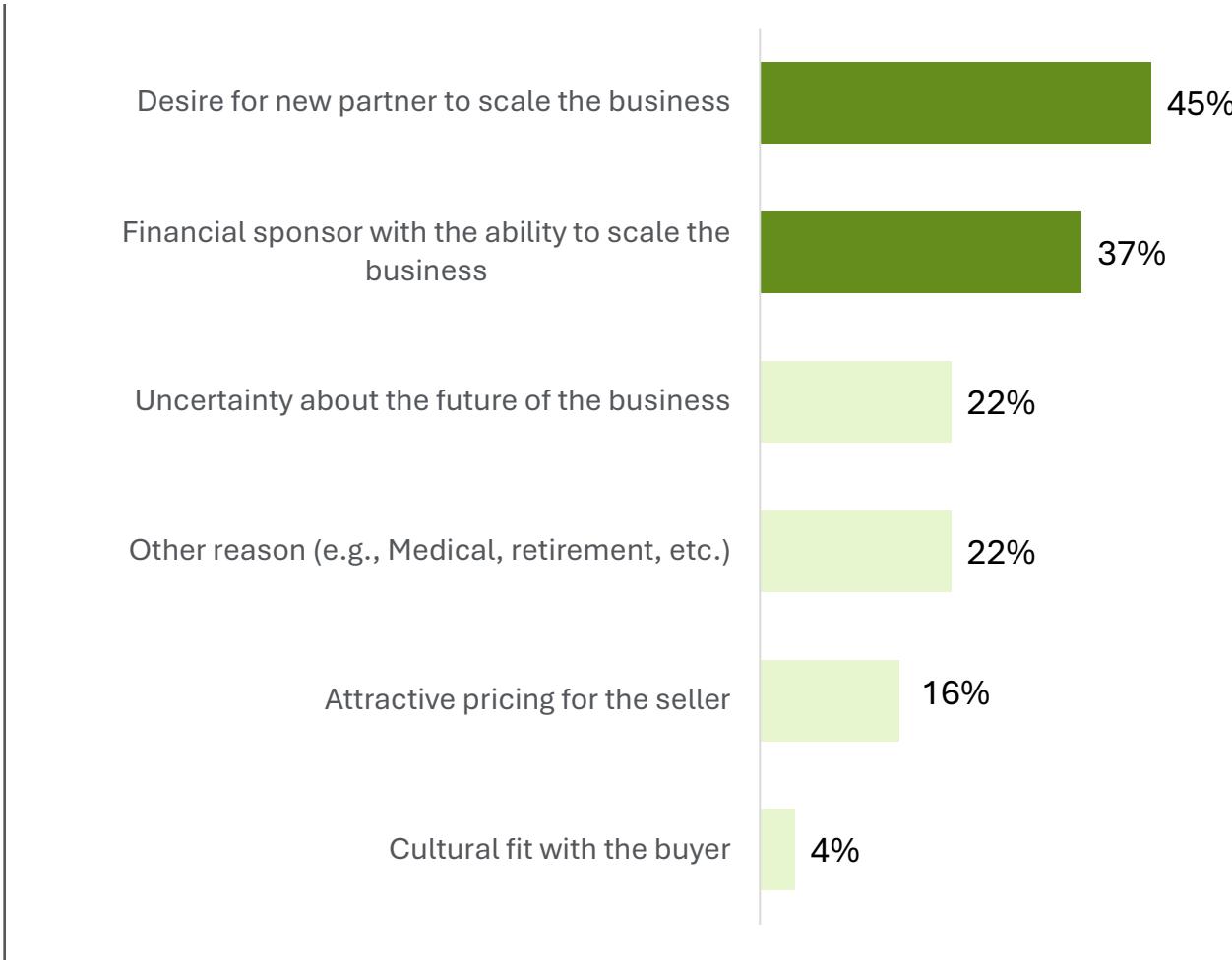


Private company outlook: Market readiness

When asked what would likely prompt owners to sell all or a portion of the organization, 45% of respondents indicated a desire for a new partner to scale the business and 37% indicated a financial sponsor with the ability to scale the business.

What would likely prompt the organization owner(s) to sell the organization or a portion of the organization:

Select all that apply.

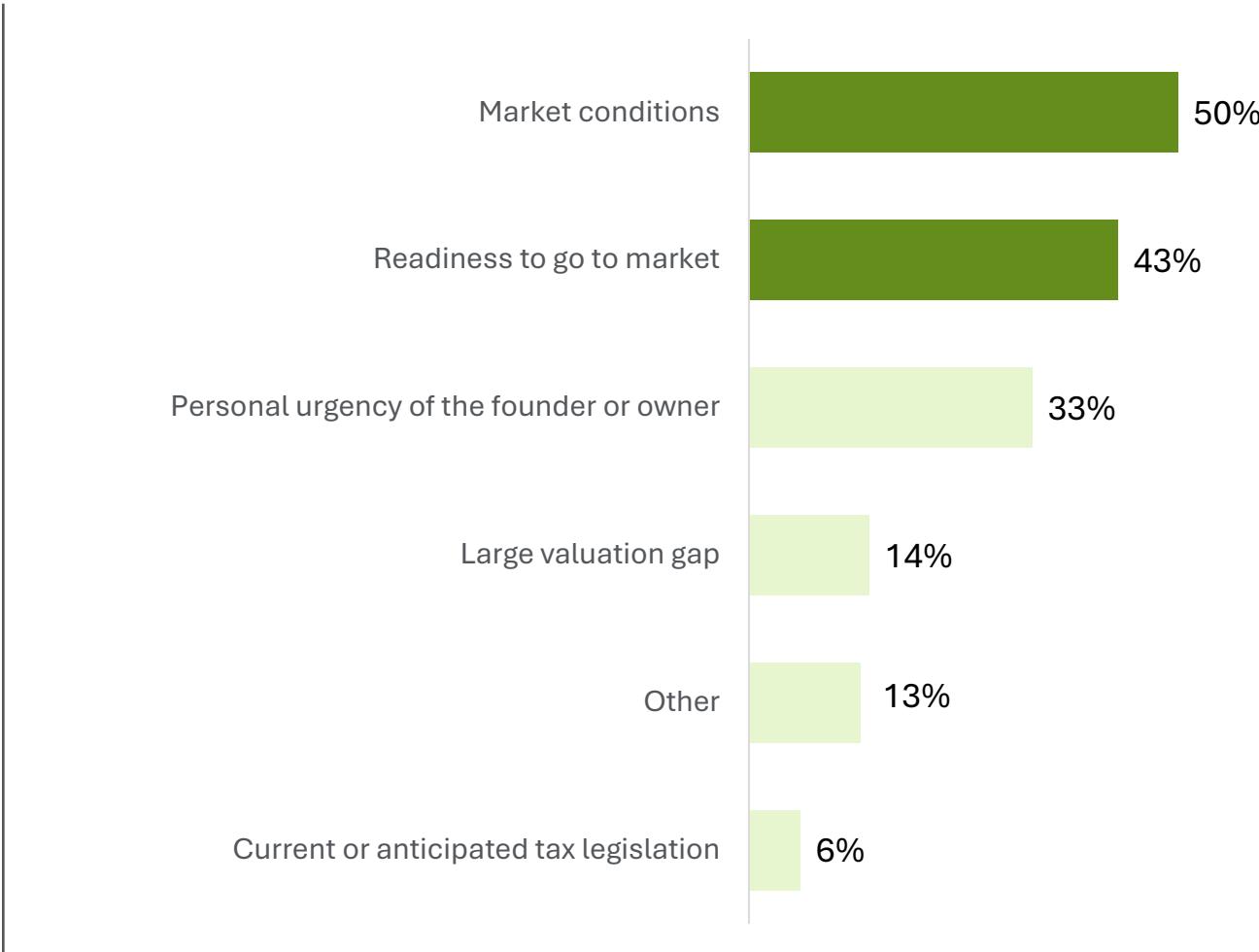


Private company outlook: Market readiness

Top factors to impact timelines of M&A transactions are market conditions (50%) and readiness to go to market (43%).

Which factors could impact your organization's timeline for pursuing a M&A transaction?

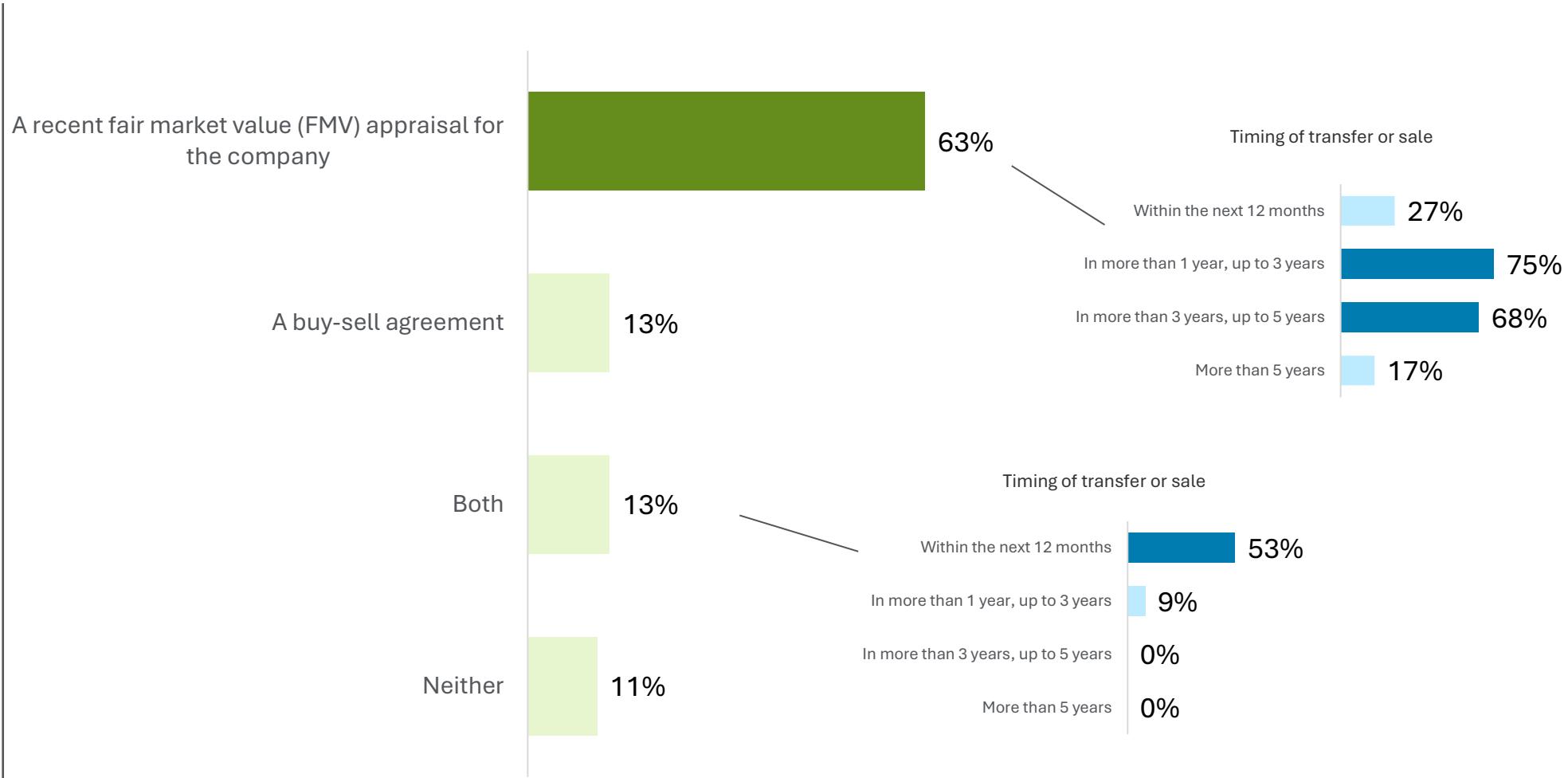
Select all that apply.



Private company outlook: Market readiness

Almost two-thirds (63%) of survey respondents said their organization had a recent fair market value (FMV) appraisal. More than half (53%) of those surveyed from companies planning a transfer or sale in the next 12 months have both a FMV and a buy-sell agreement in place.

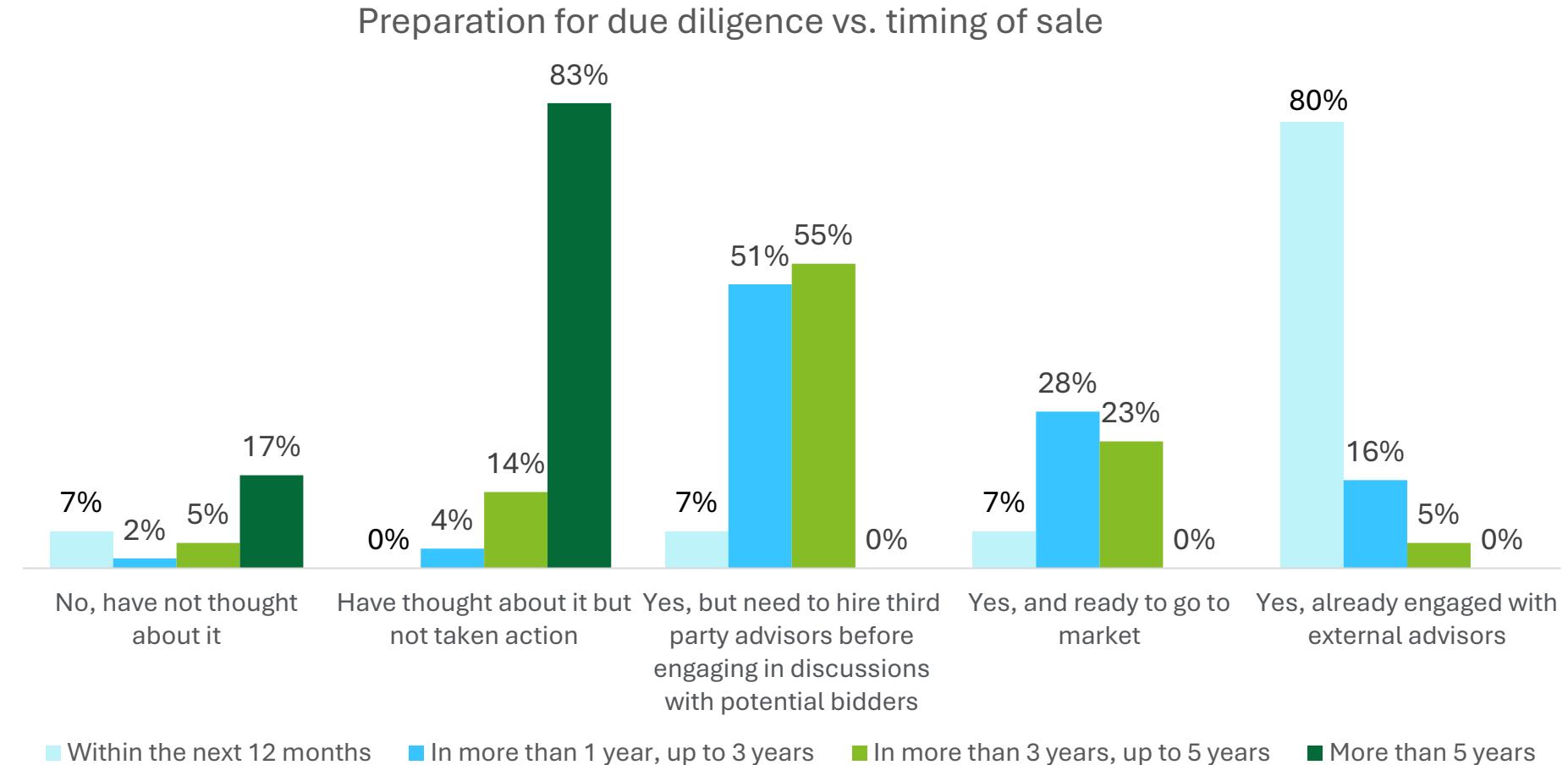
Does your organization have either of the following in place?



Private company outlook: Market readiness

Roughly half of the respondents who said their organization is planning to sell between 1 to 3 years (51%) and 3 to 5 years (55%) indicate that their organizations are prepared to participate in the due diligence process but still need to hire third party advisors. Among those planning a sale in the next 12 months, 80% are engaged with external advisors.

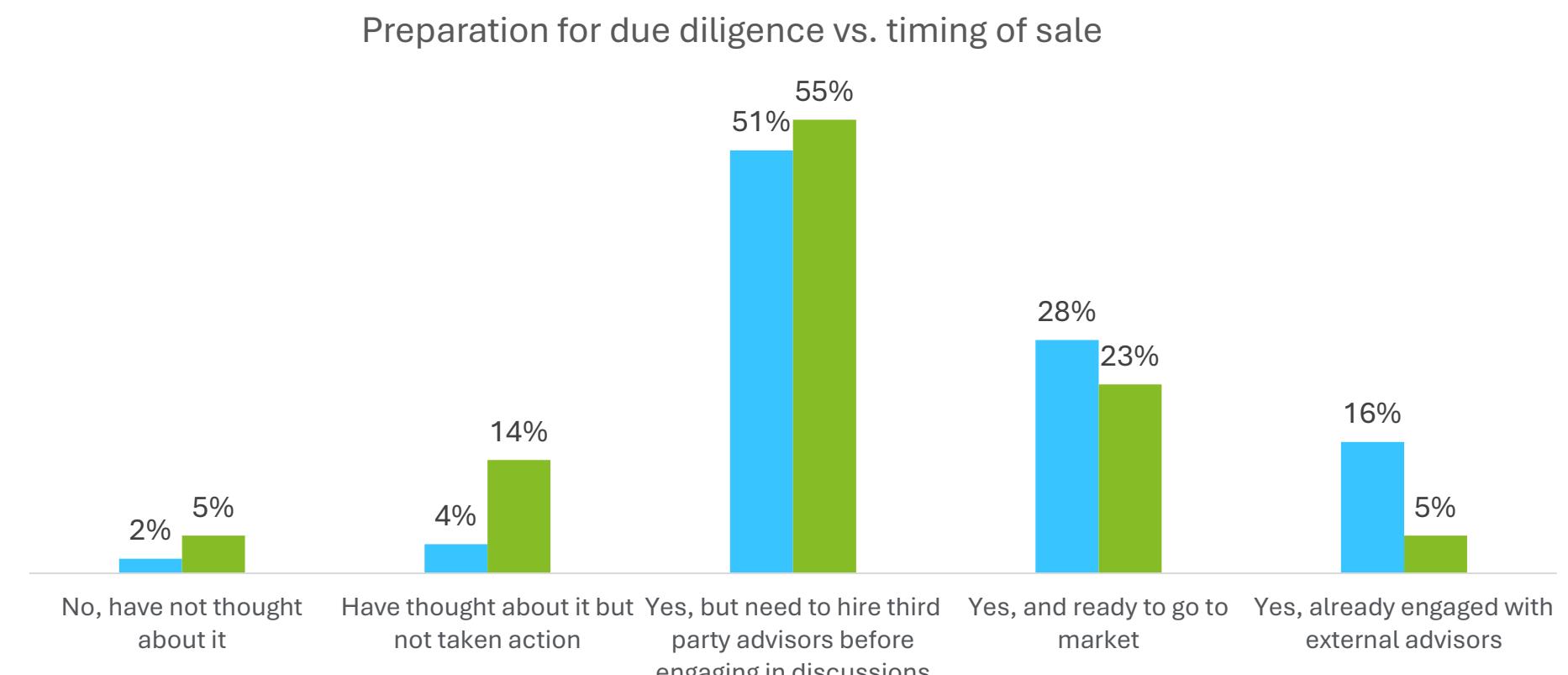
Is your organization prepared to participate in a due diligence process for a potential buyer, including sharing sensitive business information under confidentiality agreements?



Private company outlook: Market readiness

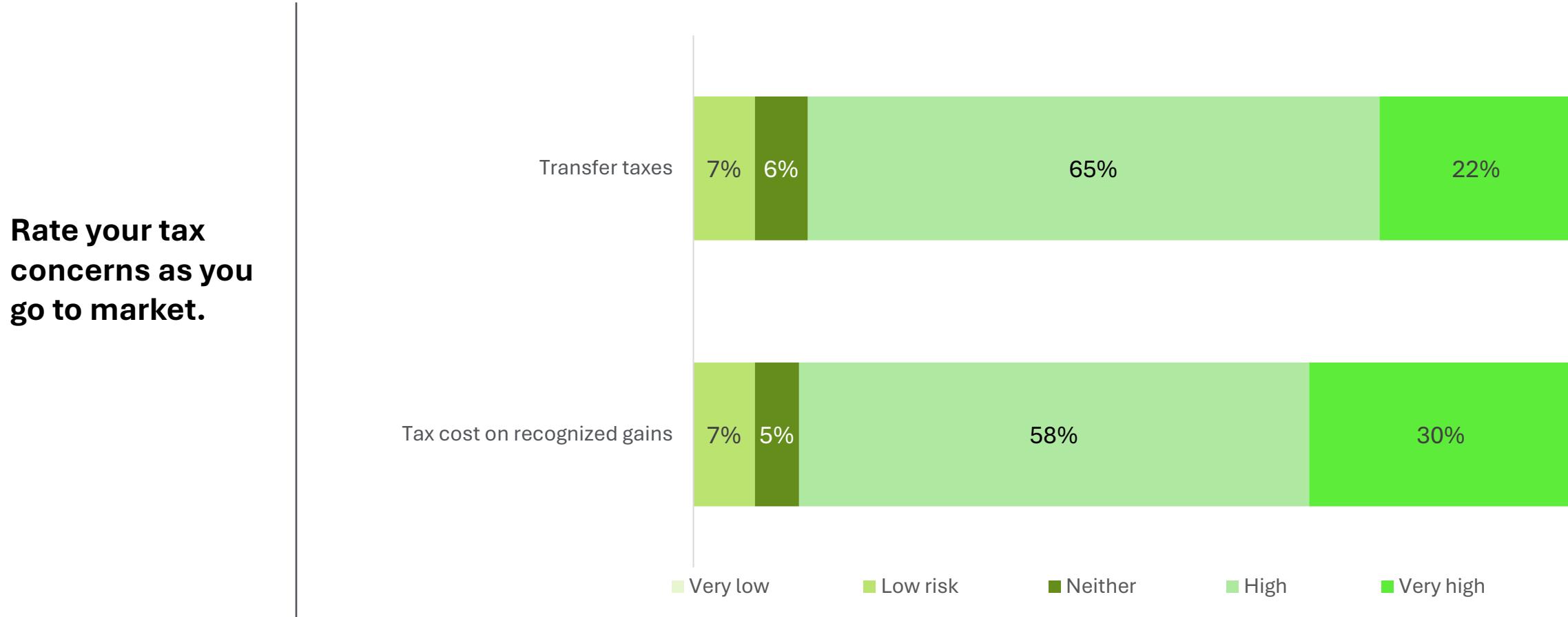
Roughly half of the respondents who said their organization is planning to sell between 1 and 5 years are prepared to participate in the due diligence process but still need to hire third party advisors.

Is your organization prepared to participate in a due diligence process for a potential buyer, including sharing sensitive business information under confidentiality agreements?



Private company outlook: Market readiness

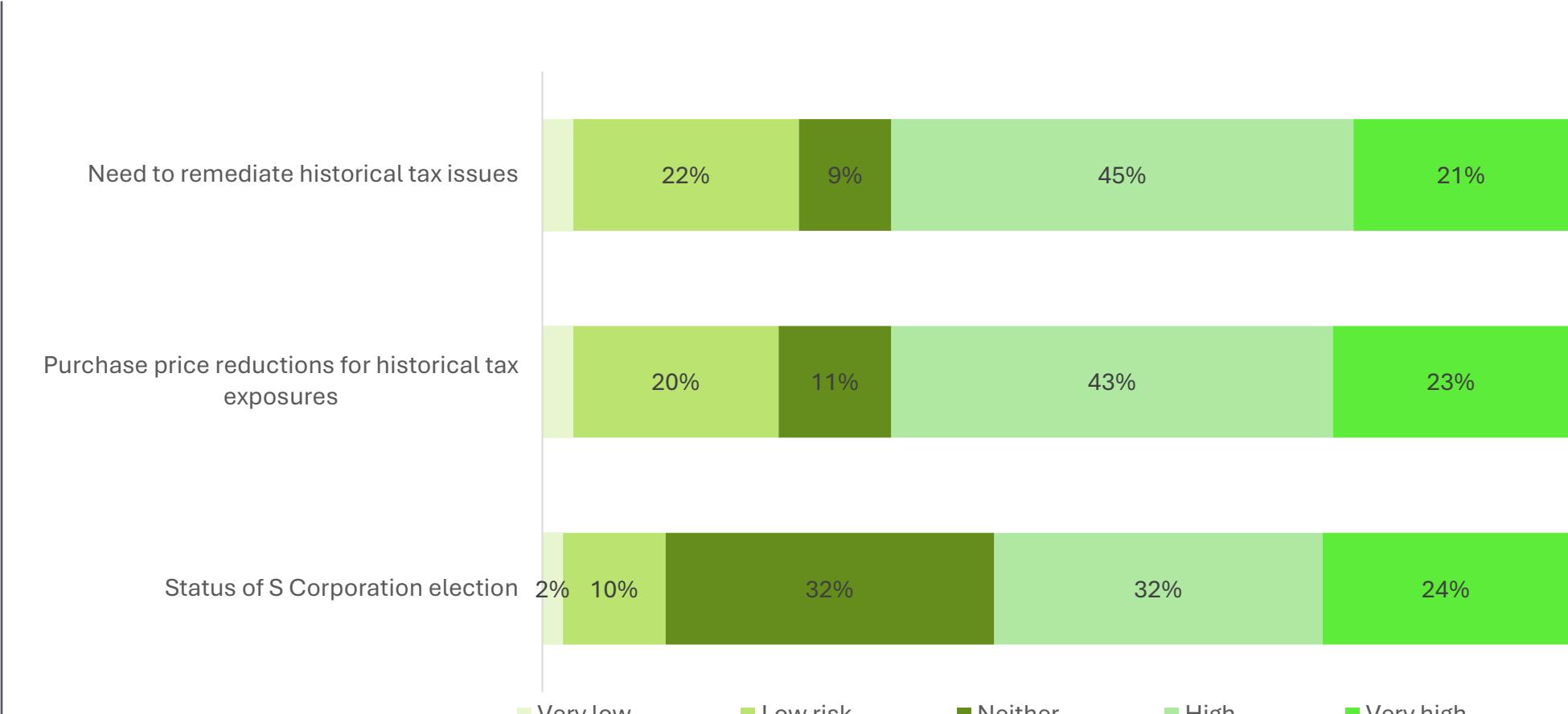
Nearly 9 in 10 survey respondents reported that tax cost on recognized gains (88%) and transfer taxes (87%) were high or very high concerns when going to market.



Private company outlook: Market readiness

Two thirds (66%) of private company leaders surveyed cited historical tax issues as concerns when their organizations go to market for a transfer or sale.

**Rate your tax
concerns as you
go to market.**

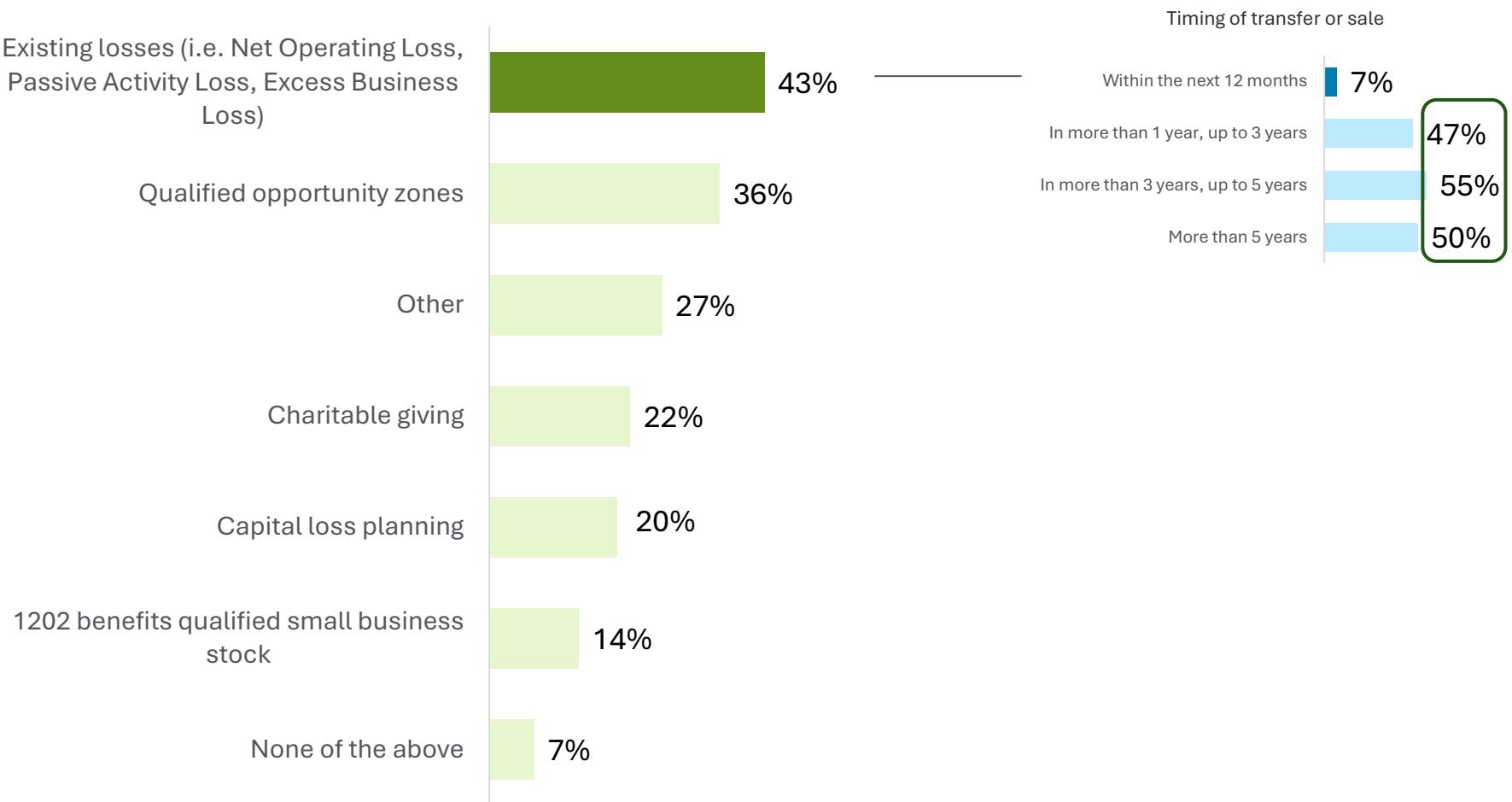


Private company outlook: Market readiness

The top concepts considered when planning for a tax gain on a sale were existing losses (43%) and qualified opportunity zones (36%).

What concepts do you consider when planning for the tax gain on a sale?

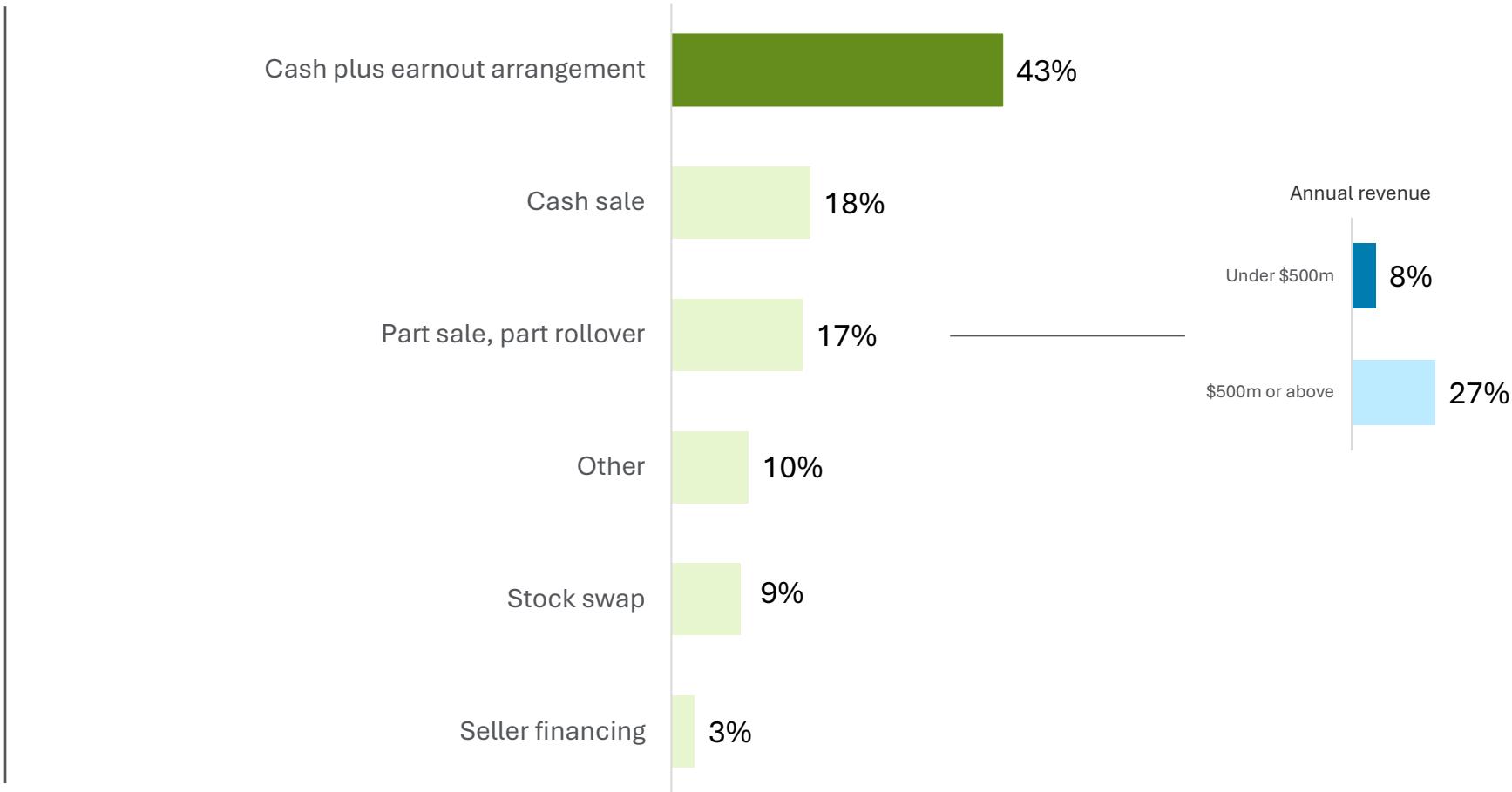
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Private company outlook: Market readiness

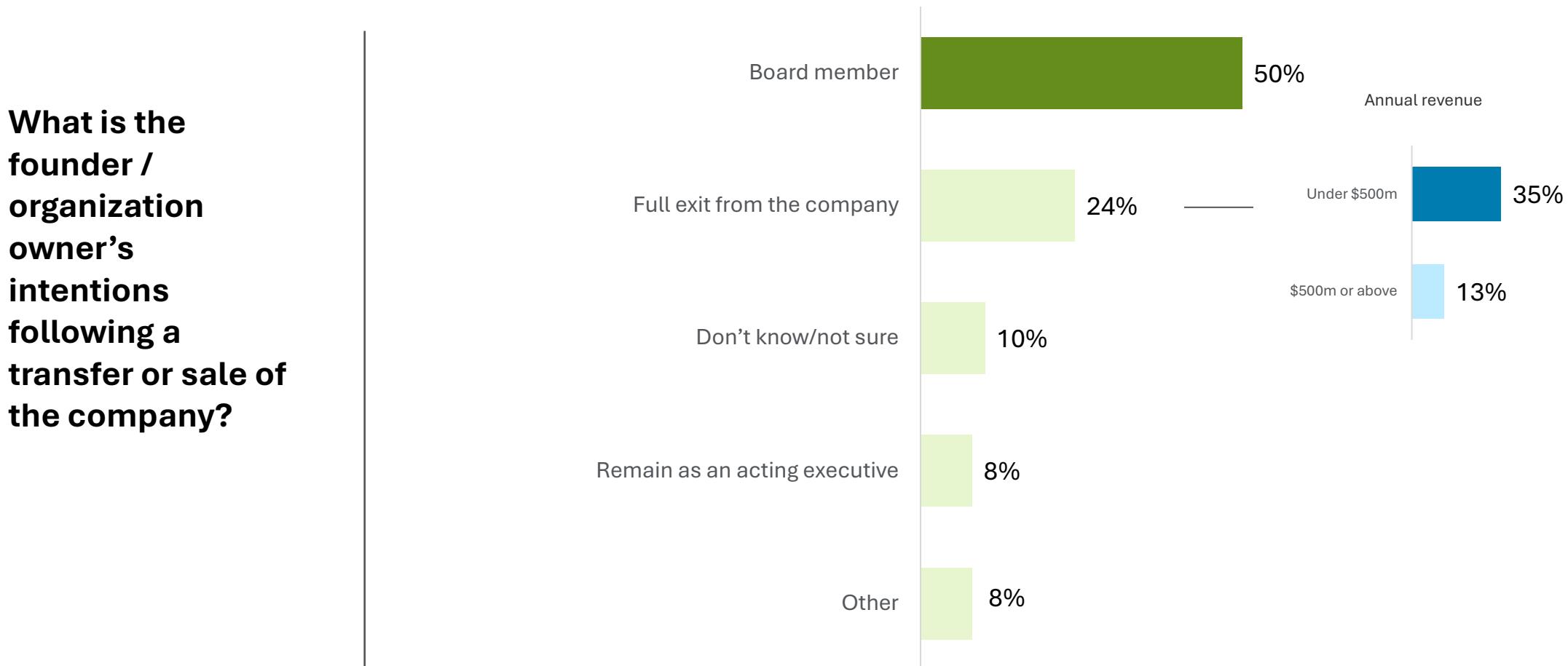
More than 4 in 10 (43%) respondents expect a cash plus earnout arrangement for sale proceeds. Respondents from organizations with annual revenues of \$500 million or higher are more than three times more likely to report that the sales proceeds from an exit event are expected to be part sale, part rollover than those from organizations with less than \$500 million in annual revenue.

What are your expectations for the sale proceeds from an exit event?



Private company outlook: Market readiness

Half (50%) of private company leaders surveyed said their organizations' founders / owners intend to become a board member following the sale or transfer of their company. Respondents from companies earning under \$500 million in annual revenue were more likely to indicate the founder would fully exit the company (35%) than those from companies earning \$500 million or above (13%).

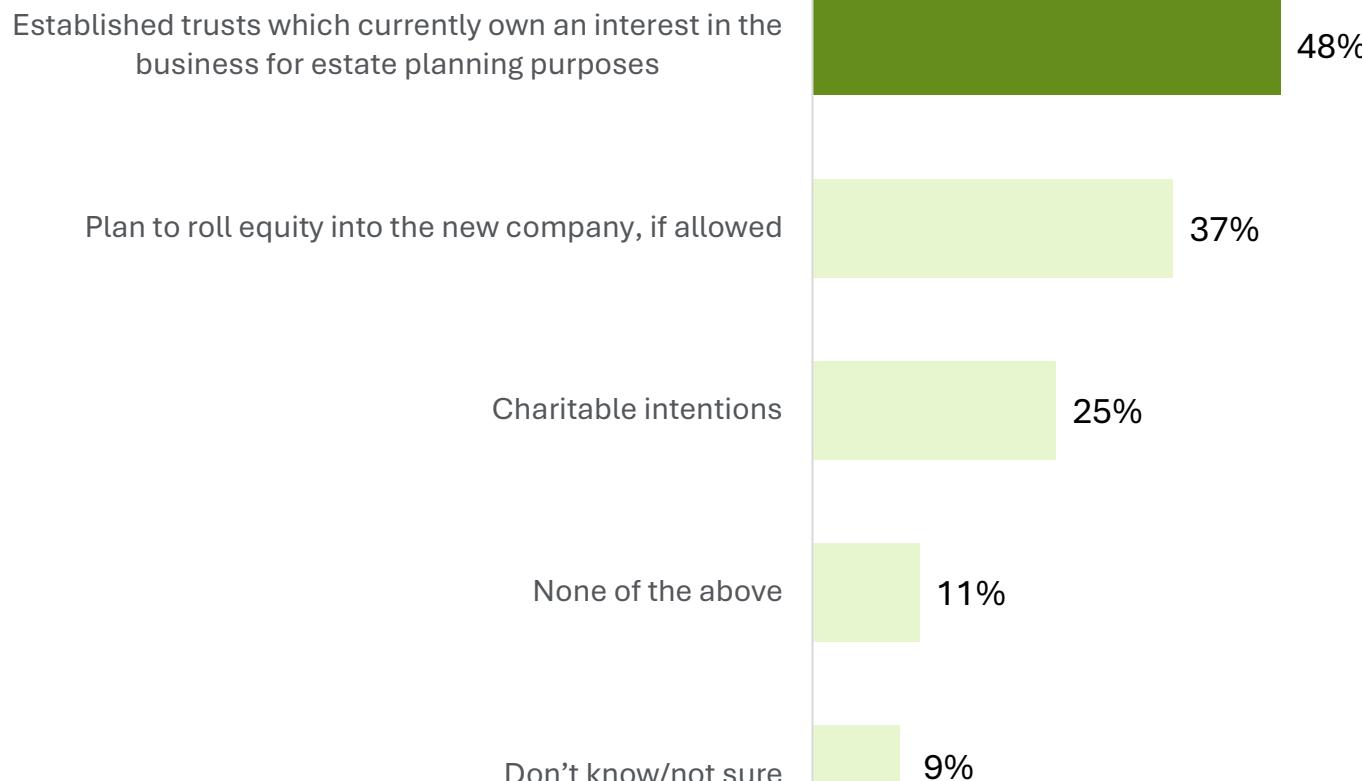


Private company outlook: Market readiness

According to survey respondents, almost half (48%) of private company owners / founders have established trusts which currently own an interest in the business for estate planning purposes.

In the event of a transfer or sale, does the organization owner / founder have any of the following plans in place?

Select all that apply.



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