

Not All Debt Is Built the Same

FUSE CAPITAL —



**Private
Credit**

**Venture
Debt**

Bank

- ❏ Choosing the right debt route is not just about price. It depends on your company's stage, revenue profile, assets, growth plans and how lenders assess risk.

At Fuse Capital, we help growth companies understand which lenders are most likely to engage, what terms may be realistic, and how to approach the market with confidence.

Not sure how lenders would view your business today?

[Check Your Debt Readiness](#)

Comparing the Main Debt Options

Each route has a different lender universe, risk appetite and use case. Use this guide to compare how Bank Debt, Private Credit and Venture Debt are typically viewed by lenders.

- ❏ **Note:** Venture debt is a specialist sub-set of private credit. In this guide, it is shown separately because borrowers often assess it as a distinct funding route due to its association with VC-backed growth, runway extension, equity-round support, warrants and milestone-based funding.

Bank Debt

- **Best fit:** Established companies with stable cash flow, strong reporting and a lower-risk profile.
- **Common uses:** Working capital, term loans, refinancing and asset-backed facilities.
- **Lenders look for:** Profitability, cash flow, collateral, leverage, credit history and reporting quality.
- **Main Trade-off:** Usually lower cost, but often less flexible and harder to access if growth is uneven or risk is higher.
- **Quick view:** *Lower relative cost · Lower flexibility*

Private Credit

- **Best fit:** Growth-stage, sponsor-backed or cash-generative companies needing more flexible, tailored capital.
- **Common uses:** Growth funding, acquisition finance, refinancing, buyouts and structured capital.
- **Lenders look for:** EBITDA, enterprise value, cash flow, assets, sponsor or investor support and quality of the growth plan.
- **Main Trade-off:** More flexible than bank debt, but typically comes at a higher cost and with lender-protective structures.
- **Quick view:** *Higher relative cost · Higher flexibility*

Venture Debt

- **Best fit:** VC-backed companies looking to extend runway, fund milestones or bridge towards a future equity round.
- **Common uses:** Runway extension, milestone funding, product or market expansion, and preparation for a future raise.
- **Lenders look for:** VC backing, recent funding rounds, burn rate, runway, revenue growth, milestone visibility and investor support.
- **Main Trade-off:** Less dilutive than equity, but not a substitute for weak runway planning or unclear funding milestones.
- **Quick view:** *Higher relative cost, often with fees or warrants · Medium to high flexibility*

This is a simplified guide. Terms vary by lender, market conditions, geography and company profile.

So Which Route Is Right for You?

The right answer is rarely simply “bank debt, private credit or venture debt”. It is usually about lender fit: matching your profile, structure and timing to the right part of the market.

Before approaching lenders, a strong debt process should answer four key questions:

1

Are you debt ready today?

Understand your financial position, reporting quality, and what lenders will see when they look under the bonnet.

2

Which lender universe is realistic?

Identify which lenders are most likely to engage based on your stage, profile, sector and funding needs.

3

What structure matches your growth plan?

Align tenor, covenants, drawdown mechanics and repayment profile with how your business actually operates and grows.

4

How do you approach lenders effectively?

A well-run process protects your position, avoids wasted time and improves your chances of securing competitive terms.

Fuse Capital helps companies navigate this process, from debt readiness through to lender outreach, negotiation and execution.

Considering debt funding or unsure which route fits your company? Speak with Fuse Capital to understand your options.

[Speak to Fuse Capital](#)

Check Your Debt Readiness

Want to understand how lenders may view your business before starting a process?

Use our Debt Readiness Checklist to assess your position before approaching the market.

[Get the Checklist](#)

Explore more resources:

See Debt in Action

Explore recent Fuse Capital deals and see how growth companies have used debt to support expansion, refinancing and strategic milestones.

[View Recent Deals](#)

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