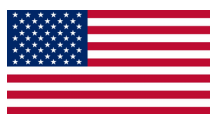




# Value Potential Index

Quarterly Report  
December Q4 2024



# Value Potential Index

## Quarterly Report

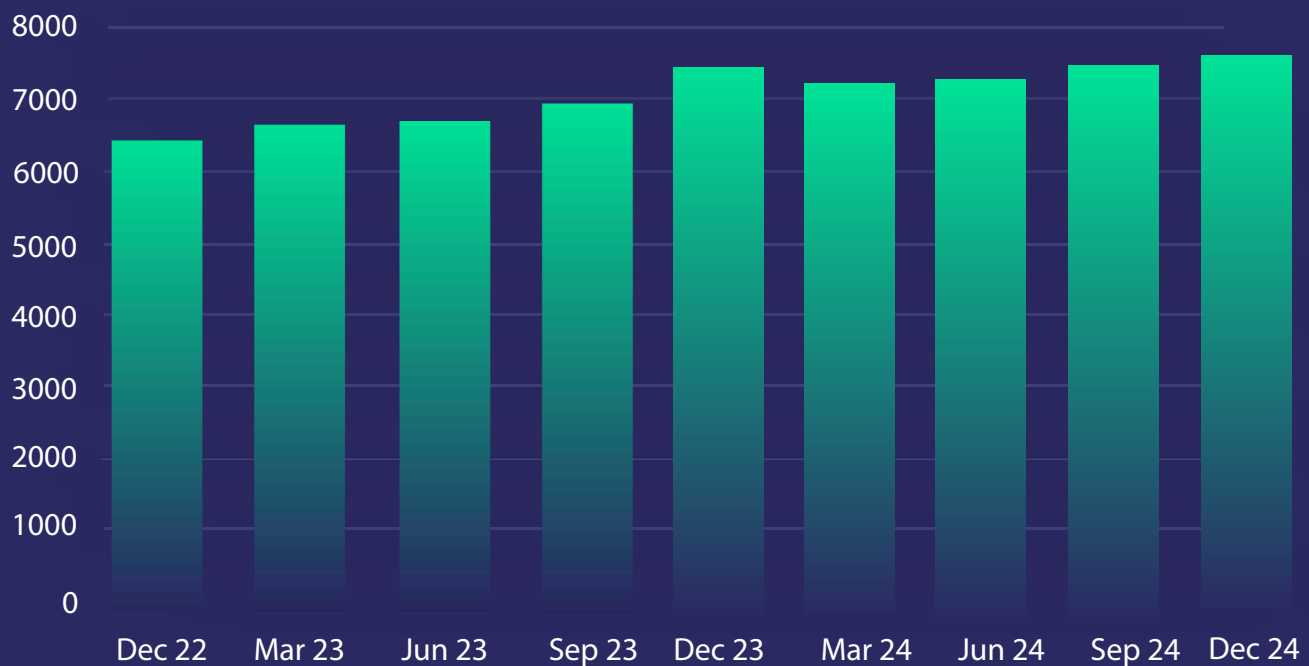
### December Q4 2024

The US VPI advanced through the quarter, making 3 consecutive quarterly advances. It marks another all-time high for the VPI in the United States, for as long as Capitaliz has been measuring it.



7585.40 ↑ 0.85%

The VPI index has increased by 0.85% during Q4 of 2024 to 7585.40.



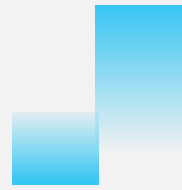


The S&P500  
**increased** by  
**2.08%**



**Increase** in GDP  
**1.19%**

Which is near or above  
long-term trends.



**Increase** in average  
Capitaliz multiples  
**4.26%**

Noticeable **decrease** in  
the number of businesses  
listed for sale.

**- 5.27%**

which could be  
attributed to higher  
levels of confidence  
associated with  
stabilizing economic  
conditions generally.



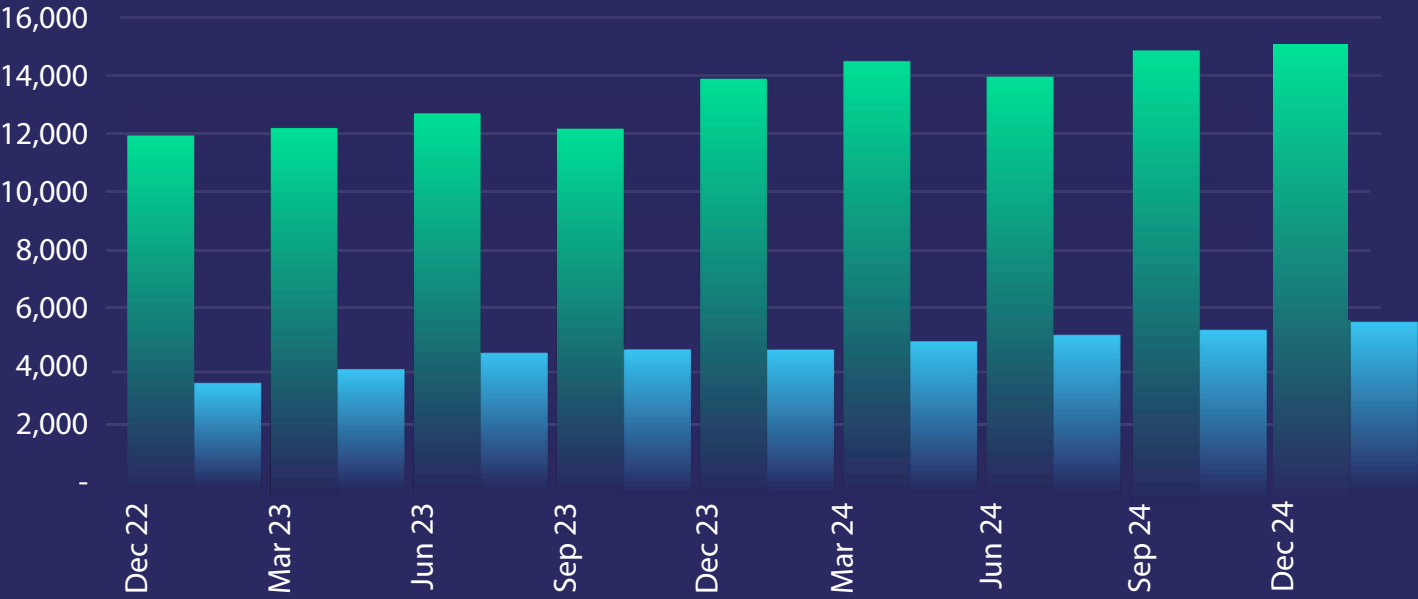
# Economic Indicators

Indicator	Sep Q3	Dec Q4	Movement
S&P500	5,762	5,882	2.08%
10-year Treasury Note	3,787	4,576	20.83%
Gross Domestic Product (millions)	\$7,343,750	\$7,431,000	1.19%
Inflation (%)	2.4	2.9	20.83%
Unemployment (%)	4.2	4.2	0.00%
€EU\$US cross rate	0.90	0.96	6.67%

# Equities Markets

Dow Jones SmallCap Index

S&P500





# Economic Commentary

## **S&P500**

A 2.08% increase of the value of the S&P500 index is indicative of neither correction nor boom this quarter.

## **10-Year Treasury Note**

The 10-year US Federal government bond rate reflects the tightness or looseness of the monetary policy, and serves as the most basic component of the cost of capital that businesses use to grow and operate.

## **Unemployment Rate**

The US Consumer Price Index is seeing its largest increases in decades. With a historical run of base interest rate rises, inflation has begun to slow.

## **Dow Jones SmallCap Index**

Comprising about 1,800 publicly traded Small Cap American stocks, these companies are often looking at larger private businesses for M&A. The healthier and more stable the conditions, the more acquisitive a scene we expect to see.

## **Gross Domestic Product**

An economic data staple the world over, GDP represents the combined value of goods and services produced in a given period in an economy.

## **Inflation**

The seasonally adjusted unemployment rate reflects what percentage of aspiring employees have not found work. The rate for this report is low and steady at 4.2%

# Value Potential

We estimate the value of private businesses in the US to be \$24.3 Trillion. We also estimate that with some forward planning and preparation, this could be nearer to \$28 Trillion, a total Value Potential Gap of about \$33. Trillion.

Further, some 59.5% of this Value Gap resides in the 10-249 employee category, with the smaller businesses on average leaving about \$900,000 and the medium business about \$1.3 Million on the table each.



## VPI™ Value Potential Index

The Capitaliz VPI is based on over 750 business valuations over twelve years where we are able to track the key metrics that drive valuations and project potential value over time, based upon implementing the recommendations from our Capitaliz Business Insights Report.

The index includes economic, industry and business-based risk scores to determine the appropriate multiple and the gaps identified in the report for profit gap, benchmarking, exit readiness and attractiveness to determine the value potential.

The index is recalculated each time a new valuation is completed and updated regularly with economic factors, industry trends, or business sentiment changes

Use of our proprietary index allows us to accurately assess value potential for each business and determine the most appropriate actions to take in order of priority that will most affect the valuation.



1800 Wazee St  
Suite 300  
Denver CO 80202