



Value Potential Index

Quarterly Report
December Q4 2024



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September Q3 2024

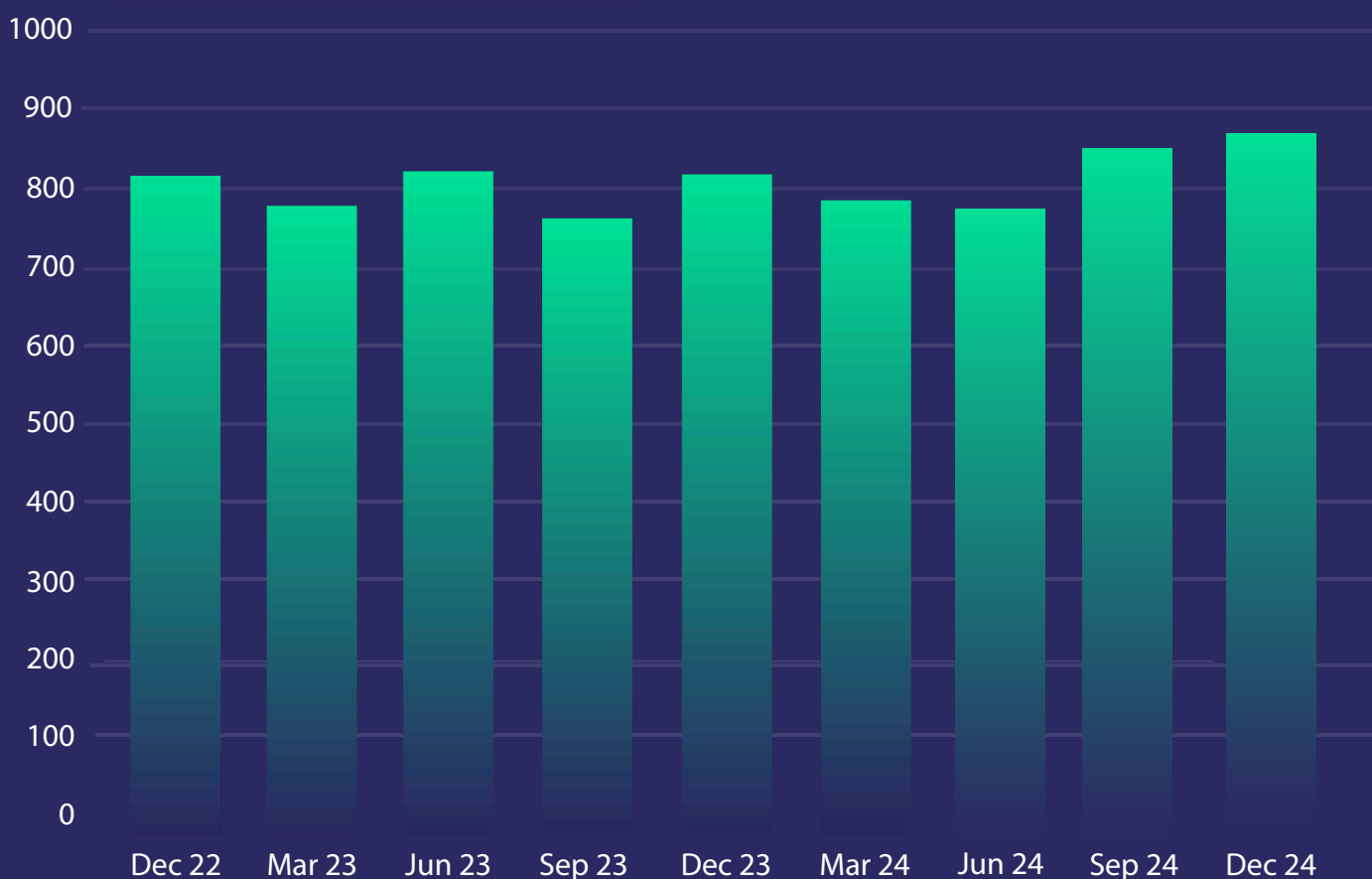
The UK VPI has somewhat declined this quarter, largely reflective of a slight deterioration of broad economic macros.



792.78

↓ 1.95%

The VPI index has decreased by 1.95% during Q4 of 2024 to 792.78.





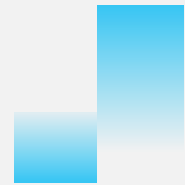
Total UK public company market caps have **decreased** by

-0.89%



GDP has **increased**
0.44%

in line with longer term averages.



Capitaliz multiples are **up slightly** on the prior quarter.

2.17%

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

-2.07%

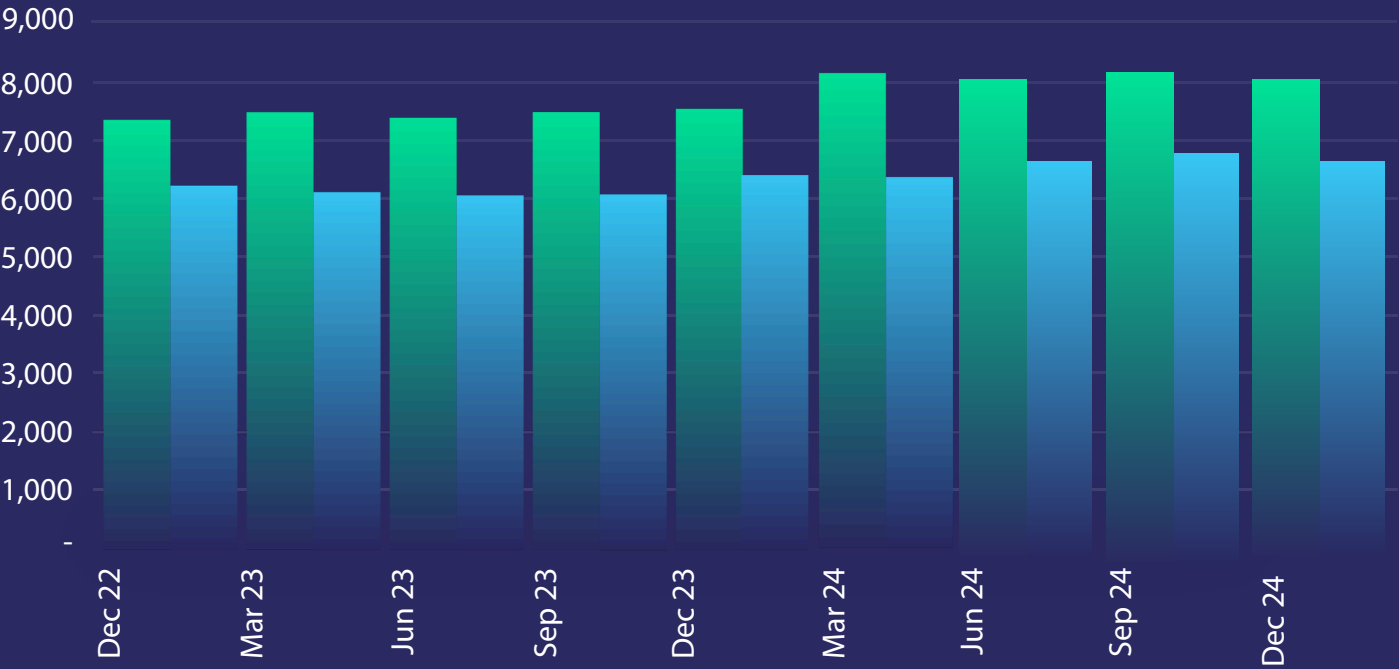
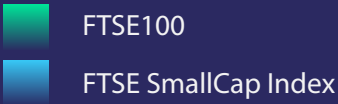
Indicative of very stable quarter on quarter conditions.



Economic Indicators

Indicator	Sep Q3	Dec Q4	Movement
FTSE100	8237	8173	-0.78%
10-Year Gilt	4.007	4568	14%
Gross Domestic Product	£639,452	£642,287	0.44%
Inflation	0.425	0.625	47.06%
Unemployment	4.3	4.4	2.33%
£GB\$US cross rate	1.33828	1.25483	-6.24%

Equities Markets





Economic Commentary

FTSE100

A 0.78% fall in the value of the FTSE100 is indicative of neither correction nor boom.

10-Year Gilt

The 10-year UK government bond rate (referred to as a gilt), reflects the tightness or looseness of monetary policy, and serves as the most basic component of cost of capital that businesses use to grow and operate. The UK's own cost of debt is rising as a means to tackle inflation.

Inflation

While still nowhere near the historic highs experienced during the 1970s, the UK Consumer Price Index is seeing its largest increases since then. The UK has been more fortunate than other developed nations in this respect in that the inflation surge has been relatively shallow.

FTSE SmallCap Index

Comprising the 351st to 619th most valuable companies on the London Stock Exchange, these companies are often looking at larger private businesses for M&A. The healthier and more stable the conditions, the more acquisitive a space 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.

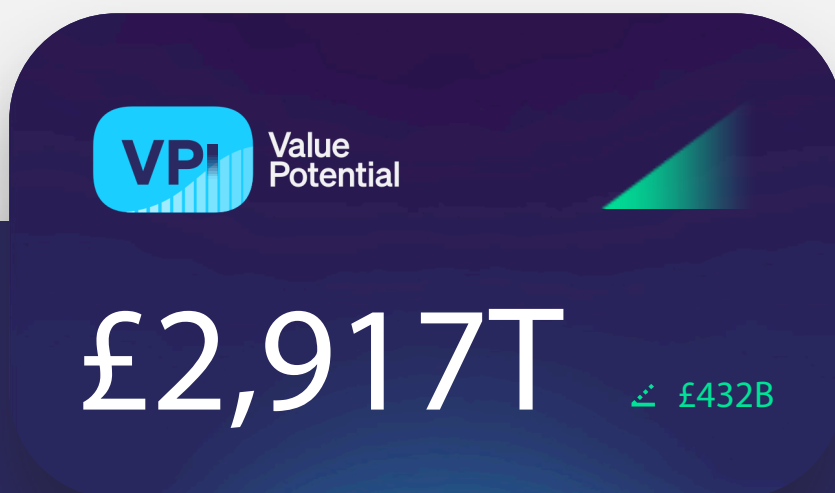
Unemployment

The seasonally adjusted unemployment rate reflects what percentage of aspiring employees have not found work. The UK rate for this report is low and steady at 4.4% (a slight deterioration on the prior quarter).

Value Potential

We estimate the combined value of private businesses in the UK to be £2.9 Trillion. We also estimate that with some forward planning and preparation, this could be nearer to £3.3 Trillion, a total Value Potential Gap of about £432 Billion.

Further, some 56% of this Value Gap resides in the 10-249 employee category, with the smaller businesses on average leaving about £540,000 and the medium businesses about £3.6 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.

Capitaliz

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