Compound Annual Growth Rate (CAGR)

$$\left\{ \frac{Ending\ Revenue}{Beginning\ Revenue} \right\}^{\left\{ \frac{1}{number\ of\ years\ -\ 1} \right\}} - 1 =$$

CAGR

Example:

If Company X was founded on January 30, 2010 and the revenue numbers for Company X are:

2013: $100,000

2014: $200,000

2015: $450,000

Company X's Compound Annual Growth Rate:

$$\left\{ \frac{\$450,000}{\$100,000} \right\}^{\left\{ \frac{1}{2} \right\}} - 1 = \{4.5\}^{.5} = 1.1213203$$

Company X has a (1.1213203)(100) = 112.132%

Compound Annual Growth Rate for years 2013-2015