



Compound Annual Growth Rate (CAGR)

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

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



CELEBRATING 25 YEARS

THE JIM MORAN INSTITUTE

FOR GLOBAL ENTREPRENEURSHIP

FLORIDA STATE UNIVERSITY | COLLEGE OF BUSINESS



Building a better
working world