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