

28th ANNUAL WEALTH CREATION STUDY (2018-2023)

Hockey-Stick Returns

The power of Economic Profit

HIGHLIGHTS

- Economic Profit is a superior metric to Accounting Profit to understand true profitability of a company.
- TEM (Trend, Endowment and Moves) is a sound strategy for companies to move up the Economic Profit Power Curve.
- Successful TEM companies bought at reasonable price improve the chances of Hockey-Stick Returns.
- Mid and small caps are favorably placed to deliver Hockey-Stick returns.
- After two decades of sustained decline, PSU stocks are on a comeback.

TOP 10 WEALTH CREATORS (2018-2023)

BIGGEST			FASTEST		CONSISTENT		
Rank	Company	Wealth Created (INR b)	Company	5-year Price CAGR (%)	Company	No. of years outperformed	5-year Price CAGR (%)
1	Reliance Industries	9,638	Lloyds Metals	79	Capri Global	5	50
2	TCS	6,774	Adani Enterprises	78	Varun Beverages	5	50
3	ICICI Bank	4,155	Tube Investments	63	Grindwell Norton	5	30
4	Infosys	3,618	Linde India	56	ICICI Bank	5	26
5	Bharti Airtel	2,808	Adani Power	52	Adani Enterprises	4	78
6	Hind. Unilever	2,718	Capri Global	50	Tube Investments	4	63
7	State Bank of India	2,442	Varun Beverages	50	Linde India	4	56
8	Bajaj Finance	2,285	Deepak Nitrite	49	Adani Power	4	52
9	Adani Enterprises	1,746	Persistent Systems	46	J B Chem & Pharma	4	45
10	HCL Technologies	1,636	J B Chem & Pharma	45	SRF	4	44

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Investors are advised to refer through important disclosures made at the last page of the Research Report
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“You can shift the odds of strategy by capitalizing on your endowment, riding the right trends, and most important, making a few big moves.”

– From the book “Strategy Beyond The Hockey Stick”



1. What does Hockey-Stick Returns mean?

Sharp and sustained rise in stock price

For the purposes of this report, Hockey-Stick returns refers to a sharp and sustained rise in the price of a stock. This leads to a hockey-stick formation of the price chart, translating into handsome returns for the stockholders.

Exhibit 1 Examples of Hockey Stick Returns (2013-22)

