

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

Rank	Company	Wealth Created (INR b)
1	Reliance Industries	9,638
2	TCS	6,774
3	ICICI Bank	4,155
4	Infosys	3,618
5	Bharti Airtel	2,808
6	Hind. Unilever	2,718
7	State Bank of India	2,442
8	Bajaj Finance	2,285
9	Adani Enterprises	1,746
10	HCL Technologies	1,636

FASTEST

TASTEST	5-year Price CAGR (%)	
Company		
Lloyds Metals	79	
Adani Enterprises	78	
Tube Investments	63	
Linde India	56	
Adani Power	52	
Capri Global	50	
Varun Beverages	50	
Deepak Nitrite	49	
Persistent Systems	46	
J B Chem & Pharma	45	

CONSISTENT

Company	No. of years outperformed	5-year Price CAGR (%)
Capri Global	5	50
Varun Beverages	5	50
Grindwell Norton	5	30
ICICI Bank	5	26
Adani Enterprises	4	78
Tube Investments	4	63
Linde India	4	56
Adani Power	4	52
J B Chem & Pharma	4	45
SRF	4	44

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Hockey-Stick Returns

The Power of Economic Profit

"You can shift the odds of strategy by capitalizing on your endowment, riding the right trends, and most important, making a few big moves."

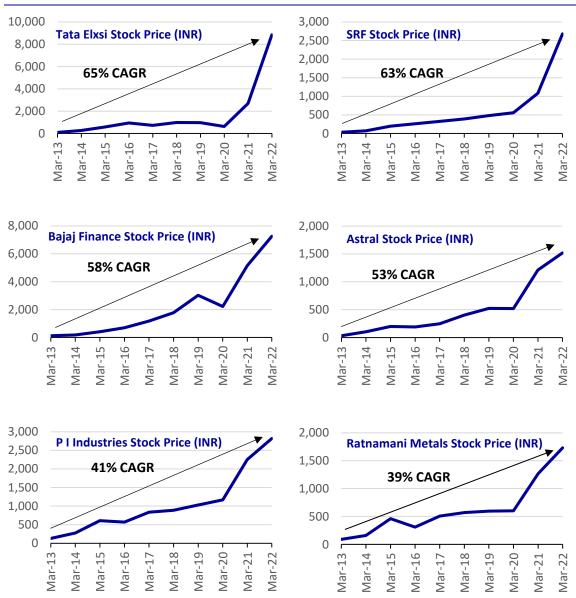
From the book "Strategy Beyond The Hockey Stick"

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)



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