

How to Measure the Success of a Bitcoin Treasury Company

By **Nick Ward** March 28, 2025

In the world of traditional finance, evaluating a company's success usually means tracking revenue growth, earnings per share, or return on equity. But what happens when the core of a company's strategy isn't selling products or services, but accumulating Bitcoin?

That's the question facing a **new class of Bitcoin treasury companies**. These are publicly traded firms whose central mission is to acquire and hold Bitcoin over the long term. And to understand whether they're succeeding, we need a fresh set of tools.

This article introduces those tools—new key performance indicators (KPIs) designed to evaluate how well a company is executing its Bitcoin strategy. Many of these indicators have been pioneered by Michael Saylor and his company, Strategy, where they can be seen implemented on their new **dashboard**. These new metrics may sound complex at first, but once broken down, they offer powerful insight into whether a Bitcoin treasury company is truly delivering for its shareholders.

1. BTC Yield: Measuring Accretion, Not Earnings

What it is: BTC Yield tracks the percentage change over time in the ratio between a company's Bitcoin holdings and its fully diluted share count. In simple terms: how much more Bitcoin is owned per potential share of stock.

Why it matters: This KPI is designed to answer a unique question: *Is the company acquiring Bitcoin in a way that benefits shareholders?*

Let's say a company holds 10,000 BTC and has 100 million diluted shares. That's 0.1 BTC per share. If, a year later, it holds 12,000 BTC and has 105 million shares, it now holds ~0.114 BTC per share—a 14% increase. That 14% is your **BTC Yield**.

What makes it unique: BTC Yield doesn't care about profit margins or EBITDA. It's focused on how effectively the company is increasing Bitcoin ownership relative to the number of shares that could exist. This is key in a strategy that involves using equity to buy BTC. If management is printing new shares to buy Bitcoin, shareholders want to know: is the Bitcoin per share going up or down?

To go deeper, some investors use the **BTC Share Multiplier**, defined as $\% \text{ increase in BTC} \div \% \text{ increase in shares}$. This helps verify whether BTC Yield is driven by actual accretion—or just financial alchemy.

How to use it: Investors can track BTC Yield over time to see if dilution (more shares) is being offset by accretive **Bitcoin purchases** (more BTC). A consistently rising BTC Yield suggests management is executing well.

2. BTC Gain: The Bitcoin-Based Growth Metric

What it is: BTC Gain takes the BTC Yield and applies it to the company's starting Bitcoin balance for a period. It tells you how many theoretical "extra" bitcoins the company effectively added through accretive behavior.

Why it matters: This is a way of visualizing BTC Yield not as a percentage, but as Bitcoin itself. If BTC Yield for the quarter is 5% and the company started with 10,000 BTC, BTC Gain is 500 BTC.

What makes it unique: It helps you think in Bitcoin terms, which aligns with the company's long-term goal. Shareholders aren't just watching for more BTC—they want more BTC per share. BTC Gain helps quantify how much more BTC the company would've had if it started from scratch and grew holdings accretively.

Investors can also examine the **BTC Spread**—the percentage of capital raised that was actually deployed into BTC. A low spread may indicate unused proceeds or inefficiency in execution.

How to use it: BTC Gain is especially helpful when comparing different time periods. If one quarter shows 200 BTC Gain and the next shows 800 BTC Gain, you know the company's Bitcoin strategy had a much stronger impact in the second period—even if the BTC price stayed flat.

3. BTC \$ Gain: Bringing Bitcoin Gains Into Dollar Terms

What it is: BTC \$ Gain translates BTC Gain into U.S. dollars by multiplying it by the price of Bitcoin at the end of the period.

Why it matters: Investors still live in a world dominated by fiat. Converting Bitcoin-based growth into dollar terms helps bridge the communication gap between Bitcoin-native strategy and traditional shareholder expectations.

What makes it unique: This metric offers a hybrid lens—Bitcoin-denominated growth, viewed in fiat terms. But here's the catch: BTC \$ Gain can show a positive number even if the actual value of the company's holdings dropped (because the metric is based on share-adjusted accumulation, not fair market value accounting).

How to use it: Use this metric to contextualize how much value (in dollars) the company's Bitcoin acquisition strategy may have created over a period—just remember that it's not a profit measure. It's a reflection of growth in stake, not accounting gain or loss.

4. Bitcoin NAV: A Snapshot of Raw Bitcoin Holdings

What it is: Bitcoin NAV (Net Asset Value) is the market value of the company's Bitcoin holdings. It's calculated simply: $\text{Bitcoin Price} \times \text{Bitcoin Count}$.

Why it matters: It gives a snapshot of the company's Bitcoin “war chest,” plain and simple.

What makes it unique: Unlike traditional NAV used in mutual funds or ETFs, this version ignores liabilities like debt or preferred stock. It's not meant to tell you what shareholders would get in a liquidation. Instead, it's just: *How much Bitcoin does the company own, and what is it worth right now?*

You can also track the **BTC Premium**—the market cap premium relative to NAV. This reveals how much optionality or leverage investors are pricing into the company's Bitcoin exposure.

How to use it: Use Bitcoin NAV to understand the scale of the company's Bitcoin strategy. A rising NAV could reflect more Bitcoin, higher prices, or both. But remember: it's not adjusted for debt or financial obligations, so it's not a full picture of shareholder value.

5. BTC Rating: The Leverage Check You Don't Have to Guess About

What it is: BTC Rating is a simple ratio: the market value of the company's Bitcoin divided by its total financial obligations. It shows how much of the company's debt and liabilities could be covered by its Bitcoin holdings.

Why it matters: This metric gives a Bitcoin-native snapshot of balance sheet strength. It helps investors quickly gauge whether a company's Bitcoin strategy is supported by a sound capital structure—or weighed down by obligations.

What makes it unique: Unlike traditional credit ratings that rely on opaque models and institutional trust, BTC Rating is transparent and verifiable. The inputs—Bitcoin holdings and liabilities—are public. It puts solvency into plain sight, without needing anyone's permission or opinion.

How to use it: A BTC Rating above 1.0 suggests the company's Bitcoin position outweighs its obligations—a strong indicator of strategic flexibility and solvency. A rating below 1.0 may signal over-leverage or exposure to refinancing risk. Watching how this ratio evolves over time gives investors a powerful lens for evaluating whether the company's Bitcoin-first strategy is being executed responsibly.

6. BTC Multiple: Measuring Accretive Efficiency of Equity

What it is: BTC NAV divided by the amount of BTC \$ Equity issued. In plain terms: how much Bitcoin value has been created per dollar of equity capital.

Why it matters: This is a clean, intuitive way to evaluate dilution quality. If a company issues stock to buy Bitcoin, this metric tells you whether the trade was accretive or dilutive—without needing to model volatility or share multipliers.

What makes it unique: Unlike BTC Yield, which shows a rate of change, BTC Multiple shows **capital productivity**. It's a powerful sanity check: if you raised \$100M and created \$180M in BTC NAV, that's a 1.8x BTC Multiple—a strong result.

How to use it: Use BTC Multiple to compare capital efficiency across companies. A multiple above 1.0 indicates accretive growth. The higher the number, the more BTC value was created per equity dollar issued.

7. BTC Torque: Evaluating Capital Leverage

What it is:

BTC Torque is the ratio of BTC \$ Value created to BTC Capital invested.

Why it matters:

It shows how much Bitcoin-denominated value the company generated from the capital it deployed. This is especially useful for assessing **non-equity** funding efficiency (e.g. debt, convertible notes, retained earnings).

What makes it unique: BTC Torque isolates the capital efficiency of *all* funding sources—not just equity. While BTC Multiple focuses on equity dilution, BTC Torque gives a more complete view of how well a company turns total deployed capital into Bitcoin-denominated value. That includes proceeds from debt, convertible notes, preferred shares, or even operating income. In this way, it reveals whether management is generating strong Bitcoin returns on capital regardless of how it was raised. It's especially valuable in capital-intensive strategies where different funding levers are in play.

How to use it: Investors can use BTC Torque to compare treasury execution across companies or periods with different capital structures. A higher BTC Torque means the company is squeezing more Bitcoin value out of every dollar it spends—whether that dollar comes from debt, equity, or internal funds. This metric is best used in combination with BTC Multiple: together, they show whether value creation is equity-efficient *and* capital-efficient.

Example: A company puts \$50 million to work—using a mix of debt and profits—to grow its Bitcoin holdings. By the end of the quarter, the total value of its Bitcoin (BTC NAV) has gone up by \$85 million.

To find BTC Torque: **\$85M gained ÷ \$50M invested = 1.7x BTC Torque**

This means: For every \$1 the company invested, it created \$1.70 of Bitcoin value.

Now imagine another company also spent \$50M, but only grew its Bitcoin value by \$40M. Its BTC Torque would be 0.8x—not as efficient.

8. mNAV: Measuring the Market Premium to BTC Holdings

What it is: mNAV stands for *multiple of Net Asset Value*. It compares a company's **market capitalization** to the **market value of its Bitcoin holdings (BTC NAV)**.

Formula: **mNAV = Market Cap ÷ BTC NAV**

Why it matters: This multiple reflects how much investors are willing to pay *above the raw value of the Bitcoin treasury*. A high mNAV suggests that the market expects the company to generate significant **future BTC Yield** and deploy capital efficiently. It's a real-time indicator of investor confidence in the company's Bitcoin strategy.

What makes it unique: Unlike BTC NAV, which is a static snapshot, mNAV **prices in the future**—specifically, the *present value of expected BTC per-share growth*. In this sense, mNAV works like a forward-looking multiple. It turns Bitcoin treasury operations into a growth story, similar to how tech companies trade at revenue multiples.

How to use it: Track mNAV across different companies or time periods. A rising mNAV can signal improving investor sentiment, stronger BTC execution, or bullish expectations for future BTC price and yield. Just remember: a high mNAV must be backed by strong fundamentals. If BTC Yield slows or capital efficiency weakens, the multiple can compress just as fast.

A high mNAV reflects more than current Bitcoin holdings—it signals investor confidence in the company's ability to grow BTC per share over time through efficient accumulation and a rising BTC price.

9. Days to Cover mNAV

What it is: Days to Cover mNAV, first **ideated by Adam Back**, tells you how long it would take for a company's current Bitcoin stacking rate to “earn back” its market premium. In other words, how many days of current BTC Yield it would take for the company's Bitcoin per-share growth to justify its mNAV.

Why it matters: This is a velocity test. While mNAV reflects investor confidence, Days to Cover mNAV shows whether that confidence is deserved. A shorter countdown suggests a company is rapidly converting capital into Bitcoin per share. A long countdown implies the premium is speculative and unsupported by execution speed.

What makes it unique: This metric reframes valuation as a time-based question, not just a pricing one. It bridges the gap between market expectations and operational delivery, turning mNAV from a static premium into a dynamic race against time. Fast coverage compresses perceived risk—and often expands upside.

How to use it: Compare this metric across companies to identify which are closing the gap between price and value. A low Days to Cover figure suggests momentum, torque, and stacking efficiency. Investors can use it to surface outperformers, rebalance positions, or size up rerating potential. In high mNAV environments, it may be the single best indicator of whether the multiple is earned—or merely hoped for.

For example, if a company is trading at **4×** its BTC NAV and growing its Bitcoin per share at a steady rate of **1% per day**, it would take about **140 days** to fully “earn” that premium—assuming the growth rate holds and the Bitcoin price stays the

same.

Each Bitcoin KPI Offers a Different Lens

- **BTC Yield:** Shows shareholder-accretive growth over time.
- **BTC Gain:** Translates that growth into absolute Bitcoin terms.
- **BTC \$ Gain:** Frames that gain in fiat terms for traditional comparison.
- **Bitcoin NAV:** Shows the total market value of the Bitcoin held.
- **BTC Rating:** Tests how that value compares to liabilities.
- **BTC Multiple:** Measures how much BTC value was created per dollar of equity issued.
- **BTC Torque:** Measures capital efficiency across all funding sources—not just equity.

Used together, they give investors a comprehensive picture of whether a Bitcoin treasury company is:

- Accumulating Bitcoin in a shareholder-accretive way
- Creating more Bitcoin value than it consumes in capital
- Being rewarded by the market through a NAV premium
- Managing its capital structure and risk exposure effectively

These are the tools that matter in a Bitcoin-first operating model—where dilution, leverage, and volatility aren't side effects, but strategy levers.

One Final Note: These Metrics Aren't Perfect

These KPIs are not traditional financial metrics, and they aren't meant to be. They ignore things like operating revenue, cash flow, or even debt service costs. They also assume that convertible debt will convert, not mature.

In other words, they're tools designed to isolate the *Bitcoin strategy*, not the whole business. That's why they should be used *alongside* a company's financial statements—not as a substitute.

But for investors trying to understand whether a company is making smart moves in the Bitcoin arena, these metrics offer something traditional tools can't: clarity on whether management is using equity and capital in a way that actually grows Bitcoin per share.

And in a Bitcoin-first world, that just might be the most important metric of all.