



# CEO Wealth Creators

*In the seventh annual CEO Wealth Creators Index, we highlight the top performers who have held their jobs for at least three years.*

*by J.P. Donlon*



**More than ever, CEOs have been under scrutiny.** The public looks to business leaders to create new jobs, but in order to do that they have to generate real economic value—as opposed to mere accounting value as measured by GAAP metrics. Creating value is, after all, what CEOs are paid to do. But how should it be measured? For our seventh annual index, *Chief Executive* partnered with EVA Dimensions' CEO Bennett Stewart and Great Numbers's CEO Drew Morris. We ranked the top 100 public companies of the S&P 500 where the CEO has been in place for at least three years (see p. 39). Similarly, we also ranked the top 40 midmarket companies (see p. 43) from the Russell 3000 in two tiers: upper mid-market companies with revenues between \$500 million and \$1 billion, and a lower mid-market tier of companies with revenues between \$100 million and \$500 million.

While there is no single measure that is perfect, we relied on two key underlying metrics:

- **MVA, or market value added**, is the spread between a firm's overall market value and the total capital that's been invested in its net business assets. It is the value added to, or deducted from, the owner's investment in the business. It equals the owners' wealth, measures the firm's franchise value, and represents its aggregate NPV (net present value). Increasing MVA is the key to creating wealth and driving total shareholder return.
- **EVA, or economic value added**, measures a firm's economic profit—it is profit after subtracting a full, weighted average cost of capital, and after correcting accounting distortions. EVA increases when costs are cut, assets are managed judiciously, and when management invests new capital, including R&D and ad spending, to profitably grow the business over the full cost of the capital.

Current common methods of measuring corporate performance are based on earnings, earnings growth and return on equity (ROE). While these have their place, it is possible for companies to take actions that increase earnings that do not create value, often in the hope of gaining stock analyst upgrades. Looking at performance from an EVA/MVA perspective corrects accounting distortions that are legitimate but do not offer a true picture of economic value. Using these metrics more accurately reflects which companies are generating wealth after factoring in their true cost of capital.

Topping the ranking this year is MasterCard, a Purchase, New York-based technology company in the global payments industry. It helps to have a business model that has proved wickedly successful at throwing off cash. The company returns to the top of the Wealth Creation Index (WCI). Then-CEO Robert Selander won in 2009. MasterCard operates the world's fastest payments processing network connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries.

Since he assumed the role of CEO in 2010, Ajay Banga has accelerated the evolution of the \$8.3 billion company, setting a vision and defining a culture that saw the company quickly shift from its historical focus on issuing banks. Ajay established a three-pronged strategy to diversify the business by:

- Growing the core business (credit, debit, prepaid and commercial);
- Diversifying across geographies and customers (expanding relationships with non-traditional segments); and
- Building new businesses (addressing the increasing convergence of the physical and digital worlds).

The result has been a 47.4 percent total annual average return to shareholders over the last five years. In addition, the company lured international customers with a mobile payment network, MasterPass, that lets people purchase with a simple click. At the mall, for example, MasterPass lets users tap a device at a cash register or scan a digital barcode. When online, customers can load any credit card—even if it's not a MasterCard—onto a digital wallet. The company is developing a platform giving people the ability to pay for items while they wait in line or browse in stores.

Observing that 85 percent of the world's transactions are still in currency, Banga has declared a “war on cash” to nudge as many consumers as possible toward electronic payments, preferably processed by MasterCard. Although competition to handle payments is intense in the U.S., the wider battlegrounds are in countries like India and Brazil, which have vast numbers of people without bank accounts, and a growing middle class.

IT and financial services, food & beverage, food retailing and healthcare service providers are all well represented in this year's rankings. In addition to MasterCard, firms such as Fastenal, Monsanto, Discovery Communications, Precision Castparts and for-profit educator DeVry have all been consistent performers ranking among the top 100 wealth creators since the WCI's inception in 2008.

Not all of these companies use EVA specifically but they clearly manage assets in highly efficient ways. After all, the essence of EVA is sales less operating costs less the full costs of financing business assets—as if the assets had been rented. It consolidates income efficiency and asset management into one net profit score. To sum up, regardless of the method used, companies that consistently make our list practice three managerial precepts:

1. **Operate efficiently by cutting wasteful costs;**
2. **Grow profitably by investing and building the business while covering the cost of invested capital; and**
3. **Purge ruthlessly by abandoning uneconomic activities that can't cover the cost of capital.**

Overall Rank	Company	CEO	2014 Score	2013 Score	Change In Score	3 Year EVA Momentum	EVA Margin	Market-Implied Momentum	MVA Margin
1	Mastercard	Aljay Banga	100.0	99.6	0.4	A	A	A	A
2	Cerner	Neal Patterson	99.6	99.0	0.6	A	A	A	A
3	Kansas City Southern	David L. Starling	99.3	100.0	-0.7	A	A	A	A
4	Monster Beverage	Rodney C. Sacks	99.0	99.3	-0.3	B	A	A	A
5	Brown-Forman	Paul C. Varga	98.7	97.8	0.9	B	A	A	A
6	Monsanto	Hugh Grant	98.4	97.2	1.2	A	A	B	A
7	T. Rowe Price	James A.C. Kennedy	98.1	97.5	0.6	A	A	B	B
8	Fastenal	Willard D. Oberton	97.8	98.1	-0.3	B	A	A	A
9	Harley-Davidson	James L. Ziemer	97.5	96.3	1.2	A	A	B	B
10	Whole Foods Market	John P. Mackey	97.2	98.7	-1.5	A	A	B	B
11	O'Reilly Automotive	Gregory L. Henslee	96.9	94.4	2.5	B	A	B	A
12	Avago Technologies	Hock E. Tan	96.3	89.5	6.8	B	A	B	A
13	Alliance Data Systems	Edward J. Heffernan	96.0	54.2	41.8	B	B	A	B
14	Discovery Communications	David M. Zaslav	95.7	96.9	-1.2	A	B	B	B
15	Paychex	Martin Mucci	95.3	96.0	-0.7	B	A	B	A
16	Precision Castparts	Mark Donegan	95.0	75.7	19.3	B	A	B	A
17	F5 Networks	John McAdam	94.7	92.0	2.7	B	A	B	A
18	Harman International	Dinesh C. Paliwal	94.4	61.6	32.8	A	B	B	B
19	Pall	Eric Krasnoff	94.1	84.6	9.5	B	A	B	A
20	Under Armour	Kevin A. Plank	93.8	93.5	0.3	B	C	A	A
21	Amphenol	Adam Norwitt	93.5	94.7	-1.2	B	A	C	B
22	Moody's	Raymond W. McDaniel, Jr.	93.2	83.7	9.5	A	A	C	A
23	Wynn Resorts	Stephen A. Wynn	92.9	92.6	0.3	C	B	B	A
24	Roper Industries	Brian D. Jellison	92.6	95.7	-3.1	C	B	A	A
25	Colgate-Palmolive	Ian M. Cook	92.3	84.3	8.0	C	A	B	A
26	Equifax	Richard F. Smith	92.0	95.3	-3.3	B	B	B	B
27	WW Grainger	James T. Ryan	91.7	91.1	0.6	B	A	C	B
28	Home Depot	Francis S. Blake	91.4	83.1	8.3	B	B	C	B
29	Cognizant Technology Solutions	Francisco D'Souza	91.1	86.5	4.6	B	B	C	B
30	Cabot Oil & Gas	Dan O. Dinges	90.7	91.4	-0.7	B	B	C	B
31	Constellation Brands	Robert S. Sands	90.4	89.2	1.2	A	B	C	B
32	IFF	Douglas D. Tough	90.1	77.6	12.5	B	B	C	B
33	Intuitive Surgical	Gary S. Guthart	89.8	96.6	-6.8	C	A	C	B
34	Scripps Networks Interactive	Kenneth W. Lowe	89.5	94.1	-4.6	C	A	C	B
35	TJX	Carol M. Meyrowitz	89.2	67.1	22.1	B	B	C	B
36	Sherwin-Williams	Christopher M. Connor	88.9	87.1	1.8	B	B	C	B
37	AMETEK	Frank S. Hermance	88.6	95.0	-6.4	B	B	C	B
38	Hershey	John P. Billbrey	88.3	92.3	-4.0	C	B	B	B
39	Chipotle Mexican Grill	Steve Ellis	88.0	90.4	-2.4	C	C	B	B
40	Praxair	Stephen F. Angel	87.4	93.8	-6.4	C	B	B	B
41	Sigma-Aldrich	Rakesh Sachdev	87.4	91.7	-4.3	C	A	B	A
42	Nike	Mark G. Parker	87.1	81.9	5.2	C	B	B	B
43	Xilinx	Moshe N. Gavrielov	86.8	86.1	0.7	B	A	C	B
44	BlackRock	Laurence D. Fink	86.5	87.4	-0.9	B	C	B	C
45	Edwards Lifesciences	Michael A. Mussallem	86.1	90.7	-4.6	B	B	C	C
46	Tiffany & Co.	Michael J. Kowalski	85.8	88.0	-2.2	C	A	B	A
47	Red Hat	James M. Whitehurst	85.5	92.9	-7.4	B	B	C	B
48	Fiserv	Jeffery W. Yabuki	85.2	66.8	18.4	C	C	B	B
49	Honeywell	David M. Cote	84.9	87.7	-2.8	B	B	C	C
50	PPG Industries	Charles E. Bunch	84.6	52.1	32.5	B	C	C	C
51	Walt Disney	Robert A. Iger	84.3	69.3	15.0	B	B	C	C
52	Range Resources	John H. Pinkerton	84.0	75.4	8.6	B	C	C	B
53	Robert Half	Harold M. Messmer, Jr.	83.7	88.9	-5.2	B	B	C	C
54	Coca-Cola	Muhtar Kent	83.4	90.1	-6.7	C	A	C	A
55	CVS Caremark	Larry J. Merlo	83.1	69.0	14.1	A	C	C	C

## Lessons From the WCI that Can Help Every Business Become More Valuable

An analysis of the past seven years' Best and Worst Wealth Creators' profiles reveals five reasons businesses excel:

- 1. The design of the business.** The most powerful reason for a business' prospering, or failing has to do with how it makes money. Two-time best wealth creator MasterCard is a good example, because of its "tollbooth" for non-cash payments and the network effect it enjoys.
- 2. Wise management of capital.** IBM, not ranked this year because of short CEO tenure, is a seasoned practitioner of managing its portfolio of businesses (and, thus, its capital investment) as evidenced by its 2005 exit from the PC hardware business and the impending sale of its low-end server business.
- 3. A strong brand.** Here, great examples include MasterCard (a priceless, status brand) and T. Rowe Price (squarely on the side of the investor).
- 4. The design of what a business offers.** A business' products and services, is another pivotal factor in succeeding or not. Witness, for example, Whole Foods (exceptionally wide selection of natural and organic foods).
- 5. The mindset of its leader—intent.** What do you as a leader want and how serious are you about it, really? This is not about beating up the sales force for better results. Rather, it's about wanting to grow and then figuring how, specifically, your business will do so—by harnessing a great business design, value proposition, brand, suite of offerings, etc.

—Drew Morris

For a complete ranking of all S&P 500 companies, visit [ChiefExecutive.net/WCI2014](http://ChiefExecutive.net/WCI2014)

# Ranking CEO Wealth Creation

By Bennett Stewart and Drew Morris

Our ranking is based on the performance of companies in the S&P 500 index (and their CEOs) for the three years ending on June 30, 2014. Only companies for which the CEOs were in their roles for the entire July 2011 through June 2014 period were ranked. Not ranked are the 18 REITs in the June 30, 2014 S&P 500 Index. (Also, Facebook, which went public in May 2012, was not ranked due to incomplete data for the measurement period.)

For this year's wealth-creation ranking (see p. 40), we've adopted a methodology recommended by Bennett Stewart, CEO of EVA Dimensions. CEO performance was assessed using four measures based on the concept of economic value added (EVA). EVA is the profit remaining after subtracting the full cost of capital for the business—known as economic profit.

The first measure, EVA Momentum, shows the trend in the growth of the firm's EVA profits over the past three years. It is better at measuring wealth-creation over time than growth in sales, EBIT, EBITDA or earnings per share, since it only counts profit growth after covering the full cost of capital, including a minimum shareholder return to compensate for risk.

The second measure, EVA Margin, shows how profitable the firm is per dollar of sales. Its value combines pricing power, operating efficiency and how well assets were managed into a single net margin score.

The third measure, market-implied momentum (MIM), measures the expected long-run growth rate for economic profits that are reflected in the company's stock price. It shows how well the CEO has positioned the company for continued profitable expansion—through initiatives targeting growth markets, innovations, brand value and operations excellence—as far as investors can tell.

The final measure, MVA margin, is a wealth-creation index. MVA, or market value added, is the difference between a firm's

market value and the capital it has invested in business assets expressed as a percent of sales. The higher it is, the better—there's more shareholder wealth—and a greater franchise value stemming from the business.

All of the measures were computed for each company using June 30, 2014 share prices and the most recently reported financial data up to, but not after, June 30, 2014. The measures were then ranked within their industry groups to arrive at percentile scores. A company's final score is a weighted combination of the four percentile scores. The best-performing companies in each industry rise to the top, and those at the very top consistently outperform their industry peers across all four measurement categories. They exhibit outstanding profitability, an exceptional rate of profitable growth, a premium stock price and justification for continued confidence in their future success.

Please note that because we changed the scoring methodology this year, last year's scores, shown for comparison, were recalculated using the new methodology described above.

The top-50 companies in the ranking delivered an average total shareholder return (TSR) of 86.2 percent between July 2011 and June 2014 (the period covered in the reported financials). The bottom-50 companies' TSR averaged 37.5 percent, while the actual TSR for all of the scored S&P 500 companies was 68.9 percent. The top-50's median TSR was 77.7 percent; the bottom-50's was 38.4 percent.

As the table at bottom shows, the top-50 companies in the wealth-creation ranking far outperformed the bottom-50 companies and the scored S&P 500 between July 2011 and June 2014. [Note: Total Shareholder Return = share-price return percent plus reinvested dividends, expressed as a percent.]

## A Validity Check on the Ranking Method

Total Shareholder Return		July '11 - June '14
Top 50	Average	86.2%
	Median	77.7%
Bottom 50	Average	37.5%
	Median	38.4%
All Scored S&P 500	Actual	68.9%

**Drew Morris** ([drew.morris@greatnumbers.com](mailto:drew.morris@greatnumbers.com)) is CEO of Great Numbers! It helps executives discover the full potential of their upside's elements: value propositions, persuasive ads, product designs, and others, and forge them into a prosperity design—a blueprint for delivering on all that potential.

**Bennett Stewart** ([gbstewart@evadimensions.com](mailto:gbstewart@evadimensions.com)) is CEO of EVA Dimensions, a firm that helps corporate management teams to make better decisions and create stronger incentives by bringing the best practices in EVA in-house. The firm also provides EVA-based equity research to institutional investors.

## How to Move Up in the Rankings

In publishing this list, *Chief Executive* aims to show CEOs where they stand with respect to their peers as well as how to go about improving one's standing. Getting better will require several actions that the company's CEO, division heads and general managers can take.

At the corporate level:

- Use EVA and the EVA Margin and EVA Momentum ratio statistics, to assess profitability, profitable growth and wealth-creation throughout the company.
- Manage your portfolio of businesses from a wealth-creation perspective. This includes opportunity sensing—entering lucrative or fast-growing businesses—as well as putting businesses making sub-par contributions into other hands or shuttering them. Set the contribution hurdle rate to maximize economic-value creation.
- Ensure that the company's capital structure is right. This affects the capital charge and invested capital. Equity is more expensive than debt, but too much debt can kill a company.
- Avoid overpaying for acquisitions or stock buybacks.
- Pay managers bonuses at all levels for increasing EVA, and give them the tools and training to help them do so.

At the business unit level:

- The general managers of businesses need to find the best things they can do to boost operating results.

At all levels:

- As did the leading Wealth Creators, put together a prosperity design for your company. How, exactly, will you achieve uncommon success? How will you improve: customers' feelings about your company and its offerings, your value propositions, the promises your brands represent, etc.? How will you get all you can out of your assets, including your intangible assets?
- Finally, manage internal and external risks across the company and its aggregate risk-reward profile by taking a wide-angle lens to what could happen. —DM

Overall Rank	Company	CEO	2014 Score	2013 Score	Change In Score	3 Year EVA Momentum	EVA Margin	Market - Implied Momentum	MVA Margin
56	Rockwell Automation	Keith D. Nosbusch	82.8	83.4	-0.6	C	A	C	C
57	Estee Lauder	William P. Lauder	82.5	89.8	-7.3	C	C	C	B
58	Cintas	Scott D. Farmer	82.2	70.8	11.4	B	B	C	C
59	Leggett & Platt	David S. Haffner	81.9	54.9	27.0	C	C	B	C
60	Starbucks	Howard D. Schultz	81.2	80.9	0.3	C	B	C	B
61	Linear Technology	Lothar Maier	80.9	82.8	-1.9	C	A	C	A
62	Vulcan Materials	Donald M. James	80.6	80.3	0.3	A	F	A	B
63	United Parcel Service	D. Scott Davis	80.3	85.5	-5.2	C	B	C	C
64	Sandisk	Sanjay Mehrotra	80.0	23.6	56.4	C	B	C	B
65	Microchip Technology	Steve Sanghi	79.7	62.8	16.9	C	A	C	B
66	Sempra Energy	Debra L. Reed	79.4	17.4	62.0	B	C	C	B
67	Starwood Hotels & Resorts	Frits D. van Paasschen	79.1	81.2	-2.1	C	B	C	B
68	VF Corp	Eric C. Wiseman	78.8	73.9	4.9	C	C	C	C
69	Intuit	Brad D. Smith	78.5	78.8	-0.3	C	A	C	C
70	Alexion Pharmaceuticals	Leonard Bell, M.D.	78.2	74.2	4.0	B	A	D	C
71	EQT Corporation	Murry S. Gerber	77.9	60.7	17.2	C	C	C	B
72	Wisconsin Energy	Gale E. Klappa	77.6	78.5	-0.9	B	A	D	B
73	Autozone	William C. Rhodes, III	77.3	68.0	9.3	B	A	D	A
74	Southern Company	Thomas A. Fanning	76.9	69.9	7.0	C	A	D	B
75	Dollar Tree	Bob Sasser	76.6	73.6	3.0	C	B	C	B
76	Danaher	H. Lawrence Culp, Jr.	76.3	71.1	5.2	C	C	C	B
77	Regeneron Pharmaceuticals	Leonard S. Schleifer	76.0	79.1	-3.1	A	A	D	C
78	Mohawk Industries	Jeffrey S. Lorberbaum	75.7	57.3	18.4	A	D	B	C
79	Comcast	Brian L. Roberts	75.4	58.8	16.6	B	C	C	C
80	Allergan	David E.I. Pyott	75.1	73.3	1.8	C	B	C	C
81	FMC Technologies	John T. Grempe	74.8	65.3	9.5	C	B	C	B
82	Franklin Resources	Gregory E. Johnson	74.5	78.2	-3.7	B	A	F	B
83	Google	Larry Page	74.2	76.0	-1.8	C	A	C	A
84	Limited Brands	Leslie H. Wexner	73.9	80.6	-6.7	C	A	D	C
85	Snap-On	Nicholas T. Pinchuk	73.6	65.9	7.7	C	C	C	C
86	Pinnacle West Capital	William J. Post	73.3	85.8	-12.5	C	C	C	C
87	FMC	Pierre R. Brondeau	73.0	86.8	-13.8	C	B	C	C
88	Flowserve	Mark A. Blinn	72.6	31.5	41.1	C	C	C	B
89	Lowe's	Robert A. Niblock	72.3	46.6	25.7	C	C	C	C
90	Costco	James D. Sinegal	72.0	84.0	-12.0	B	C	C	C
91	H&R Block	William C. Cobb	71.7	77.9	-6.2	C	C	B	B
92	Norfolk Southern	Charles W. Moorman, IV	71.4	72.6	-1.2	C	A	D	B
93	Waters	Douglas A. Berthiaume	71.1	85.2	-14.1	C	A	C	C
94	Seagate Technology	Stephen J. Luczo	70.8	64.1	6.7	B	B	D	C
95	DaVita	Kent J. Thiry	70.5	76.3	-5.8	B	B	C	C
96	Meadwestvaco	John A. Luke, Jr.	70.2	27.3	42.9	C	C	B	B
97	Cincinnati Financial	Steven J. Johnston	69.9	63.1	6.8	C	C	B	B
98	NVIDIA	Jen-Hsun Huang	69.6	66.2	3.4	B	B	F	C
99	Ameriprise Financial	James M. Cracchiolo	69.3	55.2	14.1	C	C	C	B
100	Quanta Services	James F. O'Neil, III	69.0	65.6	3.4	B	C	C	C

Source: EVA Dimensions LLC

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# A Look at a Few of the Best Companies

*This year we've profiled two S&P 500 companies in the top ranks that we haven't written about previously and for the first time, a mid-size company, to provide a fresh set of management insights. These write-ups reflect company events and performance up until June 30, 2014.*

By Drew Morris

## Three Top Wealth Creators

**RANK:**  
**2**

**Cerner**  
**Neal Patterson**

In seven years of best-wealth-creator profiles, never has a company seemed so well led, in so many areas. Cerner's annual Total Shareholder Return over the past 15 years (as of 9/5/14) was 25.23 percent, compared with the S&P 500's 4.6 percent, according to Morningstar. That performance came about because of Cerner's underlying business and the leadership that spawned it.

Cerner is a healthcare IT company started in 1979, and run since by co-founder and CEO Neal Patterson. Cerner has an asset-light, highly scalable business design and plays in a high-growth market space. The company mines it for solutions it can deliver early with superior value propositions: prominently, employing operational efficiency for its customers and ideally engendering a high switching cost.

These days, Cerner is riding market demand for its electronic medical-records solution, one of the very few that meets Federal standards. Meeting them qualifies Cerner's customers, hospitals and other healthcare providers for a preferred reimbursement rate from Medicare and Medicaid. The amounts involved are not chump change, so Cerner is now an obvious choice to help its customers make more money, something struggling facilities welcome.

Cerner excels at seeing embryonic market needs, then takes the risk to address them, and it does so creatively and well. Fueling this growth is Patterson's passion to enable improved and lower cost health-care delivery through interoperability and higher quality outcomes.

**RANK:**  
**9**

**Harley Davidson**  
**Keith E. Wandell**

Harley gets a lot right: creating a passionate "customer tribe" through its Harley Owner's Group (repeat sales, price premiums); extensive customization capabilities; flexible, as well as surge manufacturing, so as to meet sudden spikes in demand; and a reputation for quality.

Harley's challenge is an aging core U.S. market, resulting in slow growth. There are, however, large, fast-growing, lower-end motorcycle markets in China and India, and Harley is reaching out to a broader demographic with their Street line of cycles.

Interestingly, Harley's badass, black-leather-brand image creates both enthusiastic fans in one group and those who don't relate (a larger group). So Harley's opportunities to scale worldwide are, in a sense, limited by its brand. Harley's management recognizes this situation and is trying to evolve. Establishing more culturally resonant brands overseas and leveraging its customer cultivation, design and manufacturing expertise could have wheels, but it surely won't be easy.

Russell 3000 Index  
(\$500M - 1B)

**RANK:**  
**8**

**Boston Beer**  
**Martin F. Roper**

Founder Jim Koch took his great-great grandfather's recipe for beer and, with the help of two pals from his Harvard Business School days, formed Samuel Adams Beer. That company, which evolved into Boston Beer, has delivered a compound average total annual return of 39.8 percent over the past three years and 24.6 percent over the past 10 years. Why?

For Jim, Boston Beer's now CEO Martin F. Roper, and their brewmasters, including Dr. Joseph Owades, it's all about the products, well-honed methods for concocting and making great ones and their passion. To capture as much share of the beer-drinker stomach as possible and to drive overall product velocity, they now make a wide variety of craft beers. They keep experimenting—their beers are voted on by their

communities and in worldwide beer-tasting competitions (and discontinued if appropriate). The company has even funded a division, Alchemy & Science, to serve as an R&D lab for new beer ideas.

Further enhancing their value proposition, Boston Beer introduced its Freshest Beer Program, an inventory-management initiative that prevents their beer from sitting in distributors' non-temperature-controlled warehouses for too long. To show they're serious, Boston Brewing will buy back beer that's past its peak-freshness date.

What's more, they're good guys—as evidenced by the fact that they shared their excess hops with other craft brewers, at cost, during a 2008 shortage.

## Midmarket Wealth Creators (revenues between \$100m and \$500m)

Rank	Company	CEO	Industry	2014 Score	2013 Score	Change In Score	3 Year EVA Momentum	EVA Margin	Market - Implied Momentum	MVA Margin	3 Year TSR CAGR % (2014-6)
1	Taser International	Patrick W. Smith	Aerospace & Defense	100	98.6	1.4	A	A	A	A	45%
2	Universal Display	Steven V. Abramson	Electronics & Office Equipment	100	97.2	2.6	A	A	A	A	-2%
3	Marketaxess Holdings	Richard M. McVey	Consumer Services	100	100	-0.4	A	A	A	A	36%
4	Wisdomtree Investments	Jonathan L. Steinberg	Diversified Financials	99	98.1	1.3	A	B	A	A	29%
5	AAON	Norman H. Asbjornson	Construction	99	95.7	3.5	B	A	A	A	39%
6	Cohen & Steers	Martin Cohen	Consumer Services	99	98.8	0.2	A	A	B	A	16%
7	Financial Engines	Jeffrey N. Maggioncalda	Consumer Services	99	98.3	0.5	A	B	A	A	32%
8	Healthstream	Robert A. Frist, Jr.	Healthcare Providers & Services	99	99.4	-0.8	A	B	A	A	30%
9	Sun Hydraulics	Allen J. Carlson	Conglomerates & Machinery	99	99.6	-1.1	B	A	A	A	15%
10	Computer Programs & Systems	J. Boyd Douglas	Healthcare Providers & Services	98	97.7	0.6	A	A	B	A	6%
11	Pdf Solutions	John K. Kibarian, Ph.D.	Semiconductors & Semiconductor Equipment	98	97.3	0.8	A	B	B	B	56%
12	Home Bancshares	Randy Sims	Banks	98	96.8	1.1	B	A	B	A	43%
13	Multimedia Games Holding	Patrick J. Ramsey	Hotels Resorts & Cruise Lines	98	98.5	-0.8	A	A	C	B	103%
14	Balchem Corporation	Dino A. Rossi	Chemicals	98	97.9	-0.4	B	B	A	A	11%
15	RBC Bearings	Dr. Michael J. Hartnett	Conglomerates & Machinery	97	97.5	-0.2	B	B	B	A	21%
16	Cognex	Robert Willett	Electronics & Office Equipment	97	99.2	-2.0	C	A	A	A	36%
17	Bank Of The Ozarks	George G. Gleason, II	Banks	97	96.4	0.6	C	A	A	A	40%
18	Western Alliance Bancorp	Robert G. Sarver	Banks	97	93.2	3.6	A	B	C	A	50%
19	Cyberonics	Daniel J. Moore	Healthcare Equipment & Supplies	97	96.2	0.4	A	A	C	B	32%
20	Bofi Holding	Gregory Garbrabants	Banks	96	85.4	11.0	B	A	C	A	76%

## Midmarket Wealth Creators (revenues between \$500m and \$1b)

Rank	Company	CEO	Industry	2014 Score	2013 Score	Change In Score	3 Yr. EVA Momentum	EVA Margin	Market - Implied Momentum	MVA Margin	3 Year TSR CAGR % (2014-6)
1	Eagle Materials	Steven R. Rowley	Construction	100	100	0	A	A	A	A	52%
2	Potlatch	Michael J. Covey	Paper & Packaging	99.7	98.6	1.1	A	A	B	A	10%
3	Dorman Products	Steven L. Berman	Auto & Suppliers	99.4	99.7	-0.3	A	A	A	A	41%
4	IPG Photonics	Valentin P. Gapontsev, Ph.D.	Electronics & Office Equipment	99.1	99.1	0	A	A	C	A	5%
5	Gentherm	Daniel R. Coker	Auto & Suppliers	98.9	94	4.9	A	B	A	B	56%
6	Grand Canyon Education	Brian E. Mueller	Diversified Consumer Services	98.6	93.2	5.4	A	A	C	A	48%
7	Boston Beer Inc.	Martin F. Roper	Food & Beverage	98.3	98	0.3	B	B	A	A	36%
8	Signature Bank/NY	Joseph J. DePaolo	Banks	98	94.5	3.5	C	A	B	A	32%
9	Align Technology	Thomas M. Prescott	Healthcare Equipment & Supplies	97.8	94.2	3.6	A	A	C	B	36%
10	Aqua America	Nicholas DeBenedictis	Utilities - Other	97.5	98.9	-1.4	B	B	A	A	17%
11	FEI Co.	Dr. Don R. Kania	Electronics & Office Equipment	97.2	98.3	-1.1	B	B	B	B	34%
12	Ansys	James E. Cashman, III	Software	97	96.4	0.6	B	B	C	B	12%
13	Astronics	Peter J. Gundermann	Aerospace & Defense	96.7	96.7	0	A	A	C	B	70%
14	Forward Air	Bruce A. Campbell	Freight Transportation	96.4	97	-0.6	C	B	B	A	14%
15	White Mtns Ins Group Ltd.	Raymond Barrette	Insurance	96.1	93.4	2.7	A	A	D	A	14%
16	MSCI	Henry A. Fernandez	Media	95.9	87.5	8.4	C	A	B	A	9%
17	Tootsie Roll Industries	Melvin J. Gordon	Food & Beverage	95.6	56.5	39.1	C	C	B	B	7%
18	East West Bankcorp	Dominic Ng	Banks	95.3	92.1	3.2	C	A	C	A	22%
19	Methode Electronics	Donald W. Duda	Electronics & Office Equipment	95.1	66	29.1	A	C	C	C	68%
20	Choice Hotels Intl.	Stephen P. Joyce	Hotels Resorts & Cruise Lines	94.8	86.4	8.4	B	A	C	A	23%

For a complete mid-market ranking, visit [ChiefExecutive.net/WCI2014](http://ChiefExecutive.net/WCI2014)

Source: EVA Dimensions LLC