

# Equity Utilization



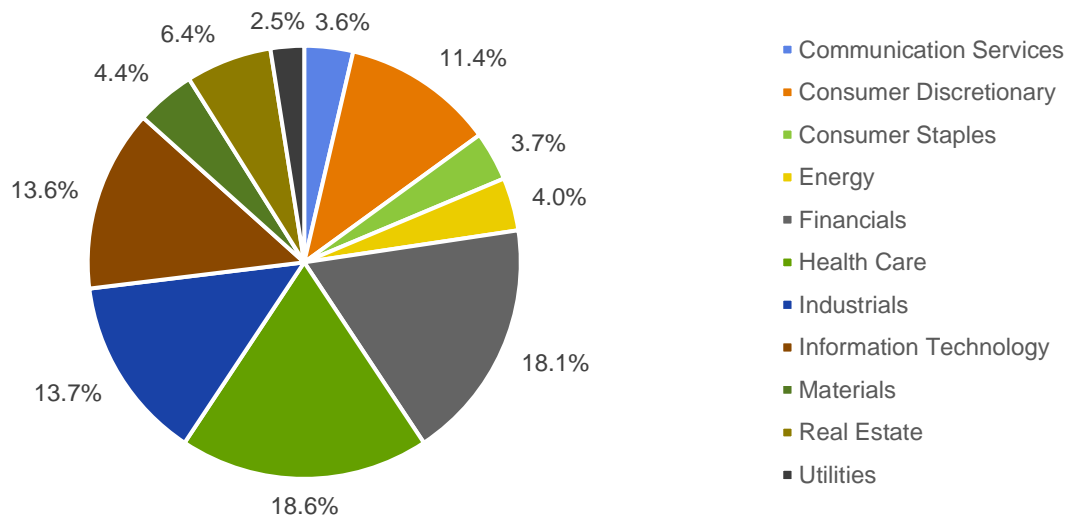
main data group

# Equity Utilization

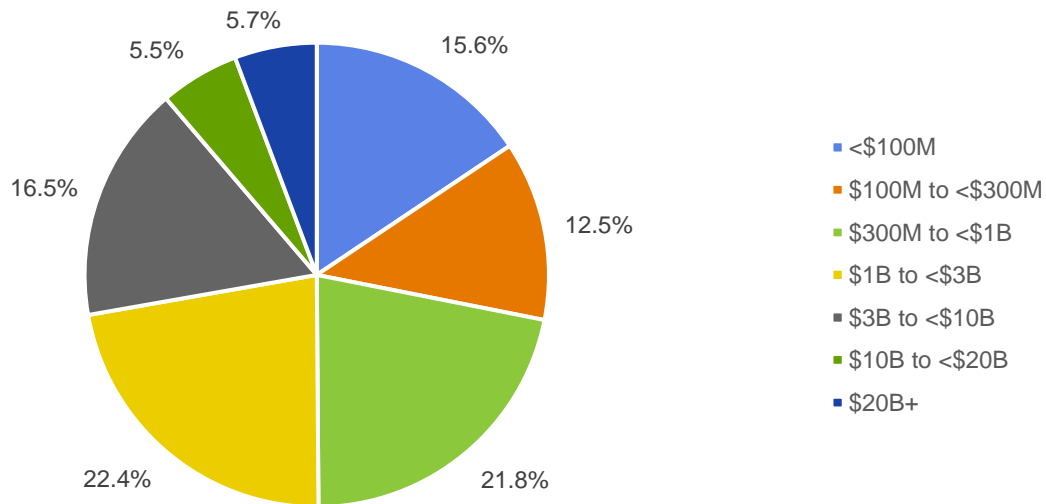
Main Data Group reviewed 10-K disclosures for companies in the Russell 3000 as that index was comprised on June 30, 2020. The disclosures covered the three most recent fiscal years.

Only companies with data for all three years were included in the analysis (2,568 companies in all).

The analysis included broad representation from all industry sectors ...



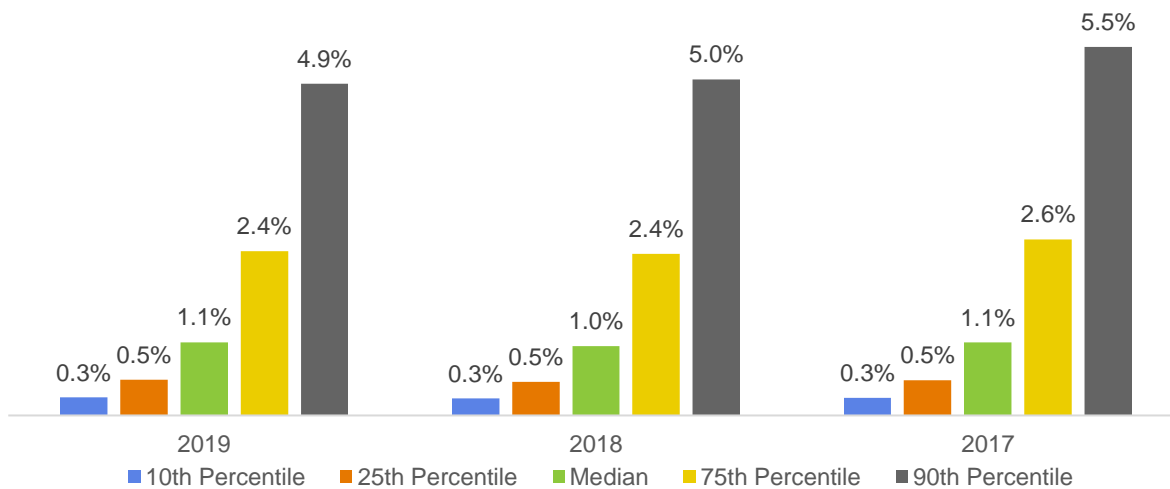
... and revenue ranges.



# Total Sample (Three-Year Overview)

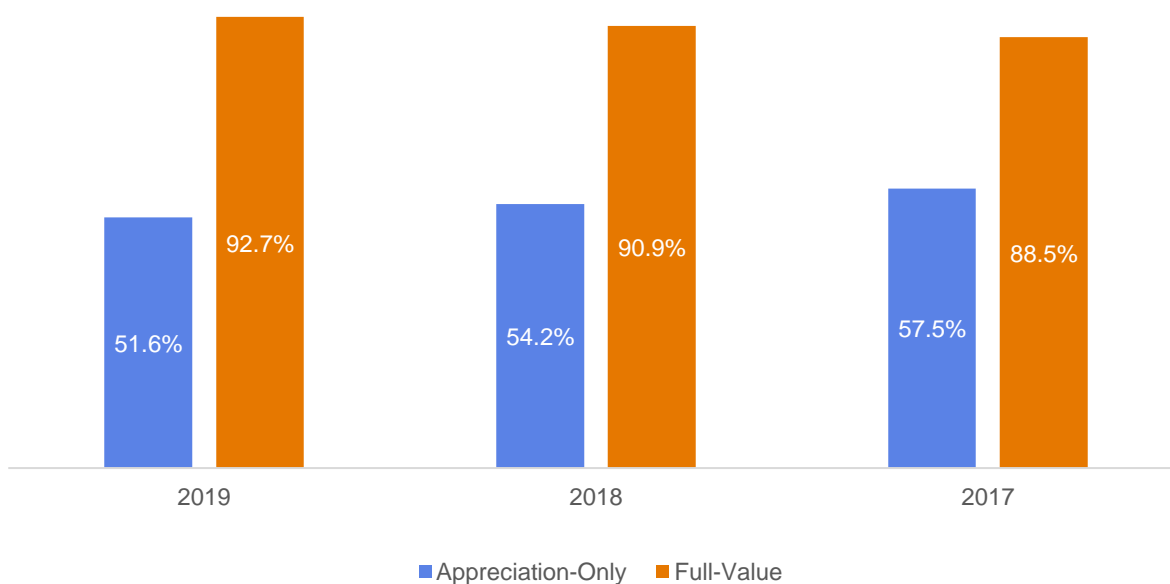
## Median burn rate held relatively steady over past three years.

Share utilization decreased at upper end of spectrum but was stable at median and below.



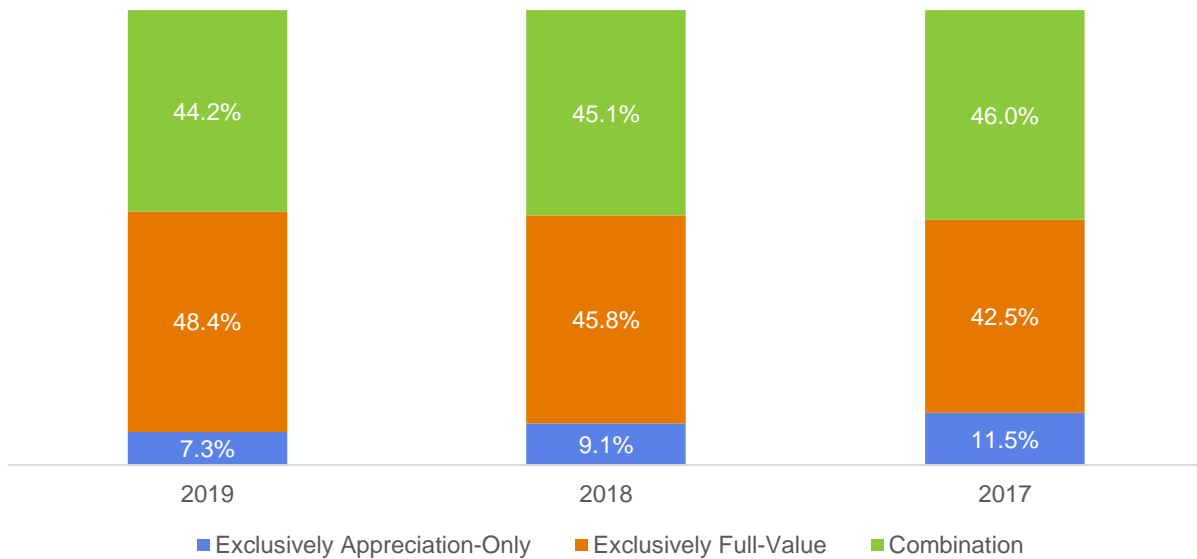
## Companies continued to shift away from options and SARs (Stock Appreciation Rights).

More companies granted full-value shares (Restricted Stock, RSUs) and fewer granted appreciation-only shares (Stock Options, SARs).



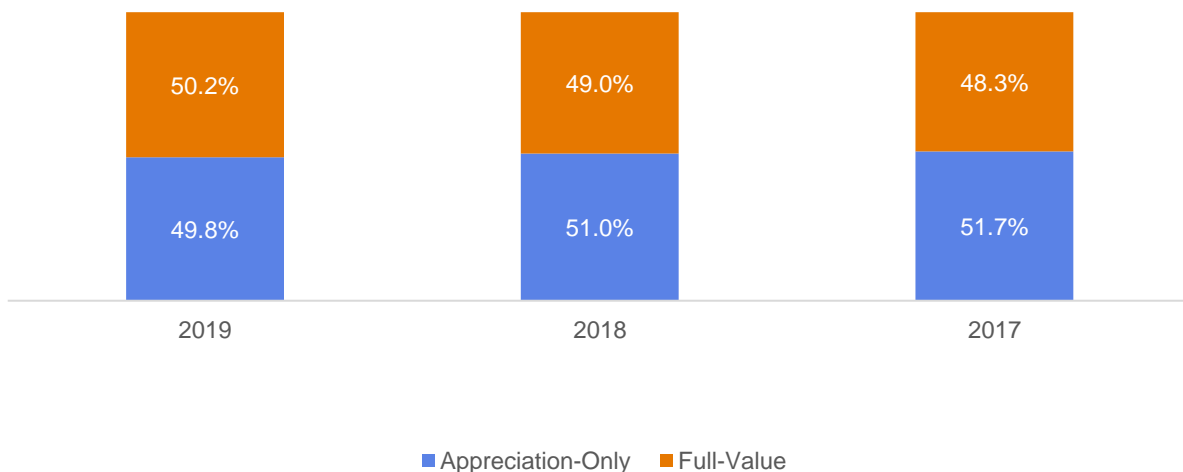
## Fewer companies granted exclusively options or SARs.

More companies granted full-value shares; the proportion of companies granting a combination of appreciation-only and full-value shares decreased modestly.



## Companies that granted a combination of appreciation-only and full-value shares weighted the portions relatively equally.

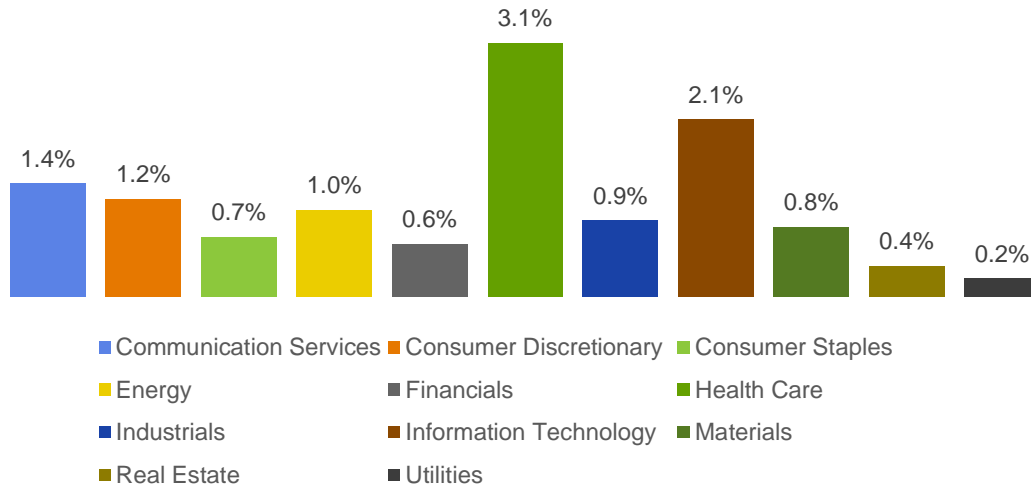
The portion of stock options and SARs decreased modestly.



# Industry Analysis (Most Recent Year)

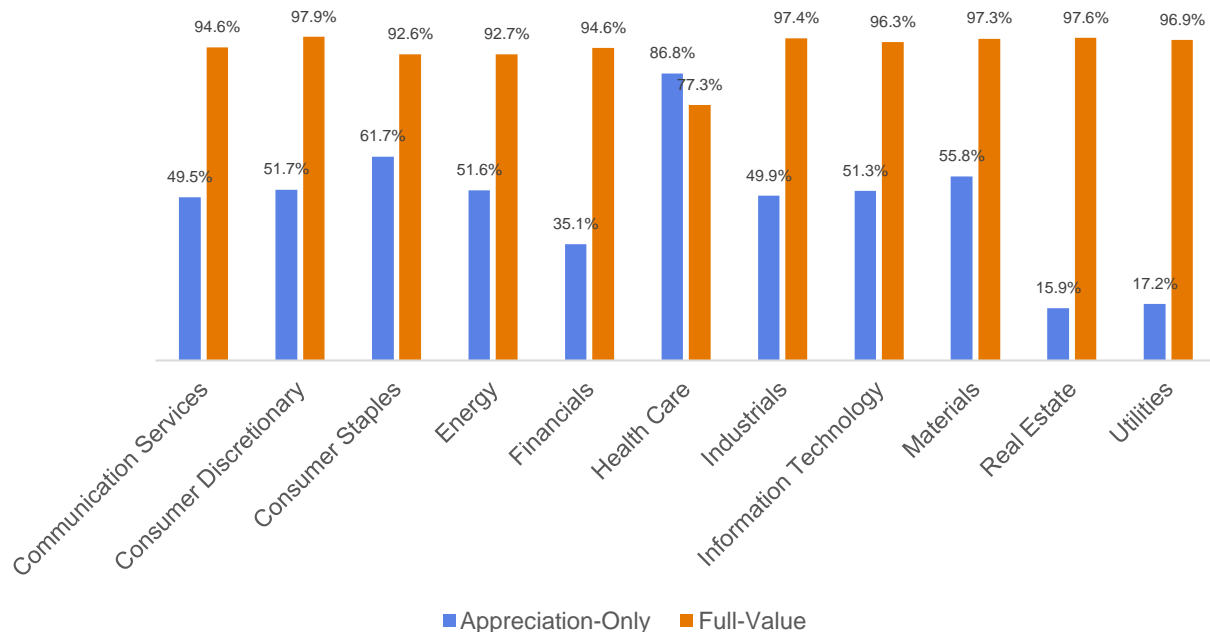
## Burn rate varied widely among industries.

The healthcare and information technology sectors awarded the most shares.



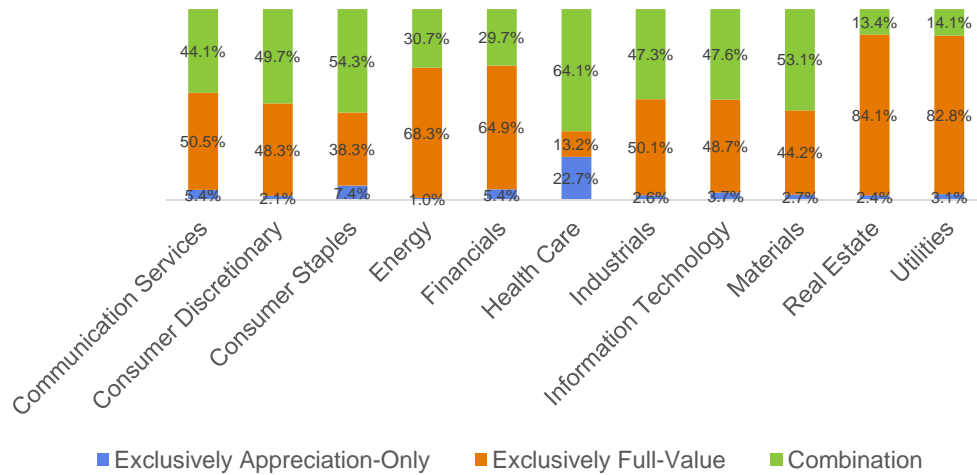
## Use of full-value shares was high in most industries and use of appreciation-only shares varied substantially.

Companies in the healthcare sector were most likely to award appreciation-only shares and least likely to award full-value shares. Few companies in the real estate and utilities sectors granted stock options or SARs.



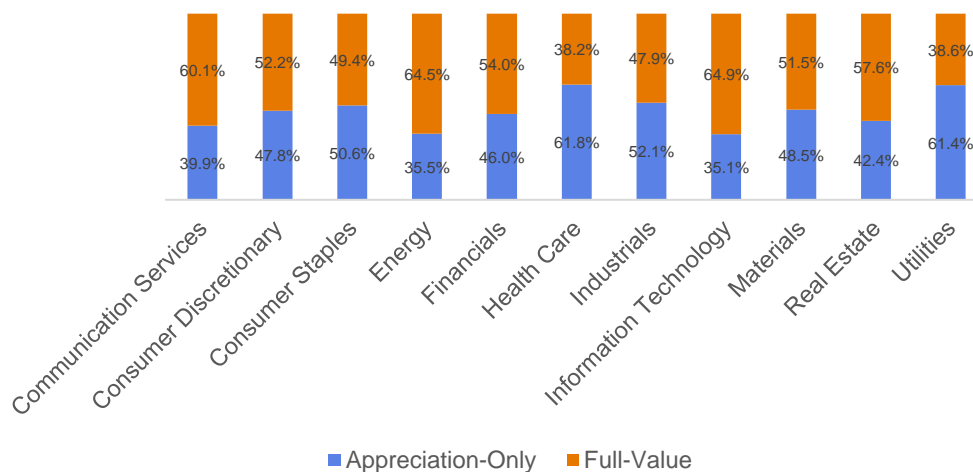
## Few sectors granted exclusively appreciation-only stock.

Companies in the healthcare sector were most likely to grant stock options and SARs, or to combine them with full-value shares. Companies in the real estate and utilities sectors were most likely to grant only full-value shares.



## Weightings for companies granting a combination of vehicles were highly differentiated by sector.

Companies in the energy and information technology sectors tended to weight their awards towards full-value shares while companies in the healthcare and utilities sectors tended to put greater weight on appreciation-only shares.

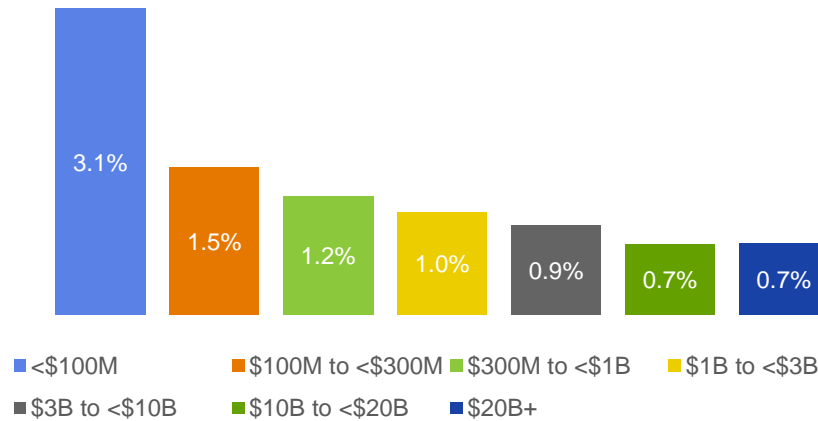




# Revenue Range Analysis (Most Recent Year)

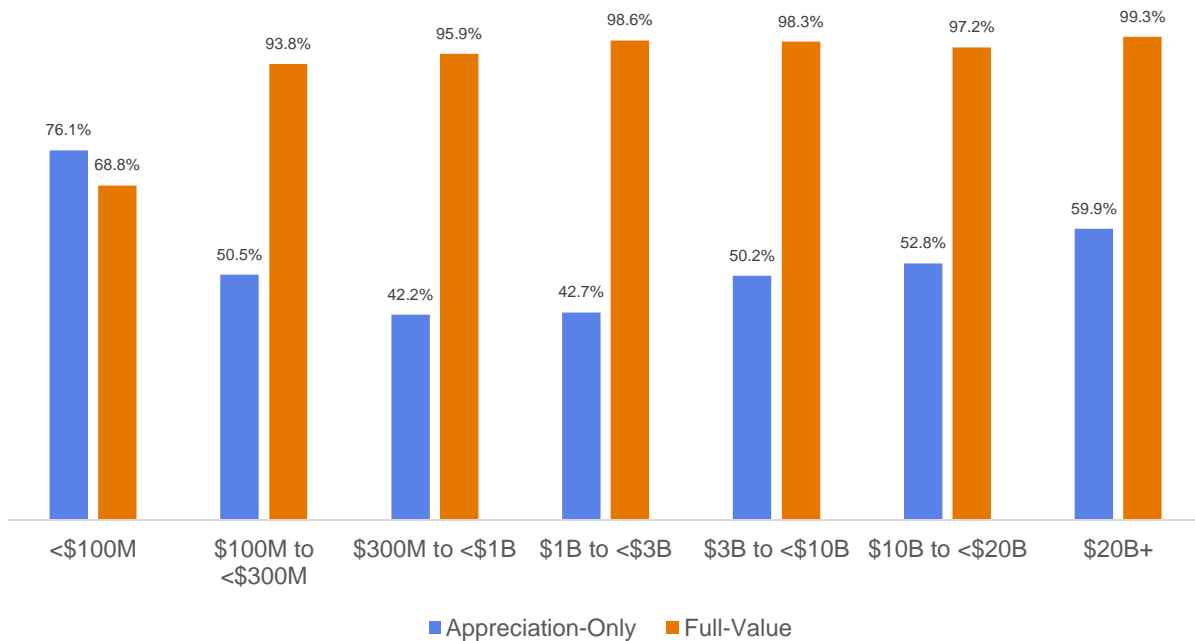
## Burn rate tracked closely to size.

Smaller companies granted the most equity relative to weighted-average basic shares outstanding.



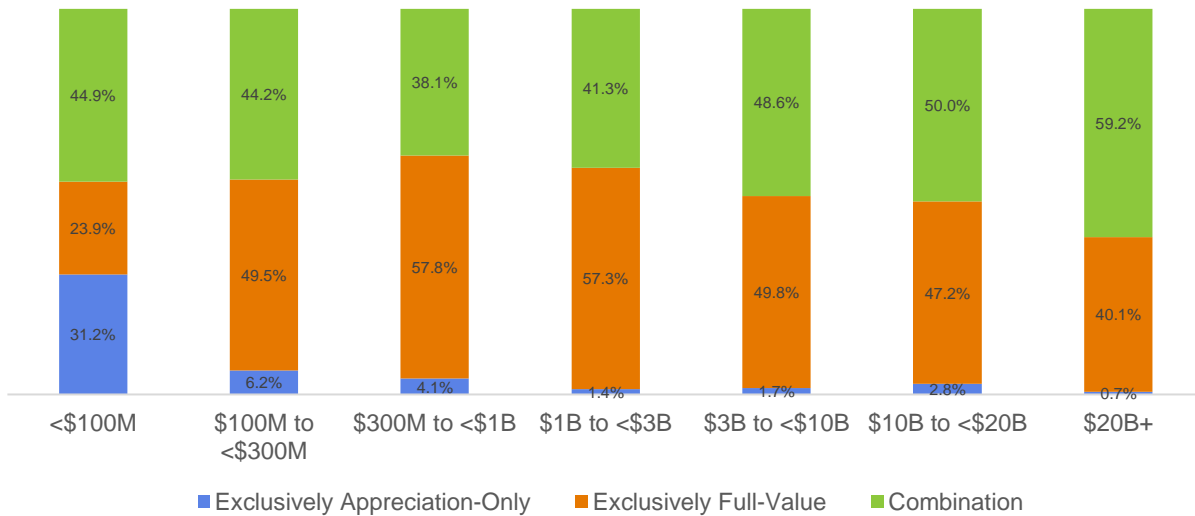
## Use of full-value shares was high in most revenue ranges and use of appreciation-only shares varied substantially.

Smaller companies were most likely to grant appreciation-only shares and least likely to grant full-value shares.



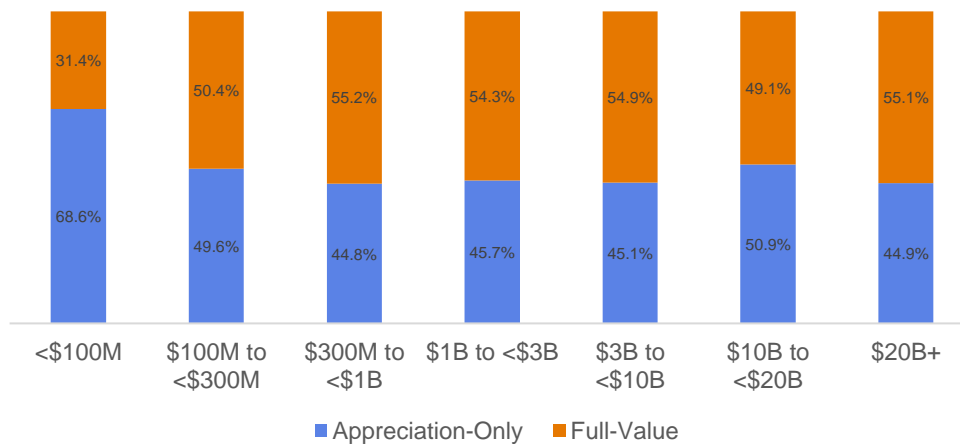
## The smallest and largest companies displayed distinctive granting patterns.

Smaller companies were most likely to grant only stock options or SARs and least likely to grant full-value shares. A combination of appreciation-only and full-value shares was most prevalent among large companies.



## The weighting of appreciation-only and full-value shares varied little across most revenue ranges.

Only the smallest companies granted a substantially greater portion of equity in the form of options or SARs.



# About Main Data Group

Main Data Group is a provider of executive compensation benchmarking and corporate governance analytics. Its mission is to empower executive compensation professionals with comprehensive total rewards and corporate governance information in an affordable, easy-to-use online service. For more information contact us at [info@maindatagroup.com](mailto:info@maindatagroup.com) or by filling out our contact form on [www.maindatagroup.com](http://www.maindatagroup.com).

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