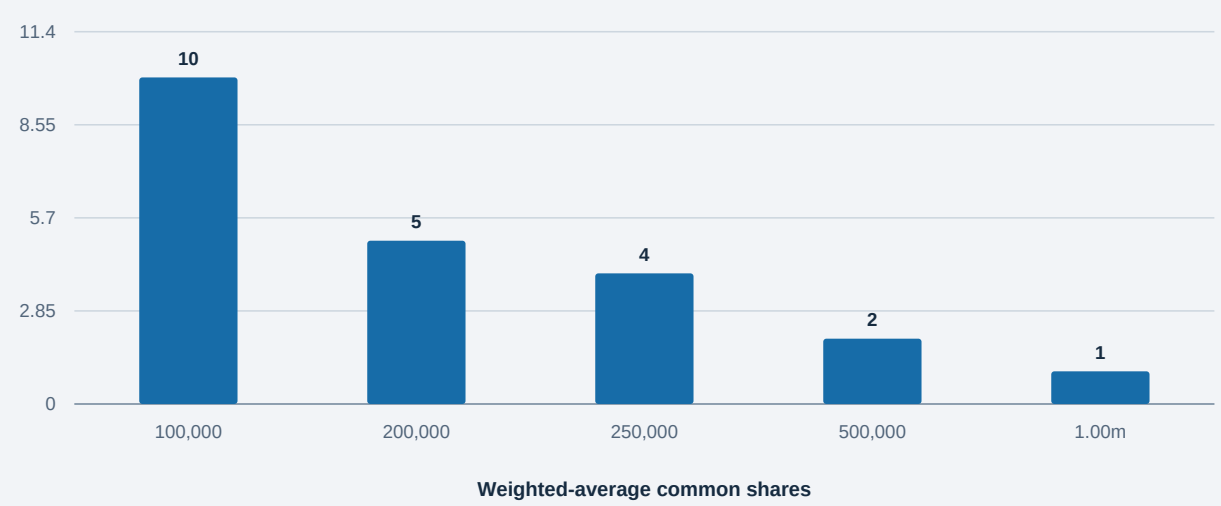
Basic earnings per share

Fundamental ratios | Original synthetic example | Edition 2026-11-26

Basic earnings per share divides earnings attributable to common shareholders by weighted-average common shares outstanding. The share-count period and earnings period must match.

FORMULA Basic EPS = common-shareholder earnings / weighted-average common shares

SCENARIO 01: Period earnings attributable to common holders 1000000



WORKED EXAMPLE

With 250,000 weighted-average shares, basic EPS is 1000000 / 250,000 = 4.

COMMON MISTAKE

Using the final share count instead of a period-weighted average can distort EPS when the share count changed.

BEFORE YOU USE THE CALCULATION

1. Use earnings attributable to common holders.
2. Match accounting periods.
3. Keep basic EPS distinct from diluted EPS.

COMPARE TWO MORE INPUT SETS

Scenario 05: Period earnings attributable to common holders 2000000. With 250,000 weighted-average shares, basic EPS is 2000000 / 250,000 = 8.

Scenario 10: Period earnings attributable to common holders 3250000. With 250,000 weighted-average shares, basic EPS is 3250000 / 250,000 = 13.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.