



Goldenberg
group limited

Brands of the Decade

2021



Tony Christoforou

General Manager
Goldenburg Group Ltd.

A handwritten signature in blue ink, appearing to be 'Tony Christoforou', written over the printed name and title.

Dear Readers and Business Partners,

Our ranking of companies of the decade is a coin having two sides. We look at how successful the companies have been in the previous years, including the critical year 2020, and assess their prospects in their industries within the global economy in the coming 2020's.

We not only observe the size of the companies and the related market capitalisation and liquidity of their securities but also consider the power of brands of these organisations and their products as well as the characteristics of the industry in which they operate. These combined factors enter a unique assessment mechanism applied by Goldenburg Group's analysts, resulting in our ranking that is published for the first time this year.

The purpose of the TOP 20 Brands of the Decade commented ranking is not to provide investment recommendations but to draw attention to the players whose voice in the global economy is significant in our opinion and who will influence its further development.

The last decade experienced a number of structural changes, which resulted from the great recession in 2008 and 2009. Even more pronounced changes were driven by new technologies the impact of which has been referred to as the Fourth Industrial Revolution. While on the one hand, many industries were not able to face the consequences of the economic crisis, on the other hand, technological acceleration in other sectors gave an impulse to a rise. Will the development follow the same exponential curve in the 2020's? It has started in 2020 that has already made its mark in history as a record year in many respects, mainly the negative ones. Nevertheless, it is a turning point that has also sent positive signals.

Therefore, I hope that the Brands of the Decade will provide you with useful information and become a source of inspiring ideas in the world of finance and investments.

The Path to Opportunities of the Decade

In order to early identify trends and see opportunities on the horizon, we have to look back at first. The mortgage and, subsequently, financial crisis that arose in the USA in September 2008 as a result of the fall of Lehman Brothers hit the entire world. The banking system in the United States nearly lied in ruins and on the top of that, significant banking houses in Europe struggled to survive. Renowned financial institutions such as Deutsche Bank, Erste, Banca Monte Dei Paschi Di Siena, Unicredit and also the Royal Bank of Scotland seated on the British Isles were facing problems.

The financial system got stuck although governments and central banks in individual countries offered relatively massive aid, which finally saved the banking system from a total collapse. The crisis that originally spread in the world of money subsequently spilled over into the real economy and the most advanced countries around the globe had to face the deepest year-on-year slumps in their performance since the Great Depression in 1930's.

Miners, time is up!

The crisis caused huge uncertainty not only in the corporate sector but also in households that cut their consumption costs radically. The automotive industry was one of the first sectors to feel the effects. In the United States and in Europe, the so called scrappage scheme allowance was introduced and the administration of the then US President Barack Obama even put General Motors under state control to protect the car producer against downfall.

Governments and central banks continued to make every effort not to repeat the largest global economic crisis in history. They succeeded to a large extent when economic recovery occurred in 2010 and in the following years. However, this was at the cost of

increased deficits of public budgets. Governments did not have to worry about it thanks to the exceptionally loose monetary policy (i.e. in fact zero interest rates).

The structure and balance of the global economy started to change. While before the crisis the rankings of the world's most valuable companies were dominated by car producers, banking houses and mining companies, in the following decade, technology companies got into the lead. For example, in late 2011, Apple became temporarily the most valuable brand of the world, shortly dethroning the Exxon Mobile mining company. In February 2012, Apple returned to the first place and has stayed on the top practically to date.

Lo and behold, China

In 2013, Google appeared in the top ten, moving to the top three a year later. In the middle of the last decade, technology companies virtually controlled the imaginary winners' rostrums when Apple was joined by Google and Microsoft. Exxon Mobile, Petro China or the Wells Fargo bank were still in the top ten. However, Johnson & Johnson started to raise its head as a representative of the pharmaceutical industry. This seemed to signal what was to come five years later. A more significant position was taken by Tesla, which can be considered not only a car producer but also a technology company, and the importance of cryptocurrencies headed by Bitcoin gradually increased.

Apart from the changing of the guard on the first places in the global ranking of companies, the last decade also experienced a change in the economic balance of global powers. While before 2010, hardly anybody could cast doubt on the leading position of the United States, the European Union countries and Japan as the global economic triumvirate, since the last crisis, the voice of China as a new economic power has been more and more intensive.

It is increasingly obvious that the most populous country in the world should be taken into account. The Chinese economy is not only closing on the US in terms of size but also its development goes hand in hand with the technological progress. China's network of smart phones, intelligent transportation systems or industrial robots has been much denser than in a number of advanced western countries. The Celestial Empire is now the key tech player that the United States are worried about.

2020 as a turning point

In January 2017, Donald Trump was elected the US President, promising to give the United States their former drive. He mothballed a proposed trade agreement with the European Union, which would significantly expand their common economic area. Shortly after that, Donald Trump gave an instruction for the USA to withdraw from the Trans-Pacific Partnership Agreement and launched a trade war with China. However, wicker tongues predominantly considered this step to be the US effort to inhibit the technological and economic onset of the most populous country in the world.

Despite of that, the US economy has reported the longest uninterrupted economic growth since World War II. A turning point was expected to occur every minute. And it did occur albeit not in the form of a

standard economic cycle but as the notorious black swan disguised as the coronavirus pandemic.

An unprecedented economic crisis resulted from the pandemic all over the world as governments had to take drastic anti-epidemic measures. After the initial slump in the financial markets, the companies that would form the core of future economic recovery were identified. While the traditional industries such as mining of mineral raw materials, the automotive industry or air transport are still sinking to the bottom, technology companies have definitely consolidated their lead. Google and Apple were joined by Amazon owned by the richest man in the world, Jeff Bezos, and their Chinese competitors (Alibaba and Huawei) have also showed a dramatic growth, followed by the health service and pharma industries.

The world aims at virtuality

The following ten years are expected to be characterised by further dramatic development of robotic automation, nanotechnologies and digitisation. The global economic peloton will be led by a country that will be able to build its 5G network infrastructure quickly and effectively, develop the Internet of Things and provide for a seamless flow of massive volumes of data. From this point, there will be just a step to the clean and autonomous mobility.

The power sector will offer new development opportunities. It is likely to move from the model of a large central source and a dense distribution network towards a smart grid model under which the points where electricity is produced and consumed will get closer. Technological progress will make smart solutions more available to an increasingly wider range of users. The economic system is anticipated to rely

more on local resources without this having a negative effect on labour distribution and specialisation that are one of the drivers of economic development.

The importance people attach to the health risks relating to the coronavirus pandemic showed that the pharmaceutical sector would be among the most strictly monitored industries in 2020-2021 and in the following years.

From the geopolitical perspective, we recommend monitoring the development of India, which is the world's second most populous country. Its importance will grow, similar to the eastern countries that have recently signed the Regional Comprehensive Economic Partnership. The focus of global economic activities definitely seems to move from Europe to America and Asia.

Brands of the Decade

TOP 20

- 1** Apple
- 2** Amazon
- 3** Microsoft
- 4** Alphabet
- 5** Facebook
- 6** Samsung
- 7** Tesla
- 8** Disney
- 9** Adobe
- 10** Intel
- 11** Cisco
- 12** LVHM
- 13** Toyota
- 14** Coca Cola
- 15** Sap
- 16** J.P.Morgan
- 17** IBM
- 18** Nike
- 19** McDonalds
- 20** Nestlé

TOP 10 in Detail



Apple Inc.

Market capitalisation*

1.98 trillion USD

Turnover**

260.17 billion USD

Net profit**

55.26 billion USD

Apple Inc. is a technology company engaged in the production and development of mobile phones, computers, tablets and accessories, software development and, last but not least, it entered the streaming services market (Apple TV). Sales of iPhones account for about 55 percent of the company's total turnover. Services are the second most significant item (nearly 18 percent of turnover) relating to the storing and management of data as well as TV content production and sale.

Although Apple recorded a year-on-year decline in its turnover (2 percent) and profit (7.2 percent) in 2019, development in 2020 has been better so far. From September 2019 to September 2020, the company's turnover grew by 5.5 percent year-on-year and its net

profit by almost four percent. The growth is driven namely by services.

The coronavirus crisis has had no negative effects on Apple so far. On the contrary, the company benefits from the crisis similar to other technology firms. Given the introduced anti-epidemic measures, the market started to rely more on products allowing households and firms to work from home. The established trend will continue in 2021, at least at the beginning of the year, which is an opportunity for Apple to strengthen its position on the market. However, we can expect that Apple's competitors headed by Samsung or Huawei will want to take advantage of the situation. As such, 2021 will be a great challenge for Apple.



Amazon.com Inc.

Market capitalisation*

1.60 trillion USD

Turnover**

280.52 billion USD

Net profit**

11.59 billion USD

Amazon.com, Inc. has no longer been an e-shop although selling products and services through the Internet has still been one of its major activities. Amazon more and more penetrates other areas of the technology market, including the media and entertainment industry.

Amazon owned by the richest man on our planet, Jeff Bezos, has seen great expansion in the recent three years. Its sales increased by almost 60 percent between 2017 and 2019, its net profit is nearly four times higher. Amazon also succeeded in using the coronavirus crisis as an opportunity. Its sales grew by 37 percent in the third quarter of 2020 year-on-year. Its net profit saw practically the same growth rate.

Aggressive, competent and financially well-established competitors are likely to be the greatest challenge for Amazon next year as mentioned by Jeff Bezos in one of his statements. The strong competitors include primarily Chinese companies that may benefit from the recent signature of RCEP. Apart from China, the Partnership includes ten countries associated in ASEAN and Japan, Australia and New Zealand. Opportunities include further expansion in the streaming services market in the TV and music production segment and additional market penetration outside of North America.



Microsoft Corporation

Market capitalisation*

1.63 trillion USD

Turnover**

125.84 billion USD

Net profit**

39.24 billion USD

Microsoft is the dominant player in the global market offering computer operation and administrative software. The company also penetrated other markets with its activities and ranks among the key sellers of game consoles. Thanks to its product Xbox, it is a serious competitor to Sony with its Playstation platform.

2019 was a very successful year for Microsoft. The company's turnover increased by 14 percent year-on-year, totalling USD 125.8 billion. Its net profit was growing at a similar pace. The company's profit net of exchange rate differences was even 20 percent higher. This year's development has been similar to date. In the quarter ended 30 September, Microsoft reported a year-on-year growth in sales and net profit of 12 and 30 percent, respectively.

The Covid-19 pandemic had a positive effect on the company's financial stability. Microsoft has experienced growth namely in cloud services as well as in the gaming segment. Sales of Xbox and related services have increased year-on-year by 30 percent in the third quarter of this year. Microsoft anticipates similar positive development next year. The assumed weakening of the coronavirus pandemic may be accompanied by both opportunities and risks for the company. The risks include lower utilisation of products allowing households and companies to work online while opportunities involve economic growth recovery and a related increase in the demand for software used by individuals and companies in normal times.

Alphabet

Alphabet Inc.

Market capitalisation*

1.21 trillion USD

Turnover**

161.86 billion USD

Net profit**

34.3 billion USD

Alphabet is an American technology giant associated namely with the Google or YouTube brands. It concentrates on providing internet services ranging from searching, e-commerce, sharing and production of video content to streaming services and marketing. This year's development practically followed 2019. The third quarter of this year saw a year-on-year increase in turnover of 14 percent to more than USD 46 billion. Addition to the net profit amounted to nearly 58 percent.

Although financial results indicate that the coronavirus pandemic had a positive effect on Alphabet, the group itself is aware of the risks to which it may be exposed

next year. The risks predominantly include possible deepening of the economic crisis, making businesses cut their marketing expenses that are the key sources of income for Alphabet and its subsidiaries. In addition, the company pays attention to its competitors who seek to succeed in the advertising market. In its annual reports, Alphabet discloses the names of specific companies operating social networks, TV broadcasting or streaming services from North America as well as Europe and China. The company's opportunities include possible recovery of the economic growth that would bring the potential to increase marketing budgets in the corporate sector.

facebook

Facebook Inc.

Market capitalisation*

791.3 billion USD

Turnover**

70.7 billion USD

Net profit**

18.49 billion USD

Facebook is predominantly the most commonly and frequently used social network. However, the key source of income for Mark Zuckerberg's company is marketing. Advertising income accounts for 98 percent of sales of the entire global business.

Although the forecasts that Facebook has been past its prime and will have to withdraw from the spotlight have been discussed many times, figures relentlessly prove the contrary. Facebook's year-on-year turnover grew by nearly 27 percent last year while its net profit decreased by about 16 percent, being still 16 percent higher than in 2017.

In the year when the world was hit by the coronavirus pandemic, Facebook took a deep breath to achieve a massive rise. It is actively used by 1.82 billion people daily, which is a better result than expected by

analysts and about 200 million people more than last year. On a monthly basis, 2.75 billion users connect to the network. In the third quarter, Facebook's income grew by 21.6 percent year-on-year to almost USD 21.5 billion. Additional growth in income may be expected next year with the number of users being flat. In the third quarter, the number of active users in the USA and Canada decreased by two million year-on-year, which may indicate a trend for other countries and continents. Other social networks also pose a threat to Facebook. The advantage is that Facebook already proved in the past that it could acquire its competitors and integrate them in its group. Its opportunities include using the experience from the coronavirus pandemic and creating environment for households and companies to stay with Facebook when the pandemic grows weak.

SAMSUNG

Samsung Electronics Co Ltd.

Market capitalisation*

410 billion USD

Turnover**

210 billion USD

Net profit**

20 billion USD

Samsung Electronics is the largest South Korean company. Its product portfolio is wide, with the vast majority of products being sold on the electronics market. It is the largest producer of mobile phones in the world with a market share over 31 percent. It also produces batteries, semi-conductors, displays or cameras and it operates in many areas as a component supplier for its competitors including Apple, Sony or Nokia.

2019 was not too successful for Samsung. Its turnover declined by 5.5 percent year-on-year and its net profit decreased by 51 percent. The start of this year was also unconvincing. The first two quarters saw by turns

a year-on-year decrease in sales and an increase in profit and vice versa. In the third quarter, Samsung's turnover and profit improved. Its profit increased by nearly half year-on-year at a sales growth of 8%.

In 2021, the company anticipates further growth in line with the global demand recovery. The greatest risk is the possibility of another wave of the coronavirus pandemic. On the other hand, the technology sector in general has proven that the pandemic has practically no harmful effect on it, which more or less applies to Samsung that may be cautiously optimistic.



Tesla Inc.

Market capitalisation*

555.24 billion USD

Turnover**

19.95 billion USD

Net profit**

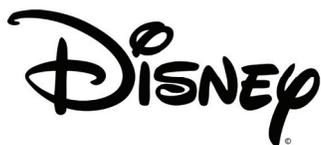
-775 million USD

At the beginning of 2020, Tesla became the most valuable car producer in the history of the United States. Although being connected namely with the production of electric cars, its production portfolio also contains batteries in the form of home storage devices Powerwall and commercial storage devices Powerpack. Elon Musk's business also develops roofing tiles transforming solar energy into electricity.

In 2019, Tesla lost USD 775 million but its loss decreased by more than a third. On the contrary, the start of this year was successful for the car producer. Starting from the first quarter, it reported a net profit which kept growing in the following quarters. In the third quarter, Tesla generated a profit of USD 331 million, which was three times more than in the previous quarter and 2.3 times more than in the previous year. Thanks to five profit-making quarters in a row, Tesla asked for inclusion in the major stock

index on Wall Street S&P 500. It is expected to be included on 21 December 2020 and its weight in the index will represent one percent.

Tesla is self-confident as regards the next year. It stated to have sufficient capacity to produce five hundred thousand cars per year. Given the ongoing fight against the climatic changes, we can assume that Tesla will go stronger in electric car production as well as in the sector of battery storage devices. Its risks relate to the growing price of strategic raw materials for the production of batteries (namely lithium) as well as the growing competitors in the battery segment. Production and storing of green energy is a strongly growing industry all over the world and is generously subsidised from public budgets. Therefore, it is relatively probable that a strong competitor will occur sooner or later.



The Walt Disney Company

Market capitalisation*

266.38 billion USD

Turnover**

69.61 billion USD

Net profit**

10.43 billion USD

The Walt Disney Company is a media and entertainment conglomerate whose portfolio includes several film studios (Walt Disney Pictures, Pixar and Marvel) and TV stations including ABC and ESPN. It also operates a number of amusement parks the attendance of which was seriously impacted by the ongoing coronavirus pandemic.

The Walt Disney Company considers a rapid slump in its economic activities in connection with the

coronavirus pandemic to be the largest risk toward the future. The group is concerned about the decline in income arising from low interest in amusement parks, a lower volume of advertising in the media it owns and a significantly lower performance of the film industry. These risks made themselves felt in the 2020 fiscal year ended this September. The company reported a year-on-year decline in sales of six percent, falling from a profit over USD 10 billion to a net loss of nearly USD 3 billion.



Adobe Systems Inc.

Market capitalisation*

228.84 billion USD

Turnover**

11.17 billion USD

Net profit**

2.95 billion USD

Adobe Systems is a software company focused on computer graphics, publishing and digital marketing. It became famous as the author of PostScript, PDF or as a producer of graphic programmes Adobe Photoshop and Adobe Illustrator as well as software for publishing (Adobe Acrobat) and document reading (Adobe Reader). Recently, it has concentrated on the development of cloud services.

Adobe Systems has reported a stable growth in the recent five years. Its turnover increased 2.3 times between 2015 and 2019, its net profit even 3.6 times. 2020 as the year of the Covid-19 pandemic does not seem to change anything in the trend.

The company's recent financial results indicate further stable growth in both turnover and profit. Nevertheless, there are several challenges taken into consideration by Adobe. If the company wants to remain successful, it will have to face them. The challenges include intensive competition, new standards and distribution models, barriers to enter new markets, customer sensitivity to prices or free competitive software (albeit with limited functions). An opportunity lies in the growing digitisation of the private and public sectors to which Adobe can offer its services.



Intel Corporation

Market capitalisation*

194.45 billion USD

Turnover**

71.97 billion USD

Net profit**

21.05 billion USD

Intel Corporation is the largest global producer of semi-conductor circuits, competing for this position with its principal competitor, Samsung. The general public knows the company namely thanks to computer microprocessors. Intel also produces flash memory, chipsets, web cameras or multimedia home equipment.

Intel has been successful in the recent five years. Its turnover and profit growth have been stable with the gross margin at about sixty percent.

Similar development has been reported in 2020. Since the first quarter of this year, the company has recognised better year-on-year results relating to both turnover and net profit. Only the third quarter of this

year experienced a year-on-year decline in sales and net profit. Over nine months of this year, the company's sales were nearly 12 percent higher and its net profit increased by almost 6.5 percent. Intel's challenges include Apple's plans to install its own microprocessors in its computers. If the plans come true, Intel will have to search ways to cover the assumed lack of income. In addition, Intel faces the ever-stronger competition of AMD in the microprocessor market. Opportunities include the expected release of political and trade tension between the USA and China that had a negative impact on Intel's business. With the change of the White House boss, the situation is very likely to improve.

Brands of the Decade

Methodology

We prepare several rankings. For brands of the decade, we use data from rankings prepared based on the companies' market capitalisation, changes in these values in a given year, the brand value ranking and the industry risk rating.

All of the factors are assigned their weights and scalable scoring ranges are prepared, which are calibrated to enable relevant comparison of included companies.

Subsequently, a professional discussion among analysts is held with regard to other indicators, namely the profit and loss account.

The resulting ranking shows the companies in order of their significance to the global economy as we see it not only today but also considering their long-term potential for the following decade.



Goldenburg
group limited

Enter the new decade with the Goldenburg Group investment company

**For information on securities trading
on the global market, please contact us at:**

info@goldenburggroup.eu

Phone: +357 2503 0576

Address

1 Siafi Street

Porto Bello BLD

3042 Limassol

Cyprus

www.goldenburggroup.eu

Goldenburg Group Limited is a fully licensed company, supervised by the Cyprus Securities and Exchange Commission (CySEC), with CIF License number 242/14, providing a comprehensive investment services internationally. We want to provide each client with the best trading opportunities in multiple trading sectors such as Forex, Shares, Commodities and/or Indices offering innumerable financial instruments. The beginners among investors will value pleasant and comprehensive trading environment of the MT5 platform that also includes highly-developed and interactive trading tools for professionals. Goldenburg Group gives you special trading opportunities in a dynamic financial environment with many advantages for everyone.

Our priority is the safety of our clients. Therefore, we have made a commitment to abide the highest standards of security of clients' funds according to MiFID II regulation and the strictest rules issued by the Cyprus Securities and Exchange Commission (CySEC).

Risk Warning: CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 84.70% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

