

PRESS RELEASE

Winners and losers: These are the world’s biggest companies in 2025

- **MainFirst Asset Management analyses which companies will benefit from megatrends**
- **Asia and the West Coast of the United States dominate the list of leading companies**
- **Europe is disconnected from the technology trend**

Frankfurt am Main, 12 March 2018 – By 2025, things are set to change in the list of the world’s biggest companies. A current forecast by MainFirst Asset Management shows that while Apple, Alphabet and Microsoft currently have the highest market capitalisation, Alibaba, Tencent and Amazon look like they will be leading the rankings by 2025. “In the years ahead, they will benefit from the future themes of e-commerce, artificial intelligence, digital advertising and driverless cars,” explains Frank Schwarz, who led the analysis. Through the MainFirst – Global Equities Fund, which he manages, Schwarz has been successfully investing for five years in listed companies that benefit from these trends. In 2017, the fund recorded growth of 39 percent, and growth of 125% percent since inception.¹ “The projected shifts in the period to 2020 are already priced into share prices, so we are looking ahead to identify the best investment opportunities,” says the fund manager, whose team monitors a universe of around 700 global companies.

The top 5 global companies over time

Rank/year	1967	...	2005	2010	2017	2025
1	GM	...	GE	Petrochina	Apple	Alibaba
2	Ford	...	Exxon Mobil	Exxon Mobil	Alphabet	Tencent
3	GE	...	Microsoft	Apple	Microsoft	Amazon
4	Chrysler	...	Citi	ICBC	Amazon	Nvidia
5	Mobil	...	Wal-Mart	Wal-Mart	Facebook	Facebook

Source: MainFirst Asset Management, January 2018. May be quoted with source attribution

German brain-drain

What is striking is that the regional shift towards Asia is set to increase in the period to 2025. “Among the 20 most important companies, most will have their headquarters in China, South Korea or Taiwan. Only the West Coast of the US, centred around Silicon Valley, will be able to compete. In contrast, Europe will be totally disconnected – and any kind of comeback does not appear realistic,” notes Schwarz. While in 2017, Nestlé and AB Inbev were two companies in the top 20 with their centres in Europe, the experts at MainFirst expect that there will not be a single European company in the list from as early as 2020. “Fifty years ago,

¹ MainFirst - Global Equities Fund (C), date: 08/03/2018, ISIN: LU0864710602.

things looked quite different as companies in the automotive, oil and steel industries topped the rankings. But now technology firms are beating all the others," explains Schwarz. In his opinion, the reason for this is: "Here we have global brand manufacturers and producers of luxury goods. The USA, for instance, has benefited in recent decades from immigration policy together with upward mobility opportunities afforded by the education system and a strong venture capital scene. Many children of immigrants have been exceptionally successful as founders of businesses – one example being Sergey Brin, one of the founders of Google." In Germany, in contrast, political conditions and an underdeveloped digital network hampered technological advancements, adds Schwarz in a critical note. "As a result, the best German minds have voted with their feet and have now conquered the second and third management levels of companies such as Amazon and Microsoft."

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About MainFirst Asset Management

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