



2021 Value Creators Rankings

BCG Value Creators Series

MAY 7, 2021



BCG Value Creators Rankings

Each year, we offer commentary on trends in the global economy and the world's capital markets, share BCG's latest research and thinking on value creation.

Since 1999, BCG has published detailed empirical rankings of the world's top value creators based on total shareholder return over the previous five-year period.

BCG has published Value Creators Reports for 23 years

1999



Value Creators - Study of the World's Top Performers

2000



New Perspectives on Value Creation

2001



Dealing with Investors' Expectations

2002



Succeed in Uncertain Times

2003



Back to Fundamentals

2004



Next Frontier - Building an Integ. Strat. for Value Cr.

2005



Balancing Act - Implementing Integ. Strat. for Value Cr.

2006



Spotlight on Growth in achieving Superior Value Cr.

2007



Avoiding the Cash Trap - Challenge of Value Cr. when Profits are high

2008



Missing Link - Focusing Corp. Strategy on Value Creation

2009



Searching for Sustainability - Value Creation in Era of Diminished Expectations

2010



Threading the Needle - Value Creation in a Low Growth Economy

2011



Risky Business - Value Creation in a Volatile Economy

2012



Improving the Odds - Strategies for Superior Value Cr.

2013



Unlocking New Sources of Value Creation

2014



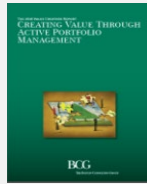
Turnaround - Transforming Value Creation Perform.

2015



Value Creation for the Rest of Us

2016



Creating Value through Active Portfolio Mgmt.

2017



Disruption and Reinvention

2018



Ten Lessons - 20th Anniversary Special Edition

2019



The Superincumbent's Dilemma

2020



The Interactive Guide

2021





Overview of 2021 BCG Value Creators Rankings

Sample based on three main selection criteria



Publicly traded company

Only players with a 5-year share price history are considered



Sufficient size

Industry specific Market Cap hurdle between 1B\$ and 18B\$ as of Dec 31, 2020



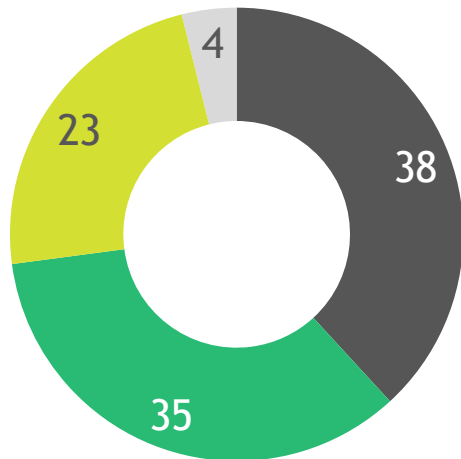
Free float

>20% of Shares outstanding in the hands of public investors¹

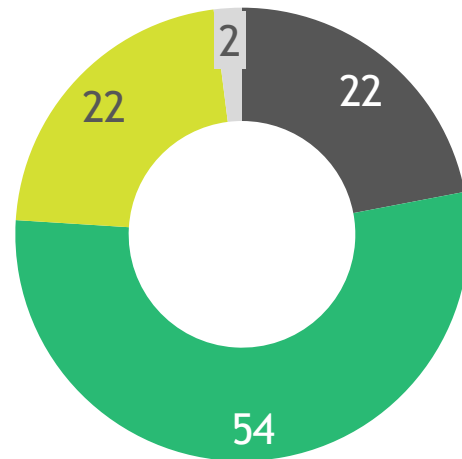
1. We allow exceptions to the rule provided the company is a key industry player and its share sufficiently traded.

Breaking down the sample across geographies: North America is overrepresented among largest and top-performing companies

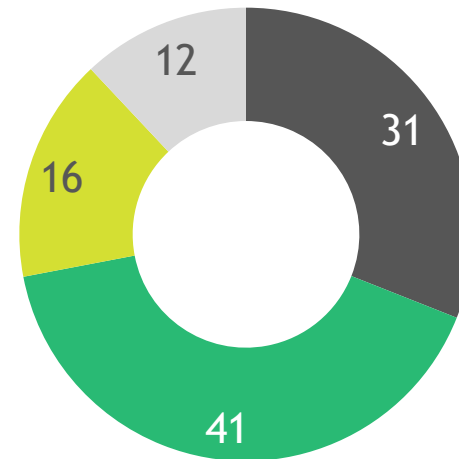
Value Creators
Sample Overall
(n = 2410)



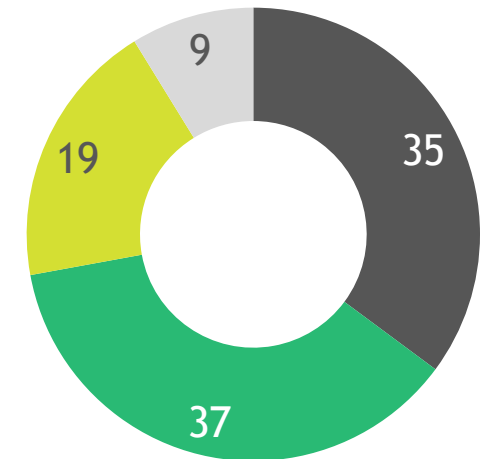
Largest
Companies¹
(n = 200)



Global Top
Performers
(n = 100)



Top 10
by Industry²
(n = 330)



Asia-Pacific
 North America
 Europe
 Rest of World³

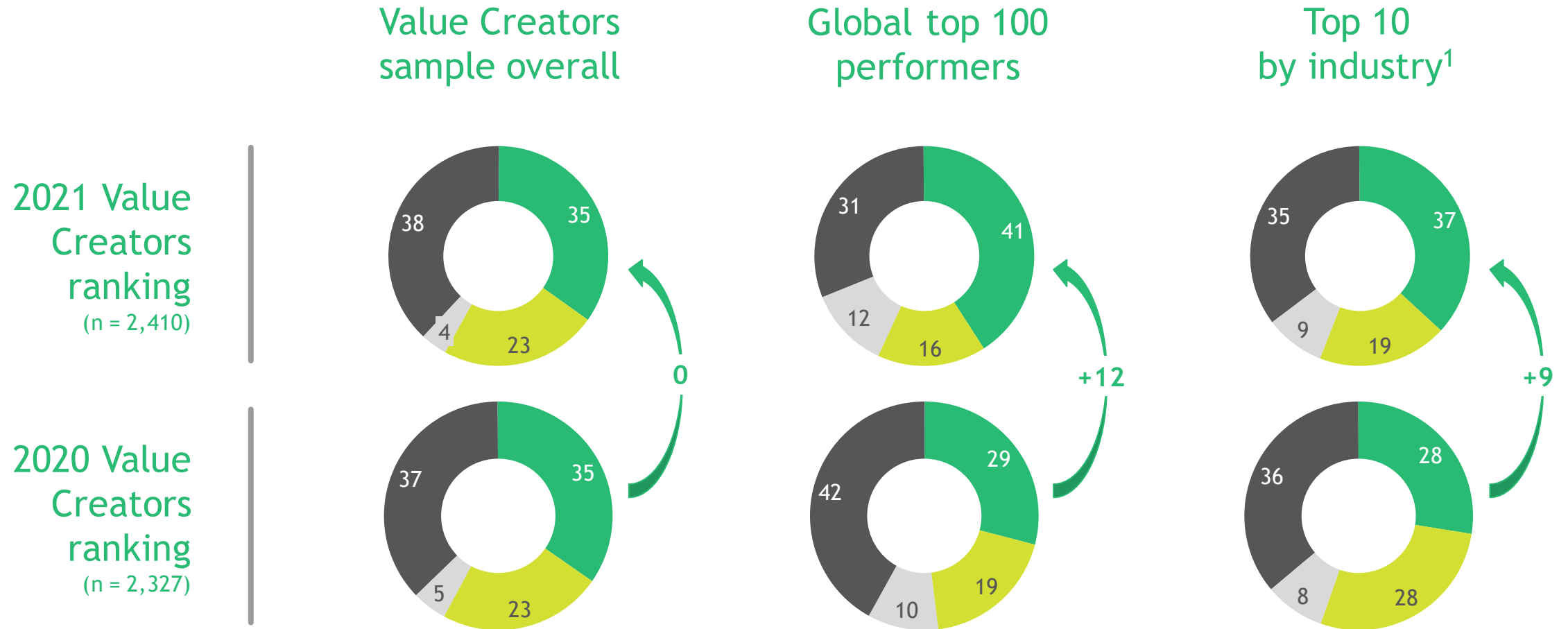
1. The 200 largest companies in the Value Creators sample by Market Capitalization (>B68\$) as of Dec. 31, 2020.

2. The top 10 companies in terms of five-year TSR, 2016-2020, for each of 33 industries studied.

3. Rest of World includes South America, Middle East, and Africa.

Sources: S&P Capital IQ; Refinitiv; BCG ValueScience® Center

The number of North American companies among global top performers has increased



Sources: S&P Capital IQ; Refinitiv; BCG ValueScience Center.

¹ The top 10 companies in terms of five-year TSR, 2016-2020 and 2015-2019, for each of 33 industries studied.

² "Rest of world" includes South America, the Middle East, and Africa.

Asia-Pacific
 Europe
 North America
 Rest of world²

Large-cap Top 10 Value Creators (200 largest companies world-wide)

| Rank | Company | Location ¹ | VCR Industry | Rank in industry ² | Market Cap. (US\$ bln.) ³ | Five-year TSR (%) ⁴ | TSR ytd. 2021 (%) ⁵ |
|------|------------------------------|-----------------------|---------------------------|-------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| 1 | Shopify | Canada | Retail | 2 | 138,9 | 113,0 | -2,2 |
| 2 | Advanced Micro Devices | USA | Technology | 1 | 110,4 | 99,9 | -14,2 |
| 3 | Square | USA | Financial Infrastr. Prov. | 1 | 98,1 | 75,5 | 4,3 |
| 4 | NVIDIA | USA | Technology | 2 | 323,2 | 74,5 | 2,3 |
| 5 | Tesla | USA | Automotive OEMs | 1 | 668,9 | 71,2 | -5,3 |
| 6 | Wuliangye Yibin | China | Consumer Non-durables | 1 | 173,5 | 63,7 | -8,2 |
| 7 | China Tourism Grp. Duty Free | China | Travel & Tourism | 2 | 84,5 | 58,4 | 8,4 |
| 8 | Kweichow Moutai | China | Consumer Non-durables | 2 | 384,4 | 58,1 | 0,6 |
| 9 | Vale | Brazil | Mining | 10 | 86,4 | 51,0 | 17,1 |
| 10 | Foshan Haitian Fl. & Food | China | Consumer Non-durables | 4 | 99,5 | 48,9 | -20,3 |

Sources: S&P Capital IQ; Refinitiv; BCG ValueScience® Center

Note: Top 10 companies shown are among the world's 200 largest global companies by Market Capitalization out of the Value Creators sample (n=2410), as of December 31, 2020; minimum market cap of \$68 billion.

¹ Location of corporate headquarters.

² Company's rank among industry peers in the Value Creators sample; not limited to large-cap companies.

³ As of December 31, 2020.

⁴ Five-year average Total Shareholder Return from Jan 01, 2016 through to Dec 31, 2020. Based on reporting currency.

⁵ Jan 01 through to Mar 31, 2021

Global Top 10 Value Creators (across all companies)

| Rank | Company | Location ¹ | VCR Industry | Rank in industry ² | Market Cap. (US\$ bln.) ³ | Five-year TSR (%) ⁴ | TSR ytd. 2021 (%) ⁵ |
|------|------------------------|-----------------------|-------------------------|-------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| 1 | Magazine Luiza | Brazil | Retail | 1 | 31,1 | 226,4 | -18,9 |
| 2 | Enphase Energy | USA | Green Energy & Environ. | 1 | 22,2 | 118,7 | -7,6 |
| 3 | Shopify | Canada | Retail | 2 | 138,9 | 113,0 | -2,2 |
| 4 | Advanced Micro Devices | USA | Technology | 1 | 110,4 | 99,9 | -14,4 |
| 5 | Fate Therapeutics | USA | Mid-cap Pharma | 1 | 7,9 | 93,3 | -9,3 |
| 6 | argenx | Netherlands | Mid-cap Pharma | 2 | 13,9 | 85,1 | -3,1 |
| 7 | Etsy | USA | Retail | 3 | 22,4 | 84,8 | 13,4 |
| 8 | Kirkland Lake Gold | Canada | Mining | 1 | 11,3 | 83,4 | -17,8 |
| 9 | Fortescue Metals | Australia | Mining | 2 | 55,6 | 83,3 | -10,4 |
| 10 | Flat Glass | China | Green Energy & Environ. | 2 | 11,1 | 81,9 | -27,8 |

Sources: S&P Capital IQ; Refinitiv; BCG ValueScience® Center

Note: Top 10 companies across all 33 VCR industries; minimum Market Capitalization per respective industry applies.

¹ Location of corporate headquarters.

² Company's rank among industry peers in the Value Creators sample (n=2410).

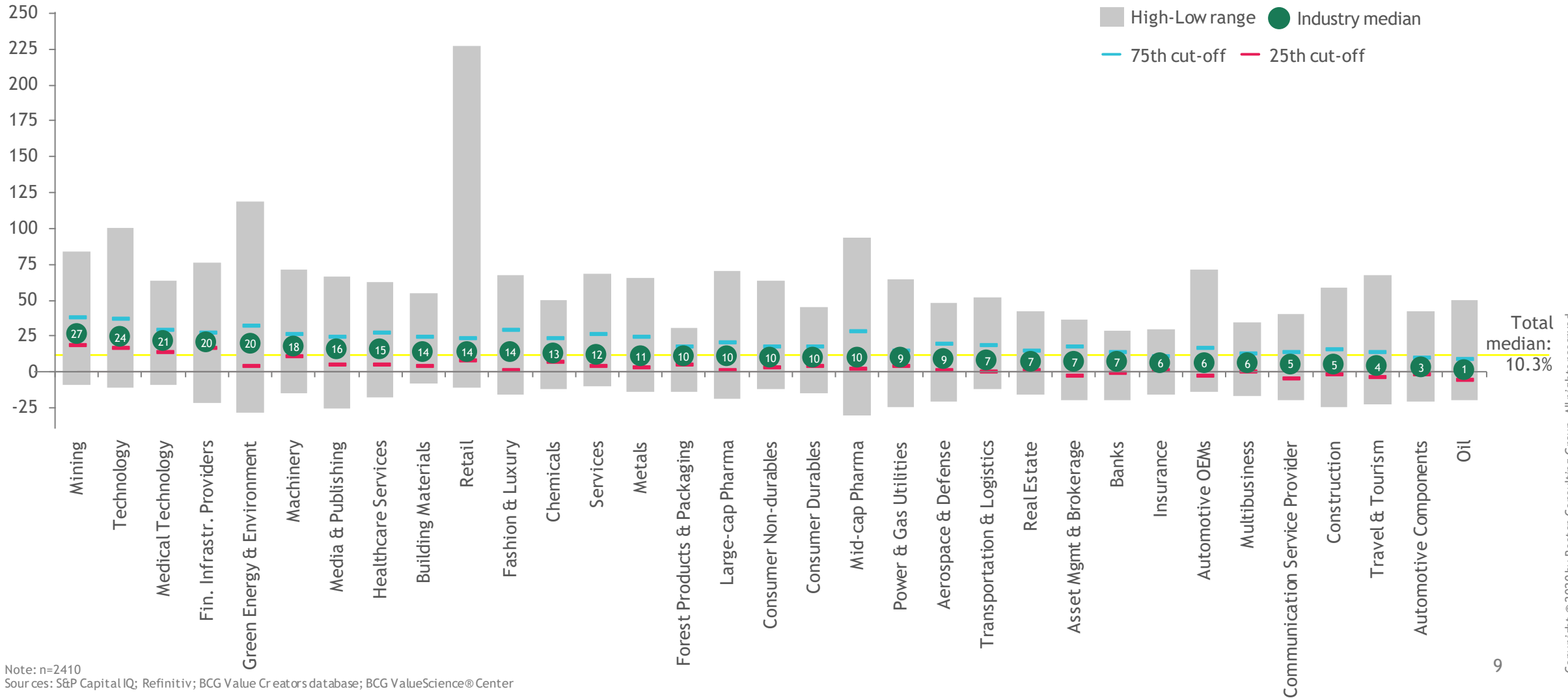
³ As of December 31, 2020.

⁴ Five-year average Total Shareholder Return from Jan 01, 2016 through to Dec 31, 2020. Based on reporting currency.

⁵ Jan 01 through to Mar 31, 2021

Companies in all industries have an opportunity to outperform

5-yr. annual average TSR 2016-20



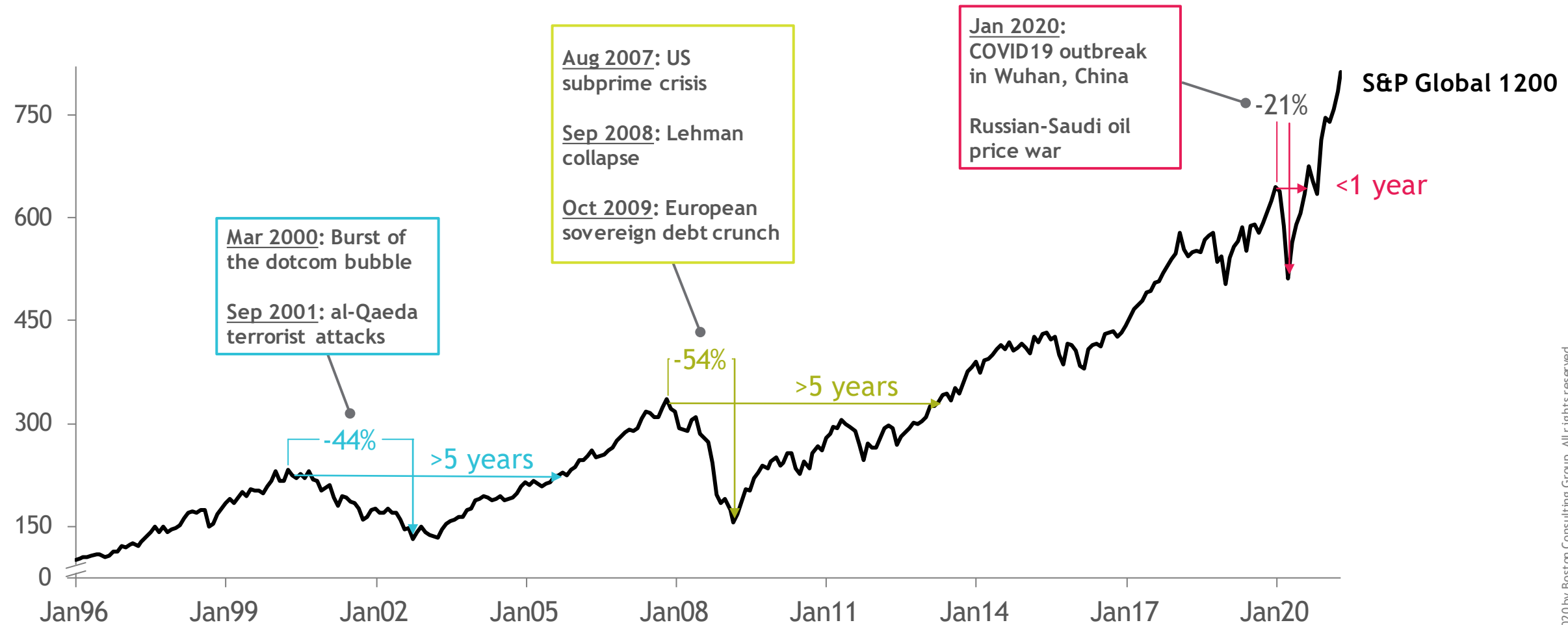
Note: n=2410
Sources: S&P Capital IQ; Refinitiv; BCG Value Creators database; BCG ValueScience® Center



Impact of COVID19 on equity capital markets

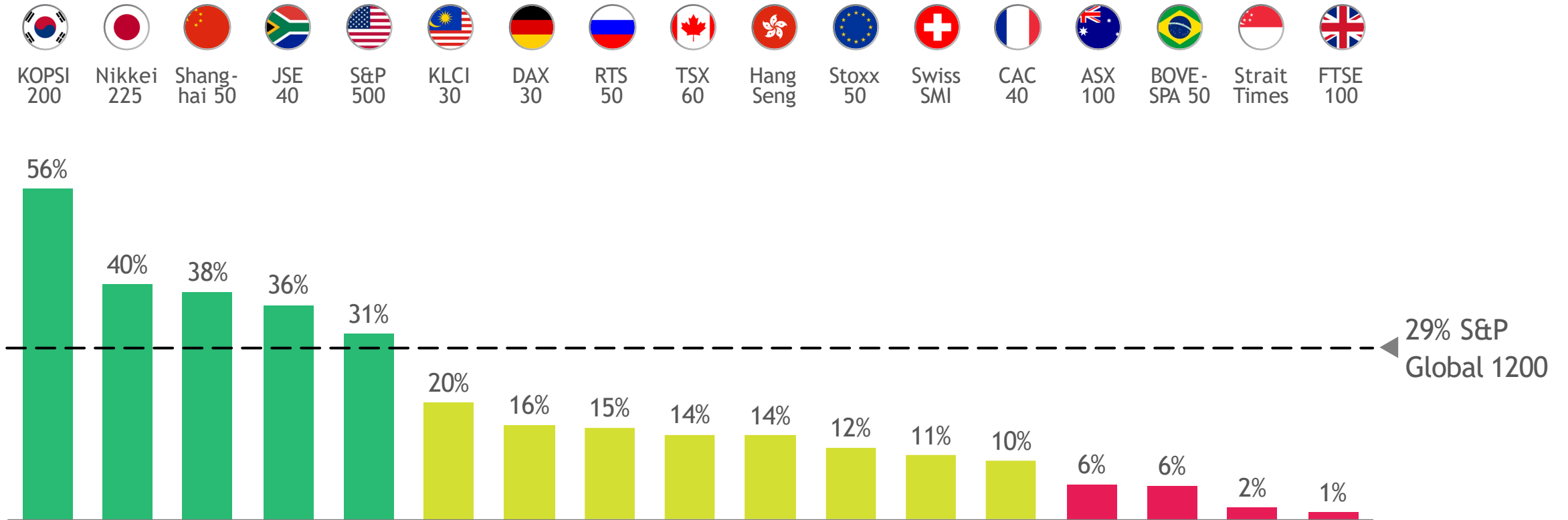
Background: 2020 market rebound was exceptionally fast and strong

S&P Global 1200 return index evolution over the last 25 years (Jan 1996=100)



Market recovery after COVID benefitted geographies differently

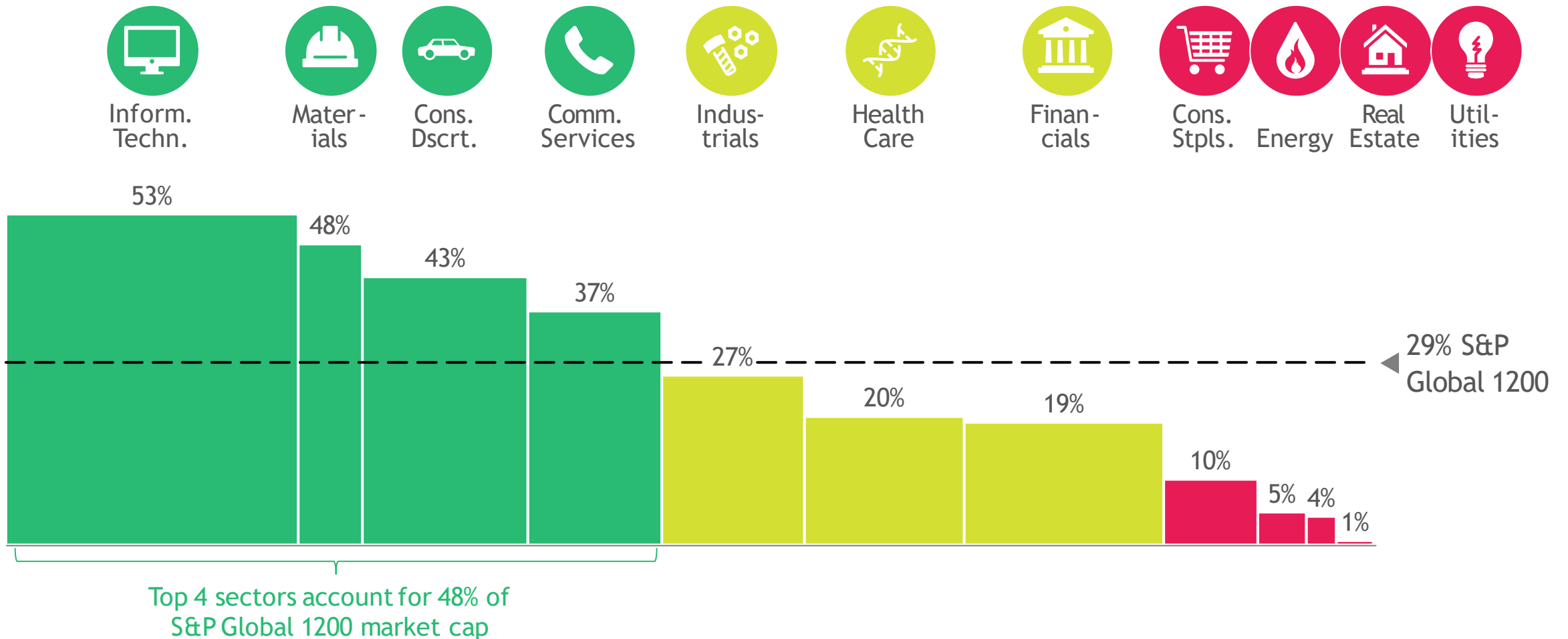
Performance of selected markets, Feb 2020 to Feb 2021¹



1. Change in total shareholder return index based on market cap weighted average of index constituents. Feb 28, 2020, to Feb 28, 2021. Based on data in local currency. Sources: Refinitiv; BCG ValueScience@Center

Strong market performance largely driven by top four sectors

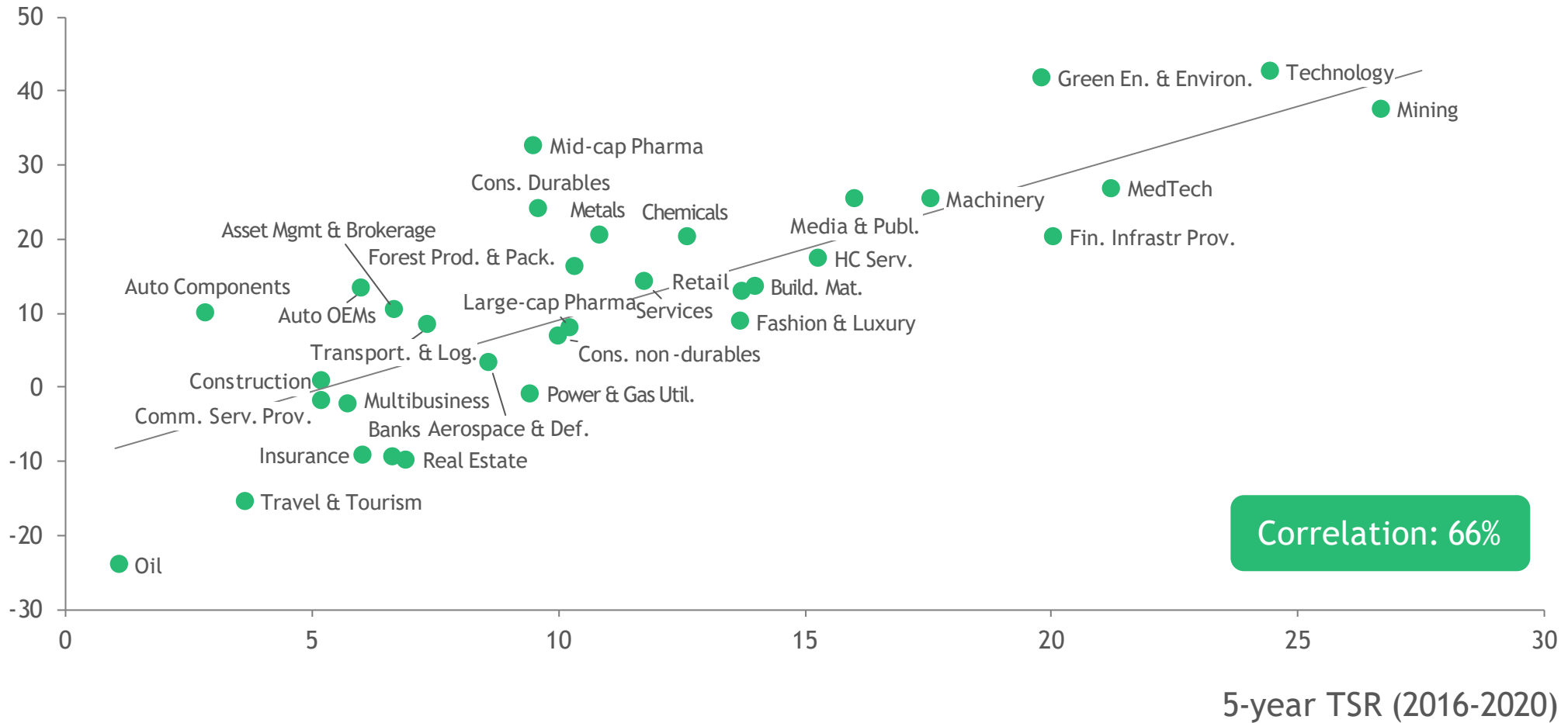
Performance of per sector (Feb 2020 to Feb 2021), width of stack represents aggregated sector market cap¹



1. As of March 11, 2021.
 Note: Change in TSR index based on market cap weighted average of S&P Global 1200 sector constituents. Feb 28, 2020, to Feb 28, 2021. Data based on USD.
 Sources: S&P Capital IQ; BCG ValueScience® Center

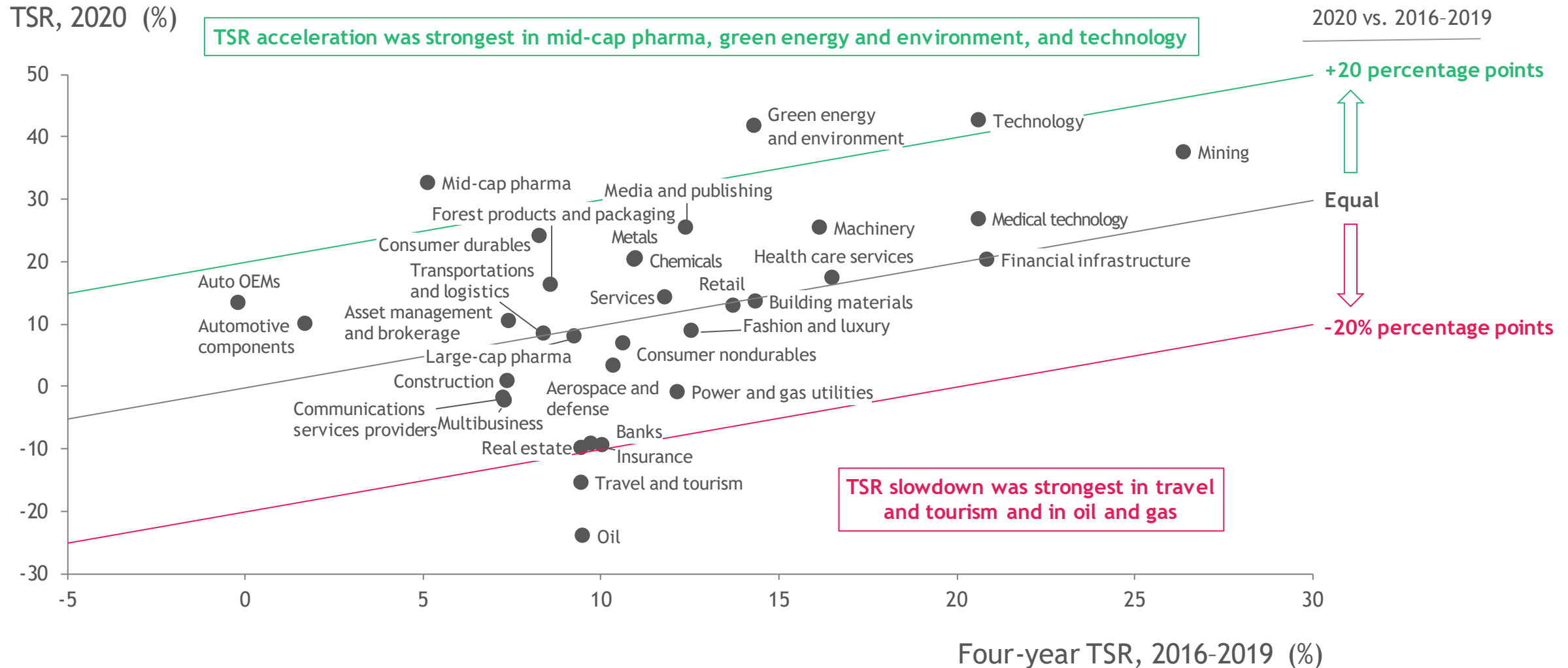
TSR trajectories of most industries remained the same in 2020 (1/2)

TSR 2020



Note: Median TSR per respective industry sample; n=2410
 Sources: S&P Capital IQ; Refinitiv; BCG Value Creators database; BCG ValueScience® Center

TSR trajectories of most industries remained the same in 2020 (2/2)

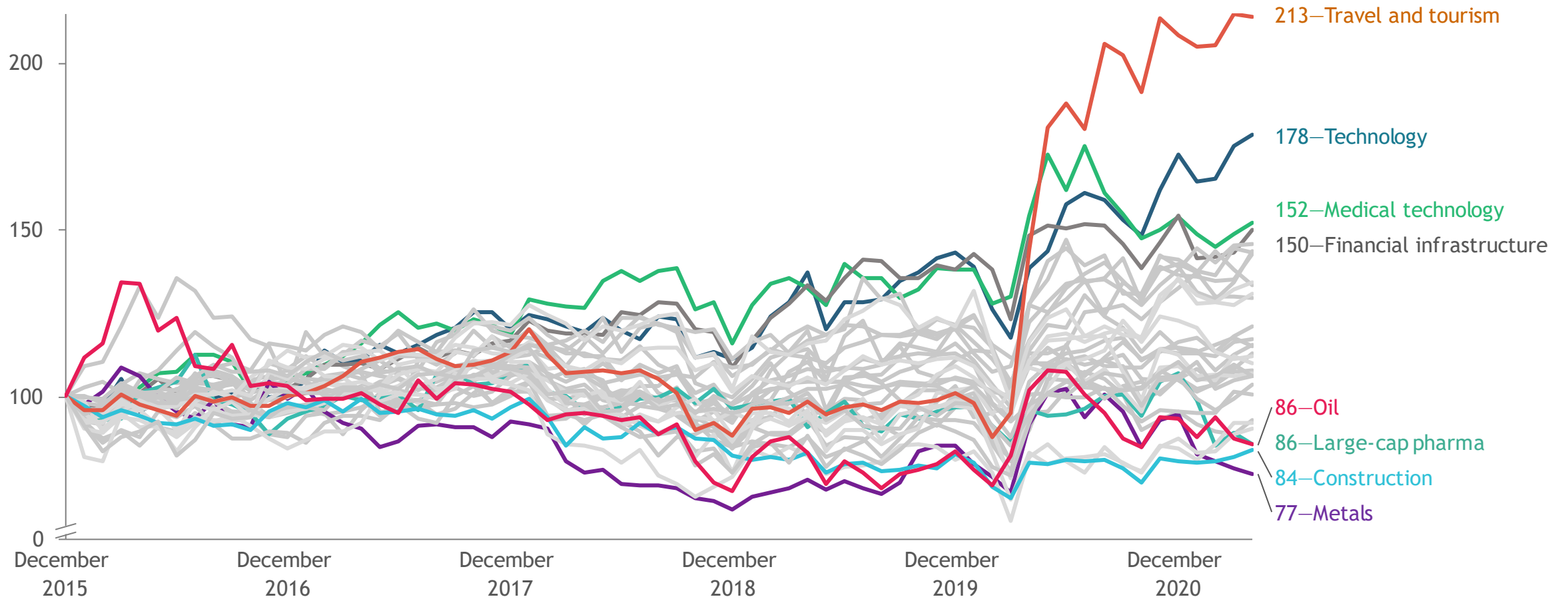


Sources: S&P Capital IQ; Refinitiv; BCG Value Creators database; BCG ValueScience® Center.
 Note: n = 2,410 companies.

Spreads in valuation multiples across industries have increased

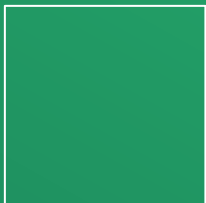
Evolution of median forward trading multiples per VCR industry

Median trading multiple¹



Sources: S&P Capital IQ; BCG ValueScience Center.

¹ This multiple is calculated as median price divided by next 12 months' earnings per share for banks, insurance, real estate, and asset management and brokerage, and as median enterprise value divided by next 12 months' EBITDA for all other industries. Companies with negative profits were omitted. Data based on 2021 Value Creators rankings' industry samples. Values indexed relative to December 2015 = 100.



Appendix

The top 10 DAX companies

| Rank | Company | Location ¹ | VCR industry | Rank in industry ² | Market cap. (in B US\$) ³ | Five-year TSR (in %) ⁴ | TSR YTD 2021 (in %) ⁵ |
|------|-----------------------|-----------------------|------------------------------|-------------------------------|--------------------------------------|-----------------------------------|----------------------------------|
| 1 | Adidas | Germany | Fashion and luxury | 13 | 71.1 | 28.4 | -10.6 |
| 2 | RWE | Germany | Power and gas utilities | 8 | 28.6 | 27.4 | -3.3 |
| 3 | Linde ⁶ | UK | Chemicals | 19 | 137.8 | 23.4 | 6.8 |
| 4 | MTU Aero Engines | Germany | Aerospace and defense | 18 | 13.8 | 20.4 | -6.0 |
| 5 | Infineon Technologies | Germany | Technology | 64 | 49.9 | 20.0 | 15.9 |
| 6 | Vonovia | Germany | Real estate | 9 | 41.4 | 19.6 | -6.8 |
| 7 | Deutsche Börse | Germany | Financial-infrastr. provider | 45 | 31.2 | 14.0 | 1.8 |
| 8 | Deutsche Wohnen | Germany | Real estate | 16 | 18.4 | 13.6 | -8.9 |
| 9 | Deutsche Post | Germany | Transportation and logistics | 33 | 61.4 | 13.0 | 15.4 |
| 10 | Covestro | Germany | Chemicals | 40 | 11.9 | 11.7 | 13.6 |

Source: S&P Capital IQ; Refinitiv; BCG ValueScience® Center

¹ Location of corporate headquarters

² Company's rank among industry peers in the Value Creators sample (n = 2410).

³ As of December 31, 2020

⁴ Five-year average total shareholder return from Jan 01, 2016, through to Dec 31, 2020. Based on reporting currency

⁵ Jan 01 through to Mar 31, 2021

⁶ Uses NYSE listing in USD

Large-cap top 10: TSR driver analysis

| # | Company | HQ-Country | VCR Industry ² | Rank in industry ² | Market value ³ (\$billions) | 5-year TSR p.a. (%) ⁴ | TSR disaggregation ¹ (p.p. contributions) | | | | | |
|----|-------------------------------|---------------|---------------------------|-------------------------------|--|----------------------------------|--|-----------------|--------------------------------|------------------------|-----------------------------|----------------------|
| | | | | | | | Profit growth | | Valuation | Cash flow contribution | | |
| | | | | | | | = Sales growth | + Margin change | + Multiple change ⁵ | + Dividend yield | + Share change ⁶ | + Net debt, leverage |
| 1 | Shopify | Canada | Retail | 2 | 138,9 | 113,0 | 70 | NM | NM | 0 | -9 | -1 |
| 2 | Advanced Micro Devices | United States | Technology | 1 | 110,4 | 99,9 | 20 | NM | NM | 0 | -8 | 11 |
| 3 | Square | United States | Financial Infrastr. Prov. | 1 | 98,1 | 75,5 | 50 | NM | NM | 0 | -6 | -2 |
| 4 | NVIDIA | United States | Technology | 2 | 323,2 | 74,5 | 25 | 11 | 44 | 1 | -3 | -4 |
| 5 | Tesla | United States | Automotive OEMs | 1 | 668,9 | 71,2 | 51 | 32 | -6 | 0 | -7 | 1 |
| 6 | Wuliangye Yibin | China | Consumer Non-dur. | 1 | 173,5 | 63,7 | 21 | 6 | 38 | 3 | -0 | -4 |
| 7 | China Tourism Group Duty Free | China | Travel & Tourism | 2 | 84,5 | 58,4 | 20 | 15 | 24 | 1 | 0 | -2 |
| 8 | Kweichow Moutai | China | Consumer Non-dur. | 2 | 384,4 | 58,1 | 24 | 0 | 33 | 2 | 0 | -1 |
| 9 | Vale | Brazil | Mining | 10 | 86,4 | 51,0 | 20 | 18 | -12 | 5 | 0 | 21 |
| 10 | Foshan Haitian Flav. and Food | China | Consumer Non-dur. | 4 | 99,5 | 48,9 | 15 | 3 | 29 | 2 | 0 | -1 |

Sources: S&P Capital IQ; Refinitiv; BCG ValueScience® Center

Note: Top 10 companies shown are among the world's 200 largest global companies by Market Capitalization out of the Value Creators sample (n=2410), as of December 31, 2020; minimum market cap of \$68 billion

¹ Disaggregation is multiplicative but converted and shown here as additive with remainders assigned to the margin and multiple change fields. NM due negative profits. Numbers may not add up to TSR due to rounding.

² Company's industry categorization and rank among industry peers in the Value Creators sample (n=2410).

³ As of December 31, 2020.

⁴ Five-year average Total Shareholder Return from Jan 01, 2016, through to Dec 31, 2020. Based on reporting currency.

⁵ Change in EBITDA multiple.

⁶ Change in the number of shares out, not to the change in share price.

Global top 10: TSR driver analysis

| # | Company | HQ-Country | VCR Industry ² | Rank in industry ² | Market value ³ (\$billions) | 5-year TSR p.a. (%) ⁴ | TSR disaggregation ¹ (p.p. contributions) | | | | | |
|----|------------------------|-------------|---------------------------|-------------------------------|--|----------------------------------|--|-----------------|--------------------------------|------------------------|-----------------------------|----------------------|
| | | | | | | | Profit growth | | Valuation | Cash flow contribution | | |
| | | | | | | | = Sales growth | + Margin change | + Multiple change ⁵ | + Dividend yield | + Share change ⁶ | + Net debt, leverage |
| 1 | Magazine Luiza | Brazil | Retail | 1 | 31,1 | 226,4 | 27 | -0 | 178 | 2 | -3 | 23 |
| 2 | Enphase Energy | USA | Green Energy & Environ. | 1 | 22,2 | 118,7 | 17 | NM | NM | 0 | -19 | -1 |
| 3 | Shopify | Canada | Retail | 2 | 138,9 | 113,0 | 70 | NM | NM | 0 | -9 | -1 |
| 4 | Advanced Micro Devices | USA | Technology | 1 | 110,4 | 99,9 | 20 | NM | NM | 0 | -8 | 11 |
| 5 | Fate Therapeutics | USA | Mid-cap Pharma | 1 | 7,9 | 93,3 | 67 | NM | NM | 0 | -20 | -11 |
| 6 | argenx | Netherlands | Mid-cap Pharma | 2 | 13,9 | 85,1 | 41 | NM | NM | 0 | -20 | -2 |
| 7 | Etsy | USA | Retail | 3 | 22,4 | 84,8 | 45 | 31 | 18 | 0 | -2 | -6 |
| 8 | Kirkland Lake Gold | Canada | Mining | 1 | 11,3 | 83,4 | 72 | 16 | 6 | 2 | -16 | 3 |
| 9 | Fortescue Metals | Australia | Mining | 2 | 55,6 | 83,3 | 17 | 26 | 5 | 16 | 0 | 20 |
| 10 | Flat Glass | China | Green Energy & Environ. | 2 | 11,1 | 81,9 | 17 | 11 | 50 | 6 | -2 | 1 |

Sources: S&P Capital IQ; Refinitiv; BCG ValueScience® Center

Note: Top 10 companies across all 33 VCR industries; minimum Market Capitalization per respective industry applies.

¹ Disaggregation is multiplicative but converted and shown here as additive with remainders assigned to the margin and multiple change fields. NM due negative profits. Numbers may not add up to TSR due to rounding.

² Company's industry categorization and rank among industry peers in the Value Creators sample (n=2410).

³ As of December 31, 2020.

⁴ Five-year average Total Shareholder Return from Jan 01, 2016, through to Dec 31, 2020. Based on reporting currency.

⁵ Change in EBITDA multiple.

⁶ Change in the number of shares out, not to the change in share price.

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