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IBISWorld reveals Australia's Top 1000 Companies for 2020

Business analysts at industry research company IBISWorld have revealed Australia's Top 1000 companies for 2020. The list provides a thorough overview of Australia's corporate landscape, highlighting the largest firms, growing and declining sectors, and new businesses to watch in 2020-21 and beyond.

The firms on IBISWorld's 2020 Top 1000 list account for $2.27 trillion in revenue. Over 60% of companies on the list reported revenue growth for the year. However, total revenue across the 2020 list has fallen by around 3% compared with the prior year. In comparison, revenue grew by approximately 6% between 2018 and 2019.

Top 10 companies in 2020

Many businesses had a challenging 2020. This has been demonstrated in the Top 10, where six out of the top ten companies reported a revenue decline. Revenue fell significantly for all three banks in the group, with revenue for ANZ, Westpac and the Commonwealth Bank falling by 21.0%, 17.3% and 11.1%, respectively. These declines mainly occurred due to customer-deferred loan payments, low interest rates and volatile capital markets. Compared with 2018-19, Commonwealth Bank fell from 4th to 5th position, overtaken by Coles, which had a revenue decline of only 1.1%.

Revenue for NSW Health increased by 13.4% due to numerous commonwealth and state grants provided during the COVID-19 pandemic. Furthermore, Wesfarmers reported a revenue rise of 11.9% in 2019-20, due to strong sales growth from its operations, which remained active throughout lockdown periods. Officeworks, Bunnings and Kmart all played a vital role in contributing to the company's positive results.

2020 Rank	Company (Balance Date)	Amount ($m)	Change (%)
1	BHP (6/20)	66,165.03	-1.3
2	Woolworths (6/20)	63,863.00	5.9
3	Rio Tinto (12/20)	59,050.92	2.5
4	Coles Group (6/20)	37,892.00	-2.6
5	Commonwealth Bank of Australia (6/20)	35,904.00	-11.1
6	Wesfarmers (6/20)	31,507.00	11.9
7	Westpac Banking Corporation (9/20)	30,765.00	-17.3
8	Glencore (12/19)	29,898.86	-11.5
9	NSW Health (6/20)	27,969.49	13.4
10	ANZ Banking Group (9/20)	27,859.00	-21.0

Five newcomers

Approximately 40% of newcomers in the 2020 Top 1000 list operate in building construction; consumer goods retailing; professional, scientific and technical services; metal ore mining; and food product manufacturing.

In this years' list, Aspen Medical is the new entrant that has demonstrated the highest revenue growth rate. This performance is largely due to the company setting up a new personal protective equipment manufacturing facility with the Beckler Group to manufacture clinical-grade face masks during the COVID-19 pandemic.

Sealink Travel Group entered the list in 2019-20 after acquiring Transit Systems Group. The company has subsequently transitioned from primarily providing ferry services to also providing public bus transport services.

Device Technologies and Ixom have also achieved substantial growth since the previous year. Device Technologies has expanded its business to Singapore and other South-East Asian countries, and Ixom acquired the Medora water treatment business in North America.

Afterpay Touch has asserted its dominance in the market by focusing on ecommerce services, and benefiting from rising demand from customers and merchants across markets in Australia, New Zealand, the United States and the United Kingdom.

2020 Rank	Company (Balance Date)	Amount ($m)	Change (%)
750	Aspen Medical (6/20)	563.54	627.3
673	Sealink Travel Group (6/20)	646.51	157.2
784	Device Technologies (6/20)	537.74	127.3
781	Afterpay Touch (6/20)	540.51	101.0
476	Ixom (9/20)	951.63	62.1

Strong performers

Metal ore mining

Revenue for the Gold Ore Mining industry rose by 20.5% in 2019-20, following 11.2% revenue growth in the prior year. This revenue increase has occurred due to higher gold prices and increased production.

In 2019-20, revenue for Silver Lake Resources rose by a strong 86.6%. Northern Star Resources achieved record profits for the year, with revenue growth of 40.6%. Both companies credited their growth to higher gold prices and greater production yields.

Saracen Mineral Holdings recorded an outstanding revenue increase of 93.1% in 2019-20. The company has maintained an eight-year streak of outperforming their annual production guidance. Saracen acquired the Kalgoorlie Super Pit mining site, which greatly assisted production. The company has continued to grow through its Carosue Dam and Thunderbox mining sites.

Alongside growth for gold mining firms, revenue for the Iron Ore Mining industry grew by 28.5% in 2019-20, following a growth of 12.7% in 2018-19. Mount Gibson Iron recorded a 59.9% increase in revenue for 2019-20. This financial year was the first complete year of high-grade ore production from the company's restarted Koolan mine. Increased production and higher iron ore prices have led to higher revenue for the company.

Professional services and consulting

Revenue for the Professional Services industry fell by an estimated 10.0% in 2019-20. However, revenue for ASG Group increased by a substantial 267.9%. This strong growth was mainly due to the company acquiring 1ICT Pty Ltd in November 2019 and Group 10 Consulting Pty Ltd in March 2020.

Amazon Web Services Australia's revenue increased by 35.2% in 2019-20. The company signed off on a deal with Ingram Micro, where Ingram Micro will distribute Amazon Web Services solutions in Europe, the Middle East, Africa, Latin America and South-East Asia.

Revenue for the Engineering Consulting industry increased by 1.1% in 2019-20. Despite the industry's modest performance, Worley Limited achieved an 88.7% increase in revenue due to several acquisitions. The company gained ownership of 3sun Group Ltd, a UK-based inspection and maintenance specialist in the offshore wind sector in October 2019. Worley also acquired ECR from Jacobs Engineering Group in 2019.

Weak performers

Superannuation

The Superannuation Funds industry demonstrated one of the weakest performances in 2019-20, with the industry facing losses of up to $99.6 billion. The COVID-19 pandemic's influence on the share market resulted in investors facing significant losses, with superannuation funds bearing the brunt of these losses due to their heavy exposure through shares. The industry is expected to continue declining in 2020-21, but begin to recover from 2021-22.

UniSuper was hit hardest out of all superannuation funds in the Top 1000 list, with a 68.8% revenue decrease. UniSuper's exposure to investments in property significantly contributed to the company's large revenue decline.

AustralianSuper recorded a 67.6% revenue decrease in 2019-20, representing the second-worst performance among Australia's superannuation funds. The fund reported that over 360,000 members applied for and received temporary early release payments during the COVID-19 pandemic.

Coal mining

Coal mining firms have been heavily affected by the COVID-19 pandemic, and deteriorating economic and political relations with China, which represents a key export market for Australian coal. A slowdown in steel production during the pandemic caused demand for coking coal to fall, and trends favouring greener energy have resulted in decreasing demand for thermal coal globally. Revenue for Peabody Australia declined by 35.9% for the year, partly due to a fire that occurred at the company's North Goonyella mine. The mine's subsequent reventilation then halted production.

Whitehaven Coal recorded a 30.8% revenue decline, as falling coking and thermal coal prices were exacerbated by production shutdowns during the COVID-19 pandemic. The ban on Australian coal imports into China has also affected the company's ability to sell its coal outside Australia.

Effects of the COVID-19 pandemic

Revenue for the Consumer Goods Retailing industry fell by an estimated 15.8% in 2019-20. Department store operators faced pressure during the COVID-19 pandemic due to decreased shopping activity and lower household discretionary income. Upmarket department stores such as Myer and David Jones reported revenue declines of 13.8% and 8.0%, respectively, for the year. Clothing retailers also had to close their operations during COVID-19 lockdown restrictions in March 2020, and subsequently in August 2020 for stores located in Victoria. Lockdown restrictions limited retailers to only making sales through online channels and therefore significantly decreased sale volumes. Despite the impact of the COVID-19 pandemic, major players in the Furniture Retailing industry such as Harvey Norman and IKEA performed well in 2019-20 due to their strong online presence.

The COVID-19 outbreak and subsequent recessionary conditions are expected to have a significant adverse effect on building construction firms. Logistics disruptions for construction equipment, building materials, parts and skilled labour resulted in building projects being delayed, revenue slowing and input costs increasing. Revenue from property development sales and construction contracts fell for Lendlease Group, CIMIC Group, Watpac and Frasers Property during 2019-20. Economic uncertainty and job insecurity are also anticipated to discourage investment in building projects and therefore demand for housing. Revenue for building construction firms is therefore anticipated to continue declining in 2020-21.

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