



# Engineering & Construction 50 2020

The annual report on the most valuable and strongest engineering & construction brands  
May 2020

---

# Contents.

---

<b>About Brand Finance</b>	<b>4</b>
<b>Get in Touch</b>	<b>4</b>
<b>Brandirectory.com</b>	<b>6</b>
<b>Brand Finance Group</b>	<b>6</b>
<b>Foreword</b>	<b>8</b>
<b>Executive Summary</b>	<b>10</b>
<b>Sector Reputation Analysis</b>	<b>14</b>
<b>Brand Finance Engineering &amp; Construction 50 (USD m)</b>	<b>16</b>
<b>COVID-19 Global Impact Analysis</b>	<b>18</b>
<b>Definitions</b>	<b>22</b>
<b>Brand Valuation Methodology</b>	<b>24</b>
<b>Market Research Methodology</b>	<b>25</b>
<b>Stakeholder Equity Measures</b>	<b>25</b>
<b>Consulting Services</b>	<b>26</b>
<b>Brand Evaluation Services</b>	<b>27</b>
<b>Communications Services</b>	<b>28</b>
<b>Brand Finance Network</b>	<b>30</b>

# About Brand Finance.

**Brand Finance is the world's leading independent brand valuation consultancy.**

**We bridge the gap between marketing and finance**

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For more than 20 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

**We quantify the financial value of brands**

We put 5,000 of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish nearly 100 reports annually.

**We offer a unique combination of expertise**

Our teams have experience across a wide range of disciplines from marketing and market research, to brand strategy and visual identity, to tax and accounting.

**We pride ourselves on technical credibility**

Brand Finance is a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, and the first brand valuation consultancy to join the International Valuation Standards Council.

Our experts helped craft the internationally recognised standards on Brand Valuation – ISO 10668 and Brand Evaluation – ISO 20671. Our methodology has been certified by global independent auditors – Austrian Standards – as compliant with both, and received the official approval of the Marketing Accountability Standards Board.



## Get in Touch.

**For business enquiries, please contact:**

**Richard Haigh**  
Managing Director  
+44 (0)7725 314400  
rd.haigh@brandfinance.com

**For media enquiries, please contact:**

**Florina Cormack-Loyd**  
Senior Communications Manager  
+44 7939 118932  
f.cormackloyd@brandfinance.com

**For all other enquiries, please contact:**

enquiries@brandfinance.com  
+44 (0)207 389 9400

**For more information, please visit our website:**  
www.brandfinance.com

 [linkedin.com/company/brand-finance](https://www.linkedin.com/company/brand-finance)

 [twitter.com/brandfinance](https://twitter.com/brandfinance)

 [facebook.com/brandfinance](https://www.facebook.com/brandfinance)

 [instagram.com/brand.finance](https://www.instagram.com/brand.finance)

Brand Finance® 

# Request your own Brand Value Report

A Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your brand's value.

Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors.

  
Brand Valuation Summary

  
Brand Strength Tracking

  
Royalty Rates

  
Cost of Capital Analysis

  
Customer Research Findings

  
Competitor Benchmarking

  
Education

  
Benchmarking

  
Strategy

  
Insight

What's in a Brand Value Report?

Benefits of a Brand Value Report

  
Communication

  
Understanding

# Brandirectory.com



Brandirectory is the world's largest database of current and historical brand values, providing easy access to all Brand Finance rankings, reports, whitepapers, and consumer research published since 2007.

- + Browse thousands of published brand values
- + Track brand value, strength, and rating across publications and over time
- + Use interactive charts to compare brand values across countries, sectors, and global rankings
- + Purchase and instantly unlock premium data, complete brand rankings, and research

Visit [brandirectory.com](http://brandirectory.com) to find out more.

## Brand Finance Group.

**Brand Dialogue**<sup>®</sup>



### Brand Dialogue

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Brand Dialogue has over 25 years of experience in delivering campaigns driven by research, measurement, and strategic thinking for a variety of clients, with a strong background in geographic branding, including supporting nation brands and brands with a geographical indication (GI). Brand Dialogue manages communications activities across Brand Finance Group's companies and network.

**BRAND EXCHANGE**<sup>®</sup>  
WHERE BRANDS MEET FINANCE



### Brand Exchange

Brand Exchange is a contemporary and exclusive members' club and events space nestled in the heart of the City of London. It was launched in 2015 to provide members with a private space to network and socialise. The club has since held several prestigious events and welcomed many key figures in the marketing and finance sectors as speakers. The membership brings together senior professionals from the world's strongest and most valuable brands.

**vi360**

### VI360

VI360 is a brand identity management consultancy working for clients of all sizes on brand compliance, brand transition, and brand identity management. VI360 provide straightforward and practical brand management that results in tangible benefits for your business.

Brand Finance<sup>®</sup>



# Customer insight drives our valuations

Our brand valuations are underpinned by extensive market research across a wide range of sectors, countries and brands.

Our research integrates all key brand measures, linking them to commercial outcomes.

Available for purchase separately or as part of a Brand Value Report.

- Over **1,500 brands** researched each year
- 29 countries** and **10 sectors** covered
- More than **50,000 respondents** surveyed annually
- Key metrics** across all industries and brands
- B2B** and **B2C** results
- We are now **in our 4<sup>th</sup> consecutive year** conducting the study



## Foreword.



**David Haigh**  
CEO, Brand Finance

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always be 'to make money'.

Huge investments are made in the design, launch, and ongoing promotion of brands. Given their potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial rigour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestimate the significance of their brands to the business. Sceptical finance teams, unconvinced by what they perceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spend there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. The end result can be a slow but steady downward spiral of poor communication, wasted resources, and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity, to tax and accounting. We understand the importance of design, advertising, and marketing, but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of what they do, and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

Brand Finance's research revealed the compelling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company's intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The team and I look forward to continuing the conversation with you.

# China's CSCEC Overtakes General Electric as World's Most Valuable Engineering & Construction Brand.

- + Engineering & construction sector moderately impacted by COVID-19 pandemic, brands could lose up to 10% of brand value, equating to over US\$30 billion loss
- + China's **CSCEC** overtakes **GE** to become world's most valuable engineering & construction brand, brand value US\$24.8 billion
- + China's **Conch** is fastest growing brand, up 39%
- + **Siemens** claims title of world's strongest engineering & construction brand, Brand Strength Index (BSI) score 85.2 out of 100

# Executive Summary.



## Top 50 E&C brands could lose US\$30bn from COVID-19

The world's top 50 most valuable engineering & construction brands could lose over US\$30 billion worth of brand value as a result of the COVID-19 pandemic. Brand Finance's analysis shows that the engineering & construction sector is a moderately impacted industry globally and could face a potential 10% loss in brand value.

As with the majority of sectors globally, COVID-19 is undoubtedly going to wreak havoc on the engineering & construction sector in the coming year, through production disruption, broken supply chains and future investment uncertainty.

Looking beyond the engineering & construction sector, the value of the 500 most valuable brands in the world, ranked in the Brand Finance Global 500 2020 league table, could fall by an estimated US\$1 trillion as a result of the Coronavirus outbreak.

Brand Finance has assessed the impact of COVID-19 based on the effect of the outbreak on enterprise value, compared to what it was on 1st January 2020. The likely impact on brand value was estimated for each sector. The industries have been classified into three categories – limited impact (minimal brand value loss or potential brand value growth), moderate impact (up to 10% brand value loss), and heavy impact (up to 20% brand value loss) – based on the level of brand value loss observed for each sector in the first quarter of 2020.

**President Xi Jinping's Belt and Road Initiative has successfully propelled Chinese engineering and construction brands onto the global stage and has been the main impetus for their solid performances in the Brand Finance Engineering & Construction ranking. These brands' resilience and strength have been put to the ultimate test, however, as COVID-19 engulfs not only the Chinese but global economy. With life making a slow return to normal across the nation, these brands will hope to bounce back, minimising risk to their brand values in the coming year.**

**Richard Haigh**  
Managing Director, Brand Finance

## CSCEC leads way for Chinese brands

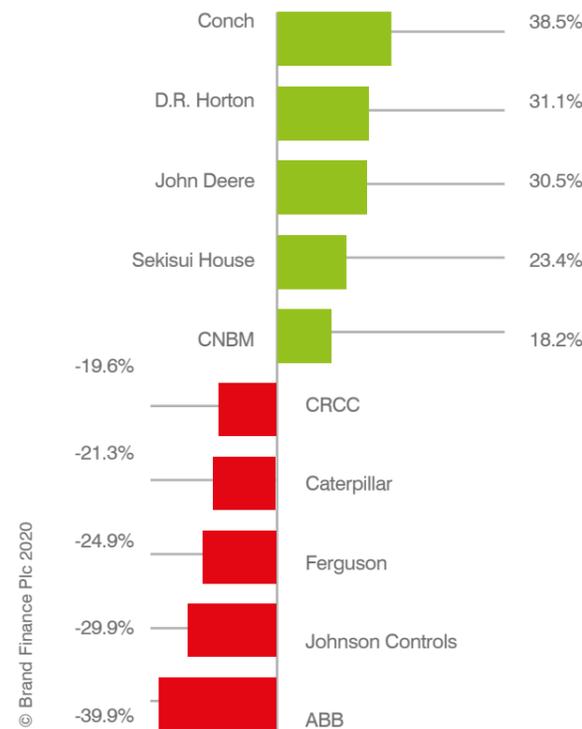
**China State Construction Engineering Corporation (CSCEC)** has overtaken **General Electric** (down 14% to US\$24.2 billion) to become the world's most valuable engineering & construction brand, despite recording a 3% drop in brand value to US\$24.8 billion.

CSCEC leads the way for a further 10 Chinese brands in the ranking, with a combined brand value of US\$89.4 billion, closing the gap behind US brands, which currently dominate the ranking, with 19 featuring with a combined brand value of US\$95.1 billion.

Entering the ranking for the first time, in 10<sup>th</sup> position, is **Power China** (brand value US\$7.7 billion). As one of China's biggest multinationals, **Power China** has established itself as a leading enterprise in the hydropower industry both on home soil and internationally.

Leading Chinese cement producer, **Conch**, is this year's fastest growing engineering & construction brand, recording

### Brand Value Change 2019-2020 (%)



## Top 10 Most Valuable Brands

	<b>1</b> ↑ 2		2020: \$24,820m 2019: \$25,673m	-3.3%
	<b>2</b> ↓ 1		2020: \$24,205m 2019: \$28,263m	-14.4%
	<b>3</b> ↑ 4		2020: \$20,057m 2019: \$21,607m	-7.2%
	<b>4</b> ↓ 3		2020: \$19,596m 2019: \$22,941m	-14.6%
	<b>5</b> ↑ 6		2020: \$14,449m 2019: \$13,905m	+3.9%
	<b>6</b> ↓ 5		2020: \$12,196m 2019: \$15,164m	-19.6%
	<b>7</b> ← 7		2020: \$11,306m 2019: \$11,653m	-3.0%
	<b>8</b> ↑ 14		2020: \$8,330m 2019: \$6,382m	+30.5%
	<b>9</b> ↑ 11		2020: \$7,901m 2019: \$7,730m	+2.2%
	<b>10</b> – NEW		2020: \$7,715m 2019: –	NEW

an impressive 39% brand value growth to US\$3.9 billion. The brand has continued to commission several global projects and celebrated solid revenue growth, which it has attributed to strong sales performances.

### John Deere bucks trend and enters top 10

Bucking the negative trend in the top 10 is Illinois-headquartered **John Deere**, recording a 31% brand value increase to US\$8.3 billion and simultaneously jumping 6 spots in the ranking from 14<sup>th</sup> to 8<sup>th</sup>.

Priding itself as a leader in the delivery of smarter, more efficient and sustainable solutions, the brand continues to strive towards innovative product development. Despite John Deere suffering from the repercussions of the US-China trade war and from the US farm industry slowdown, the brand celebrated record performances in its construction and forestry businesses, marking a record year for sales and operating profit.

### Siemens is sector's strongest

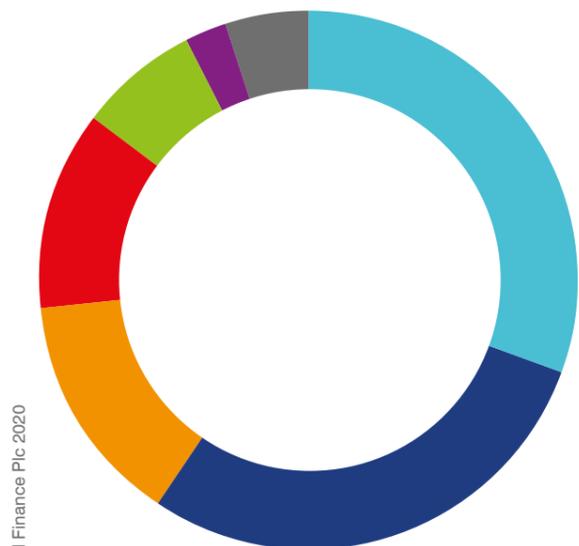
In addition to measuring overall brand value, Brand Finance determines the relative strength of

brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. According to these criteria, **Siemens** (down 7% to US\$20.1 billion) is the world's strongest engineering & construction brand with a Brand Strength Index (BSI) score of 85.2 out of 100 and a corresponding AAA brand strength rating.

The brand has committed to its Vision 2020+ strategy, focusing on growth in the fields of electrification, automation and digitalisation, and invested nearly €6 billion in R&D in 2019 alone. The brand has scored particularly well on the environment and governance score, a testament to the brand's environmental protection drive. CEO Joe Kaeser has announced that he hopes to bring forward its current 2030 CO2 neutrality target – a reflection of Siemens' success thus far.

This success as not come without its difficulties, however, demonstrated by the 7% drop in brand value to US\$20.1 billion. Siemens has cited the slowing European and global economy, paired with the slump in the car market, as key contributing factors towards dented profits and forecast revenue.

### Brand Value by Economy



Economy	Brand Value (USD bn)	% of total	Number of Brands
United States	95.1	31.0%	19
China	89.4	29.1%	11
Germany	43.6	14.2%	3
Japan	37.1	12.1%	7
France	21.7	7.1%	4
Switzerland	7.6	2.5%	2
Other	12.9	4.2%	4
<b>Total</b>	<b>307.3</b>	<b>100.0%</b>	<b>50</b>

### Top 10 Strongest Brands

<b>SIEMENS</b> <i>Ingenuity for life</i>	<b>1</b> ← 1		2020: <b>85.2</b> AAA 2019: <b>84.0</b> AAA-	<b>+1.2</b>
<b>JOHN DEERE</b>	<b>2</b> ← 2		2020: <b>82.3</b> AAA- 2019: <b>83.8</b> AAA-	<b>-1.5</b>
<b>BLACK+DECKER</b>	<b>3</b> ↑ 4		2020: <b>81.6</b> AAA- 2019: <b>80.9</b> AAA-	<b>+0.6</b>
<b>HITACHI</b> Inspire the Next	<b>4</b> ↑ 6		2020: <b>81.1</b> AAA- 2019: <b>79.9</b> AAA-	<b>+1.1</b>
	<b>5</b> ↓ 3		2020: <b>80.1</b> AAA- 2019: <b>82.3</b> AAA-	<b>-2.2</b>
<b>LARSEN &amp; TOUBRO</b>	<b>6</b> ↑ 9		2020: <b>79.1</b> AA+ 2019: <b>79.0</b> AA+	<b>+0.0</b>
<b>Carrier</b>	<b>7</b> ↑ 10		2020: <b>78.9</b> AA+ 2019: <b>79.0</b> AA+	<b>-0.1</b>
<b>BOSCH</b> Invented for live	<b>8</b> ↓ 5		2020: <b>78.8</b> AA+ 2019: <b>80.5</b> AAA-	<b>-1.7</b>
<b>CATERPILLAR</b>	<b>9</b> ↓ 8		2020: <b>78.4</b> AA+ 2019: <b>79.7</b> AAA-	<b>-1.3</b>
<b>KONE</b>	<b>10</b> – NEW		2020: <b>77.4</b> AA+ 2019: –	<b>NEW</b>



# Sector Reputation Analysis.

## Benchmarking against the very best

Every brand owner will want to compare brand equity against immediate competitors and peers. But broader benchmarking against brands across a range of categories provides a more rounded assessment of brand strength.

This perspective is also important as brand categories converge, with new technologies enabling disruption and brands seeking tactical entry into neighbouring categories, like a trusted supermarket offering financial or telecoms services (but are themselves under threat from Amazon and other disruptors).

Brand reputation is relatively straightforward to compare across sectors. This year's global and UK sector rankings from our B2C research are similar to the previous wave.

## Reputation dips slightly overall

On a like-for-like basis, reputation scores are lower this year, by a small margin. The average brand score fell from 6.6 to 6.45 out of 10. Categories where a poor reputation is the default position, such as utilities, telecoms, and banks, have failed to convince customers that they are consumer champions – and the average scores for brands in these categories reflects overall feelings towards brands: acceptance and appreciation, but rarely love and devotion.

## Autos lead the way

Car brands continue to enjoy strong reputations, both in the UK and globally. The sector also ranks first on other indicators, such as perceived quality, recommendation and word-of-mouth sentiment – people like talking about cars. Top brands are generally German, such as **Audi** (reputation score 7.6/10) and **BMW** (7.5), but **Jaguar** (7.5) competes strongly in its home market. Meanwhile there are few instances of brands with a really poor reputation – most cars nowadays are well-designed and equipped.

Importantly, the category enjoys a good reputation for being innovative – allowing century-old brands to be well-positioned to withstand the enormous disruption in mobility expected in the coming decade.

## Tech halo continues to shine in the UK

Consumers continue to hold the tech sector in high regard. This is true globally, even though reputation

## Sectors Ranked by Reputation

	<b>1</b> Auto	<b>7.0</b> <sub>/10</sub>
	<b>2</b> Tech	<b>6.8</b> <sub>/10</sub>
	<b>3=</b> Restaurants	<b>6.7</b> <sub>/10</sub>
	<b>3=</b> Apparel	<b>6.6</b> <sub>/10</sub>
	<b>5=</b> Retail	<b>6.6</b> <sub>/10</sub>
	<b>5=</b> Insurance	<b>6.5</b> <sub>/10</sub>
	<b>7</b> Airlines	<b>6.4</b> <sub>/10</sub>
	<b>8</b> Banks	<b>6.1</b> <sub>/10</sub>
	<b>9=</b> Utilities	<b>5.9</b> <sub>/10</sub>
	<b>10=</b> Telecoms	<b>5.9</b> <sub>/10</sub>

## Top Sectors per Metric

Metric	Top Sector
Reputation	 AUTO
Quality	 AUTO
Recommendation (NPS)	 AUTO
Loyalty	 TECH
Innovation	 TECH
Website/App	 TECH
Value for money	 RETAIL
OVERALL STAKEHOLDER EQUITY	 TECH

scores have fallen slightly – and in any case this small drop has not occurred in the UK. **Paypal** (8.0), **Netflix** (7.9 – up significantly vs. the previous year), **Amazon** and **Google** (7.6) continue to enjoy strong reputations and buzz – most brands would love to be in their position.

The implications are clear – brands in categories such as retail, media, banking and automotive will continue to be under constant threat of disruption from these tech giants, regardless of concerns about security, tax arrangements and other issues which some have. Hence Netflix's continued growth during the COVID-19 pandemic.

## Supermarkets are value champions

Supermarket brands seen as very reputable in most countries, though in the UK their ranking is only mid-table. They are category leaders in terms of delivering value for money, and for 'caring about the wider community', and it may be that their handling of the COVID-19 crisis may well result in an improvement in the next wave's scores. Consumers are well aware that supermarkets are out to make a profit – but the consumer verdict is that brands such as **Aldi** (68% 'great value'), **Lidl** (62%) and **Asda** (52%) charge fair prices.

Where supermarkets need to raise their game, perhaps, is in innovation. Online grocery shopping has had increasing profile and usage during the pandemic, and is increasingly routine and relied-on. Hence to be innovative means offering more than an efficient online platform – what else can supermarkets offer?

## Banks and Telcos Continue to Struggle

Banking brands and telecoms providers continue to struggle to earn the respect of consumers, both globally and in the UK. Telecoms providers are particularly poorly-perceived in the UK, with no dimension where they score even moderately well – rated lowest of all for overall reputation and quality of service (3.2 out of 5).

Banks fare a little better with some consumers acknowledging service delivery and ease of doing business. In addition, for national and regional brands especially, banks score reasonably well for 'care about the wider community' – a possible pillar for building a defence against encroachment from tech giants and fintech challenger brands.

# Brand Finance Engineering & Construction 50 (USD m).

## Top 50 most valuable engineering & construction brands 1-50

2020 Rank	2019 Rank	Brand	Economy	2020 Brand Value	Brand Value Change	2019 Brand Value	2020 Brand Rating	2019 Brand Rating
1	2	↑ CSCEC	China	\$24,820	-3.3%	\$25,673	AA-	AA-
2	1	↓ General Electric	United States	\$24,205	-14.4%	\$28,263	AAA-	AAA-
3	4	↑ Siemens	Germany	\$20,057	-7.2%	\$21,607	AAA	AAA-
4	3	↓ Bosch	Germany	\$19,596	-14.6%	\$22,941	AA+	AAA-
5	6	↑ Hitachi	Japan	\$14,449	+3.9%	\$13,905	AAA-	AAA-
6	5	↓ CRCC	China	\$12,196	-19.6%	\$15,164	AA-	AA-
7	7	↔ CRECG	China	\$11,306	-3.0%	\$11,653	A+	A
8	14	↑ John Deere	United States	\$8,330	+30.5%	\$6,382	AAA-	AAA-
9	11	↑ VINCI	France	\$7,901	+2.2%	\$7,730	AA+	AA
10	-	New POWERCHINA	China	\$7,715	-	-	AA-	-
11	9	↓ Honeywell	United States	🔒	🔒	🔒	🔒	🔒
12	10	↓ CRRC	China	🔒	🔒	🔒	🔒	🔒
13	15	↑ Saint-Gobain	France	🔒	🔒	🔒	🔒	🔒
14	16	↑ Daiwa House	Japan	🔒	🔒	🔒	🔒	🔒
15	12	↓ Caterpillar	United States	🔒	🔒	🔒	🔒	🔒
16	17	↑ CNBM	China	🔒	🔒	🔒	🔒	🔒
17	13	↓ MCC	China	🔒	🔒	🔒	🔒	🔒
18	18	↔ CCC	China	🔒	🔒	🔒	🔒	🔒
19	8	↓ ABB	Switzerland	🔒	🔒	🔒	🔒	🔒
20	21	↑ Carrier	United States	🔒	🔒	🔒	🔒	🔒
21	22	↑ Daikin	Japan	🔒	🔒	🔒	🔒	🔒
22	32	↑ D.R. Horton	United States	🔒	🔒	🔒	🔒	🔒
23	19	↓ Cummins	United States	🔒	🔒	🔒	🔒	🔒
24	28	↑ Larsen & Toubro	India	🔒	🔒	🔒	🔒	🔒
25	29	↑ Danaher	United States	🔒	🔒	🔒	🔒	🔒
26	27	↑ Schneider Electric	France	🔒	🔒	🔒	🔒	🔒
27	31	↑ Lennar	United States	🔒	🔒	🔒	🔒	🔒
28	26	↓ Hochtief	Germany	🔒	🔒	🔒	🔒	🔒
29	38	↑ Conch	China	🔒	🔒	🔒	🔒	🔒
30	25	↓ Samsung C&T	South Korea	🔒	🔒	🔒	🔒	🔒
31	24	↓ Mitsubishi Heavy Industries	Japan	🔒	🔒	🔒	🔒	🔒
32	33	↑ Otis	United States	🔒	🔒	🔒	🔒	🔒
33	41	↑ Sekisui House	Japan	🔒	🔒	🔒	🔒	🔒
34	35	↑ Eaton	United States	🔒	🔒	🔒	🔒	🔒
35	34	↓ CGGC	China	🔒	🔒	🔒	🔒	🔒
36	20	↓ Ferguson	United States	🔒	🔒	🔒	🔒	🔒
37	30	↓ International Paper	United States	🔒	🔒	🔒	🔒	🔒
38	37	↓ Eiffage	France	🔒	🔒	🔒	🔒	🔒
39	40	↑ Ingersoll Rand	United States	🔒	🔒	🔒	🔒	🔒
40	23	↓ Johnson Controls	United States	🔒	🔒	🔒	🔒	🔒
41	39	↓ Cemex	Mexico	🔒	🔒	🔒	🔒	🔒
42	36	↓ Holcim	Switzerland	🔒	🔒	🔒	🔒	🔒
43	42	↓ Oji	Japan	🔒	🔒	🔒	🔒	🔒
44	45	↑ Arconic	United States	🔒	🔒	🔒	🔒	🔒
45	-	New Kone	Finland	🔒	🔒	🔒	🔒	🔒
46	43	↓ ITW	United States	🔒	🔒	🔒	🔒	🔒
47	-	New Obayashi	Japan	🔒	🔒	🔒	🔒	🔒
48	44	↓ BLACK + DECKER	United States	🔒	🔒	🔒	🔒	🔒
49	46	↓ Grainger	United States	🔒	🔒	🔒	🔒	🔒
50	-	New CNNC	China	🔒	🔒	🔒	🔒	🔒



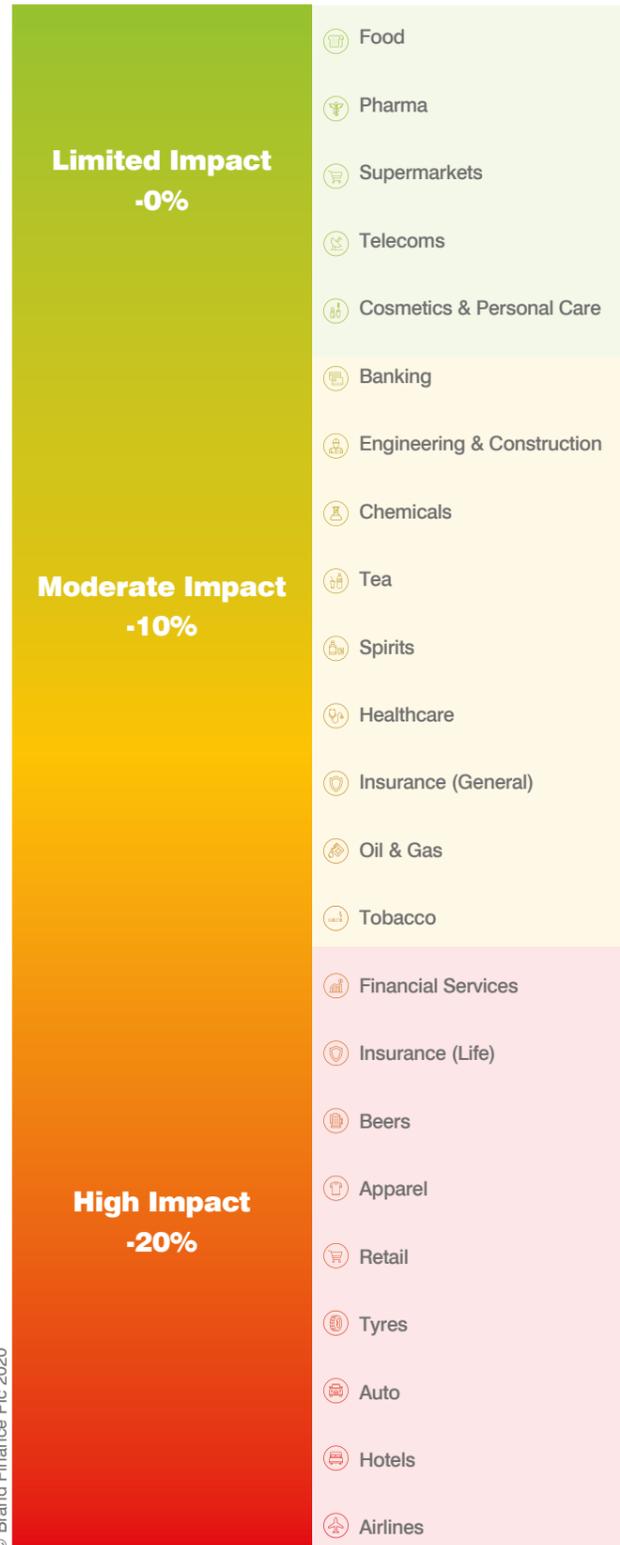
# COVID-19 Global Impact Analysis.



## Companies likely to lose up to \$1tn in Brand Value as Direct Impact of COVID-19 Outbreak, Effects to be Felt Well into Next Year.

- + Worst hit industries: aviation, oil & gas, tourism & leisure, restaurants, retail
- + Brand Finance has measured levels of business impact categorised by: limited impact, moderate and worst hit
- + International aviation, airlines and airports to be worst affected by Coronavirus outbreak, with measures of social distancing, closure of borders, advice against travel
- + Home delivery apps, online video conferencing platforms, digital media see surge in demand from remote working revolution

## Brand Value at Risk



## Up to US\$1 trillion estimated brand value loss from COVID-19 globally

The brand value of the world's biggest companies is set to lose an estimated US\$1tn as a result of the Coronavirus outbreak, with the aviation sector being the most affected. The 2003 SARS outbreak, which infected about 8,000 people and killed 774, cost the global economy an estimated US\$50 billion. As of 14<sup>th</sup> May 2020, there have been 4,466,625 cases and 299,483 deaths of COVID-19 confirmed worldwide. Global spread has been rapid, with 146 countries now having reported at least one case.

Brand Finance has assessed the impact of COVID-19 on brands based on the effect of the outbreak on enterprise value, compared to what it was on 1<sup>st</sup> January 2020. The likely impact on brand value was estimated separately for each sector. The industries have been classified into three categories – limited impact (minimal brand value loss or potential brand value growth), moderate impact (up to 10% brand value loss), and heavy impact (up to 20% brand value loss) – based on the level of brand value loss observed for each sector in the first quarter of 2020.

**The COVID-19 pandemic is now a major global health threat and its impact on global markets is very real. Worldwide, brands across every sector need to brace themselves for the Coronavirus to massively affect their business activities, supply chain and revenues in a way that eclipses the 2003 SARS outbreak. The effects will be felt well into 2021.**

**David Haigh,**  
CEO, Brand Finance

## Work from home revolution

Brands offering in-home or remote working solutions have observed an immediate uptick in demand, as multiple **Zoom** online video conferencing platform prompted huge demand for workable solutions

Food delivery apps **Deliveroo** and **UberEats**, now offering contact-free delivery options whereby a food delivery is conveniently left on your doorstep so as not to encourage contact between customer and delivery driver, have also seen a huge surge in demand for their services.

## Media and film industry feel effects

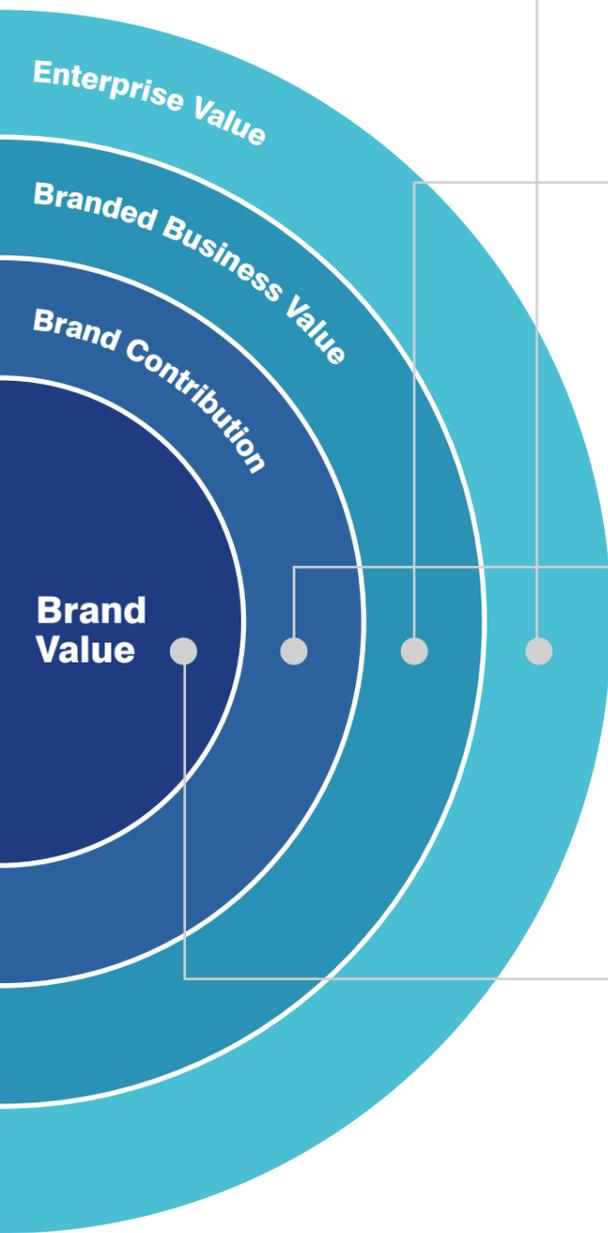
Film production and promotion schedules have been affected by the outbreak, with **Disney** pushing back the release of its remake of *Mulan* as well as *The New Mutants*, part of the *X-Men* franchise. The effects of social distancing have meant more viewers watching TV, however **Netflix** has had to suspend production on all scripted series and films in the US and Canada. As massive televised sports events and festivals such as Glastonbury being cancelled, TV executives will be feeling the strain of providing fresh and watchable content.

**However it is not all doom and gloom. Some brands will fare better under COVID-19: Amazon, Netflix, WhatsApp, Skype, BBC and BUPA are all booming.**

**David Haigh,**  
CEO, Brand Finance



# Definitions.



## Brand Value



[United Technologies]

**+ Enterprise Value**  
**The value of the entire enterprise, made up of multiple branded businesses.**

Where a company has a purely mono-branded architecture, the 'enterprise value' is the same as 'branded business value'.



[Carrier]

**+ Branded Business Value**  
**The value of a single branded business operating under the subject brand.**

A brand should be viewed in the context of the business in which it operates. Brand Finance always conducts a branded business valuation as part of any brand valuation. We evaluate the full brand value chain in order to understand the links between marketing investment, brand-tracking data, and stakeholder behaviour.



[Carrier]

**+ Brand Contribution**  
**The overall uplift in shareholder value that the business derives from owning the brand rather than operating a generic brand.**

The brand values contained in our league tables are those of the potentially transferable brand assets only, making 'brand contribution' a wider concept. An assessment of overall 'brand contribution' to a business provides additional insights to help optimise performance.



[Carrier]

**+ Brand Value**  
**The value of the trade mark and associated marketing IP within the branded business.**

Brand Finance helped to craft the internationally recognised standard on Brand Valuation – ISO 10668. It defines brand as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

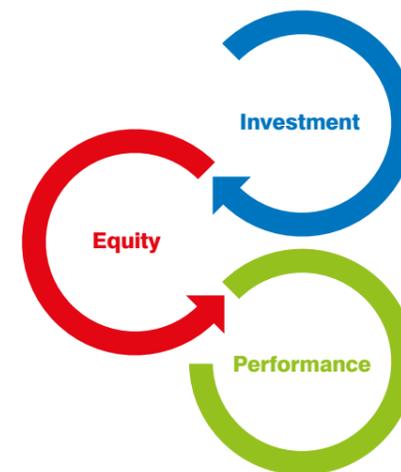
## Brand Strength

**Brand Strength is the efficacy of a brand's performance on intangible measures, relative to its competitors.**

In order to determine the strength of a brand, we look at Marketing Investment, Stakeholder Equity, and the impact of those on Business Performance.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.



### Marketing Investment

- A brand that has high Marketing Investment but low Stakeholder Equity may be on a path to growth. This high investment is likely to lead to future performance in Stakeholder Equity which would in turn lead to better Business Performance in the future.
- However, high Marketing Investment over an extended period with little improvement in Stakeholder Equity would imply that the brand is unable to shape customers' preference.

### Stakeholder Equity

- The same is true for Stakeholder Equity. If a company has high Stakeholder Equity, it is likely that Business Performance will improve in the future.
- However, if the brand's poor Business Performance persists, it would suggest that the brand is inefficient compared to its competitors in transferring stakeholder sentiment to a volume or price premium.

### Business Performance

- Finally, if a brand has a strong Business Performance but scores poorly on Stakeholder Equity, it would imply that, in the future, the brand's ability to drive value will diminish.
- However, if it is able to sustain these higher outputs, it shows that the brand is particularly efficient at creating value from sentiment compared to its competitors.

# Brand Valuation Methodology.

Brand Finance calculates the values of the brands in its league tables using the Royalty Relief approach – a brand valuation method compliant with the industry standards set in ISO 10668.

This involves estimating the likely future revenues that are attributable to a brand by calculating a royalty rate that would be charged for its use, to arrive at a 'brand value' understood as a net economic benefit that a licensor would achieve by licensing the brand in the open market.

## The steps in this process are as follows:

- 1 Calculate brand strength using a balanced scorecard of metrics assessing Marketing Investment, Stakeholder Equity, and Business Performance. Brand strength is expressed as a Brand Strength Index (BSI) score on a scale of 0 to 100.
- 2 Determine royalty range for each industry, reflecting the importance of brand to purchasing decisions. In luxury, the maximum percentage is high, in extractive industry, where goods are often commoditised, it is lower. This is done by reviewing comparable licensing agreements sourced from Brand Finance's extensive database.
- 3 Calculate royalty rate. The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
- 4 Determine brand-specific revenues by estimating a proportion of parent company revenues attributable to a brand.
- 5 Determine forecast revenues using a function of historic revenues, equity analyst forecasts, and economic growth rates.
- 6 Apply the royalty rate to the forecast revenues to derive brand revenues.
- 7 Brand revenues are discounted post-tax to a net present value which equals the brand value.



### Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

# Market Research Methodology.

Brand Finance conducted original market research in 10 sectors across 29 markets with a sample size of over 50,000 adults, representative of each country's internet population aged 18+. Surveys were conducted online during autumn 2019.



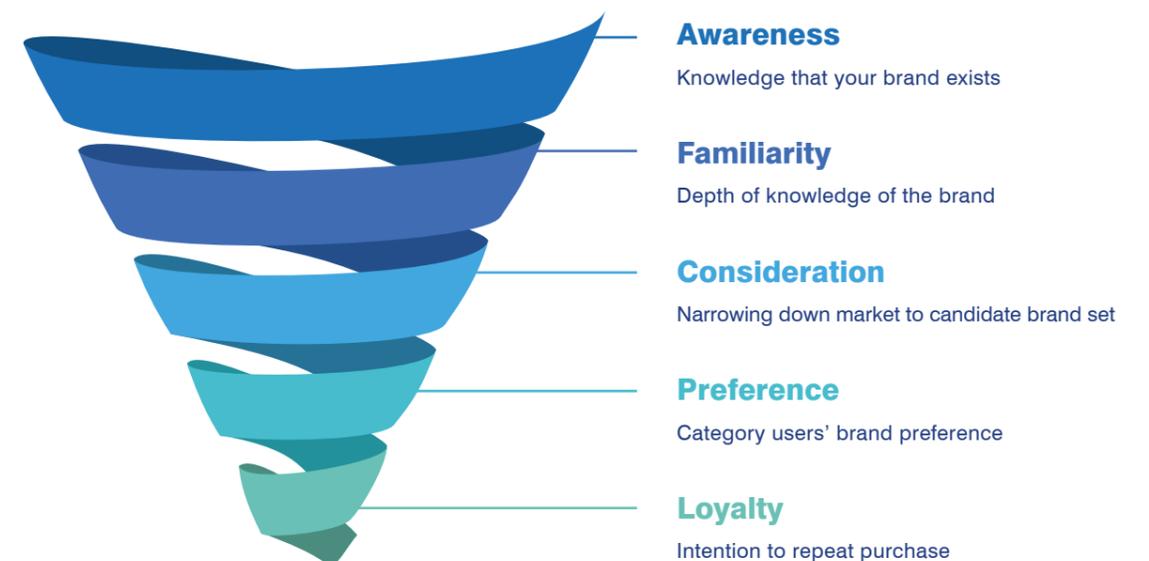
# Stakeholder Equity Measures.

## Key Metrics

- + Reputation
- + Innovation
- + Value for Money
- + Emotional Fit
- + Recommendation
- + Quality etc.

## Brand conversion funnel

The brand conversion funnel is a way of summarising the likely strength of a brand to convert to purchase.



# Consulting Services.





MARKETING



FINANCE



TAX



LEGAL

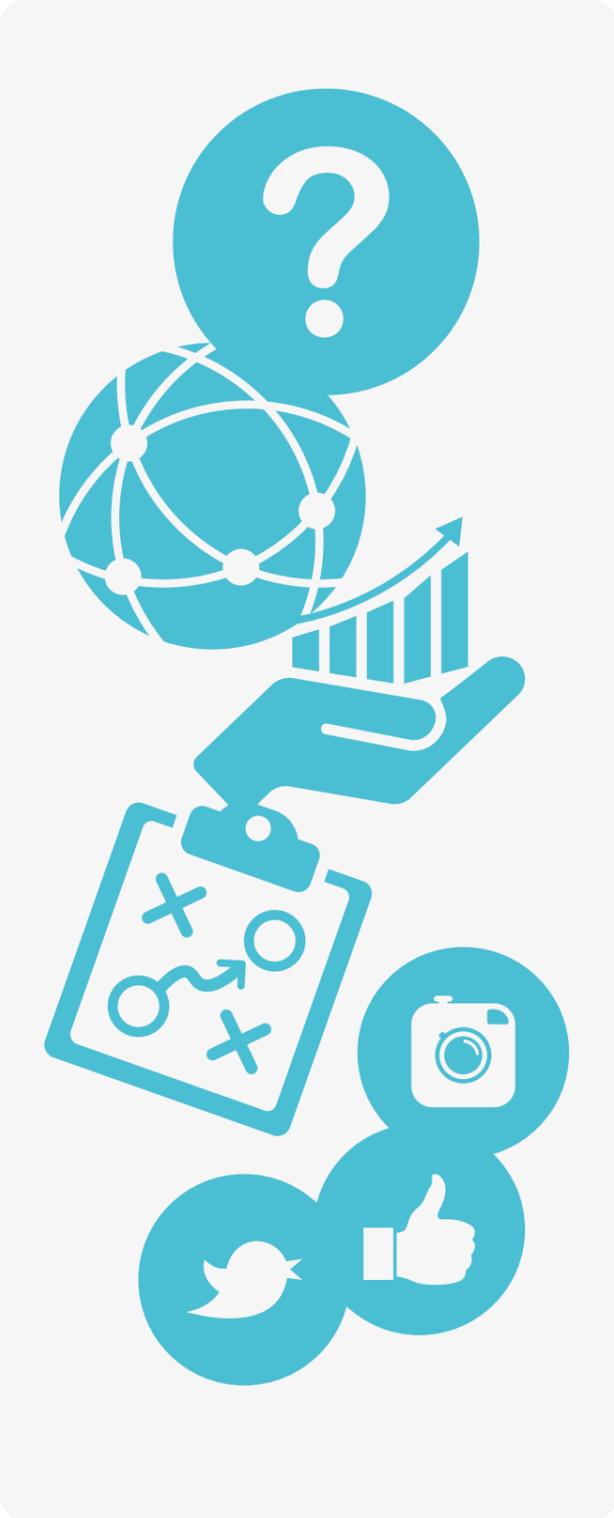
We help marketers to connect their brands to business performance by evaluating the return on investment (ROI) of brand-based decisions and strategies.

We provide financiers and auditors with an independent assessment on all forms of brand and intangible asset valuations.

We help brand owners and fiscal authorities to understand the implications of different tax, transfer pricing, and brand ownership arrangements.

We help clients to enforce and exploit their intellectual property rights by providing independent expert advice in- and outside of the courtroom.

# Brand Evaluation Services.



## How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

## What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

## Do I have the right brand architecture or strategy in place?

Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

## How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

## What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.

# Communications Services.

## How we can help communicate your brand's performance in brand value rankings



**Brand Accolade** – create a digital endorsement stamp for use in marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.



**TOP 50  
ENGINEERING & CONSTRUCTION  
BRAND**



**MOST VALUABLE  
ENGINEERING & CONSTRUCTION  
BRAND**



**STRONGEST  
ENGINEERING & CONSTRUCTION  
BRAND**



**Video Endorsement** – record video with Brand Finance CEO or Director speaking about the performance of your brand, for use in both internal and external communications.



**Bespoke Events** – organise an award ceremony or celebratory event, coordinate event opportunities and spearhead communications to make the most of them.



**Digital Infographics** – design infographics visualising your brand's performance for use across social media platforms.



**Trophies & Certificates** – provide a trophy and/or hand-written certificate personally signed by Brand Finance CEO to recognise your brand's performance.



**Sponsored Content** – publish contributed articles, advertorials, and interviews with your brand leader in the relevant Brand Finance report offered to the press.



**Media Support** – provide editorial support in reviewing or copywriting your press release, pitching your content to top journalists, and monitoring media coverage.

# Brand Dialogue<sup>®</sup>



## Value-Based Communications

With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value. Our approach is integrated, employing tailored solutions for our clients across PR, marketing and social media.

### SERVICES

- Research and Insights
- Integrated Communications Planning
- Project Management and Campaign Execution
- Content and Channel Strategy
- Communications Workshops

For more information, contact [enquiries@brand-dialogue.co.uk](mailto:enquiries@brand-dialogue.co.uk) or visit [www.brand-dialogue.co.uk](http://www.brand-dialogue.co.uk)

Brand Dialogue is a member of the Brand Finance plc group of companies



## BRAND EXCHANGE<sup>®</sup>

WHERE BRANDS MEET FINANCE

### BECOME A MEMBER TODAY

A CONTEMPORARY AND EXCLUSIVE  
MEMBERS' CLUB  
IN THE HEART OF THE CITY OF LONDON

CHARACTERFUL SPACE  
MEETINGS  
PRIVATE EVENTS

MEMBERS' EVENTS  
with  
FOCUS ON MARKETING  
&  
BRANDING

DISCOUNTED  
ROOM HIRE  
for  
MEMBERS

3 Birchin Lane, London, EC3V 9B +44 (0)207 389 9410 [enquiries@brandexchange.com](mailto:enquiries@brandexchange.com)

Brand Exchange is a member of the Brand Finance plc group of companies

# Brand Finance Network.

For further information on our services and valuation experience, please contact your local representative:

Market	Contact	Email	Telephone
Africa	Jeremy Sampson	j.sampson@brandfinance.com	+27 82 885 7300
Asia Pacific	Samir Dixit	s.dixit@brandfinance.com	+65 906 98 651
Australia	Mark Crowe	m.crowe@brandfinance.com	+61 282 498 320
Canada	Charles Scarlett-Smith	c.scarlett-smith@brandfinance.com	+1 514 991 5101
Caribbean	Nigel Cooper	n.cooper@brandfinance.com	+1 876 825 6598
China	Scott Chen	s.chen@brandfinance.com	+86 186 0118 8821
France	Bertrand Chovet	b.chovet@brandfinance.com	+33 6 86 63 46 44
Germany	Holger Muehlbauer	h.muehlbauer@brandfinance.com	+49 151 54 749 834
India	Ajimon Francis	a.francis@brandfinance.com	+91 989 208 5951
Indonesia	Jimmy Halim	j.halim@brandfinance.com	+62 215 3678 064
Ireland	Simon Haigh	s.haigh@brandfinance.com	+353 087 669 5881
Italy	Massimo Pizzo	m.pizzo@brandfinance.com	+39 02 303 125 105
Japan	Jun Tanaka	j.tanaka@brandfinance.com	+81 90 7116 1881
Mexico & LatAm	Laurence Newell	l.newell@brandfinance.com	+52 55 9197 1925
Middle East	Andrew Campbell	a.campbell@brandfinance.com	+971 508 113 341
Nigeria	Tunde Odumeru	t.odumeru@brandfinance.com	+234 012 911 988
Romania	Mihai Bogdan	m.bogdan@brandfinance.com	+40 728 702 705
Spain	Teresa de Lemus	t.delemus@brandfinance.com	+34 654 481 043
Sri Lanka	Ruchi Gunewardene	r.gunewardene@brandfinance.com	+94 11 770 9991
Turkey	Muhterem Ilgüner	m.ilguner@brandfinance.com	+90 216 352 67 29
UK	Richard Haigh	rd.haigh@brandfinance.com	+44 207 389 9400
USA	Laurence Newell	l.newell@brandfinance.com	+214 803 3424
Vietnam	Lai Tien Manh	m.lai@brandfinance.com	+84 90 259 82 28





## Contact us.

---

**The World's Leading Independent Brand Valuation Consultancy**

**T:** +44 (0)20 7389 9400

**E:** [enquiries@brandfinance.com](mailto:enquiries@brandfinance.com)

[www.brandfinance.com](http://www.brandfinance.com)