

THE FORTUNE 500 DOUBLE ISSUE

# FORTUNE

JUNE 15, 2017  
ASIA PACIFIC  
EDITION  
NUMBER 8

FORTUNE.COM



**RANKING**

# AMERICA'S BIGGEST COMPANIES

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**HOW TESLA**  
WON OVER  
CHINA

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**THE 'DISNEY'**  
OF VIDEO  
GAMES

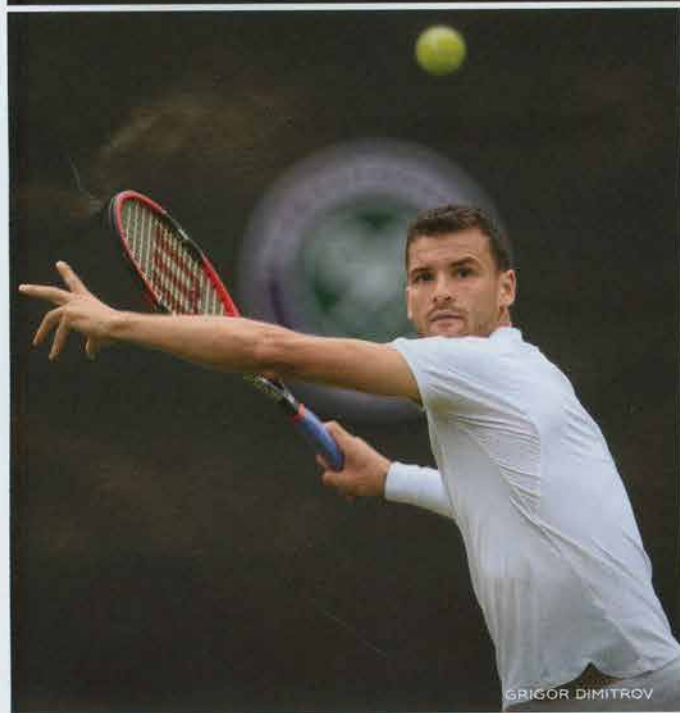
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▼  
**GOLDMAN SACHS**  
WANTS ITS  
MOJO BACK

+

**STARBUCKS'**  
NEW BREW.  
**BERKSHIRE'S**  
NEW HIGH.





GRIGOR DIMITROV



ANGÉLIQUE KERBER



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THE ALL ENGLAND LAWN TENNIS CLUB, LONDON  
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OYSTER PERPETUAL DATEJUST 41



ROLEX

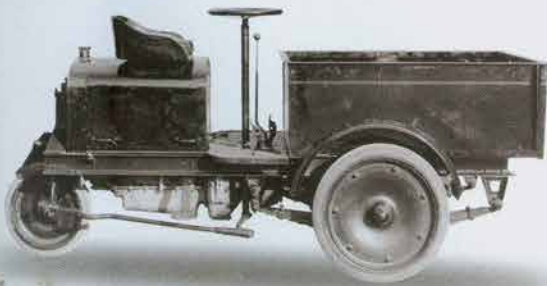
Logo of the Ministry of Education, Youth and Sports of Thailand, featuring a blue emblem with a crown and Thai text. Below the emblem, the text reads "กระทรวงศึกษาธิการ" and "9 มิ.ย. 2560".



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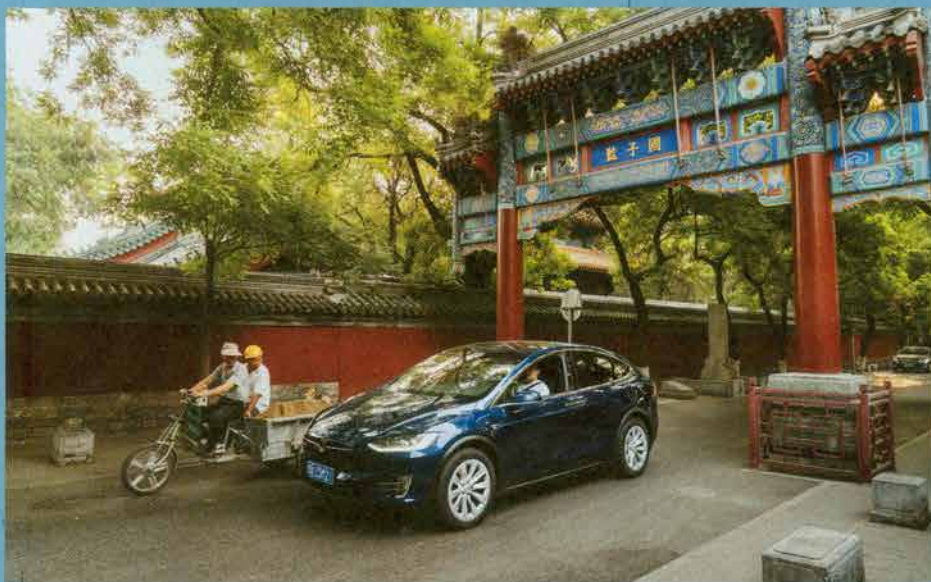
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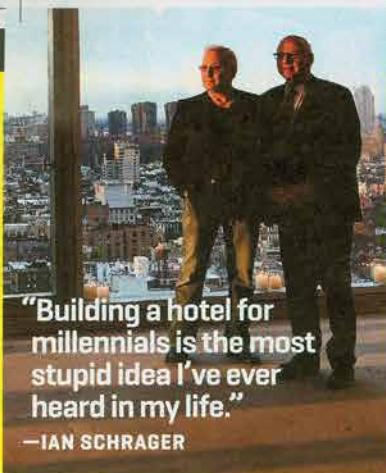
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# REBEL TERRITORY

**NO ONE WOULD LOOK AT ELON MUSK**, the boyish 45-year-old cofounder and CEO of Tesla, and think, “Establishment guy!” Consider for evidence this tidbit: In anticipation of its annual shareholders meeting on June 6, Tesla tweeted out a request for questions that its chief executive could answer. One guy asked, “Boxers or briefs?” To which Musk replied, “Wearing anything at all is just a conspiracy by the capitalist running dogs of Big Underwear.”

As I said, not exactly establishment. So the fact that Tesla, one of several innovative companies that Musk is juggling, is now a newly minted member of the 500 Club—arriving for the first time this year on *Fortune*’s annual register of the biggest U.S. companies—might strike some as a curious, if marvelous, oddity: the brash, antiestablishment carmaker parked in one of the reserved spaces for America’s corporate elite.

Cool beans.

Some, no doubt, felt the same surprise when Reed Hastings’s Netflix knocked on the club doors two years ago. Or in 2013, when a tee-clad Mark Zuckerberg showed up with the social media dominion he had founded just nine years earlier. Or in 2006, when a couple of cerebral Stanford grads, Larry Page and Sergey Brin, crashed through the 500’s gates with their oogley-named web-searching phenom.

That year Google, which made its debut at No. 353, had a respectable \$6 billion in revenue. This year, in its 12th appearance, the company (rechristened Alphabet) clocks in with \$90 billion in revenue, whisking it up to No. 27.

Which brings me to the secret of this

elite, Ivy-strewn estate. The *Fortune* 500 has always been a destination for radical thinkers, stargazing inventors, and slightly disheveled entrepreneurs.

It was true back in 1960, in the sixth iteration of the list, when a camera company called Polaroid just barely made the cut. Founder Edwin Land, by then 51 years old, was to many an “aloof, authoritarian” chief executive, hell-bent on overtaking the far bigger Eastman Kodak (then ranked No. 45). But the inventor who had first caught *Fortune*’s eye more than two decades earlier was someone else: a rebellious physics genius, not yet 30, who “never took the trouble to graduate from Harvard” and who had started a small company in a cellar on Boston’s Dartmouth Street. “Student Land had a shock of black hair, dark piercing eyes, a jerky manner, and a sophisticated but incurable enthusiasm about almost everything in the world but especially about a light polarizer that he had devised in his teens in a rudimentary home laboratory,” we said in a 1938 profile.

One by one they came—daring, upstart free enterprisers who pulled and dragged America to the front of a new

global techno-industrial age. And together they built the *Fortune* 500, as if brick by brick: William Redington Hewlett and David Packard got their eponymous printer company on the list in 1962; then came Joseph Wilson’s Xerox in 1963, Gordon Moore’s Intel in 1979, and then, of course, two guys named Steve.

Founded by Steve Jobs and Steve Wozniak, Apple first appeared on our famed roster in 1983, having gone from California garage to the front door of American business in a mere seven years. Today, with \$216 billion in 2016 revenue and a staggering \$46 billion in profit, Apple is as much the world’s company as it is America’s. Just as Tesla is, for that matter (see “Tesla Makes a U-Turn in China” on page 48). And just as virtually all of the *Fortune* 500 are. (Together, these companies had revenue of \$12.1 trillion in 2016, a significant share of which derived from outside the U.S.)

As mighty as they may be, though, they all sprouted from someone’s irrepressible, radical idea—which is to say: They were all invented.

Welcome to the *Fortune* 500, the home of the new thinkers. ■

**CLIFTON LEAF**  
Editor-in-Chief, *Fortune*  
@CliftonLeaf



THE  
WORLD IN  
7  
PAGES

# BRIEFING

1  
PAGE

JUNE 15, 2017

Amid the retail wreckage, some chains are still drawing crowds.



## The Death of Retail Is Greatly Exaggerated

The industry took a dive on this year's *Fortune* 500 list, but its vitals are still strong. BY PHIL WAHBA

### CLOSER LOOK

IT'S NOT EVEN HALF OVER, and 2017 has already been a year for the record books for traditional retailers. Just not in the way they would like.

National brands like J.C. Penney, Macy's, and Sears kicked off the year by reporting awful holiday season results—and then announcing hundreds of store closings. Big names from Ralph Lauren to Staples followed suit, bringing the number of national chains' store closings to >>



▷▷ a whopping 2,770 as of mid-May. Credit Suisse in April forecast that 2017 would see the highest number of closures since the Great Recession.

Then there are the bankruptcies, including once-vibrant chains like the Limited, Payless ShoeSource, and RadioShack. As of early May, S&P Global Market Intelligence tallied a record 18 retail bankruptcies, already matching the total for all of 2016. The carnage is on full display in the new *Fortune* 500 list: Household names like Macy's, Sears, and Kohl's all took tumbles down the list, as did other struggling chains like GameStop (falling 19 spots, to 321) and Dillard's

(which fell 37, to 417).

Symptoms of an industry-wide meltdown? Well, not exactly. Retail industry spending in the first four months of the year rose 3.6% compared with the same period in 2016, according to Department of Commerce data. The National Retail Federation expects that growth to pick up even more this year, thanks to low unemployment and a strong stock market.

But the way consumers spend has changed, perhaps irrevocably. And for stores that can't adapt, there's likely to be more pain ahead.

One of the biggest problems is shoppers' discount addiction. The rise of Amazon and of smartphones as

shopping tools has pitted retailers against one another in a never-ending price war and put unbearable pressure on the least capable outlets.

The shift online has also meant less need for America's sprawling malls and megastores. The U.S. has almost twice the retail square footage per capita of Europe, creating unsustainable oceans of store space. Just as bad? Many retailers' supply chains are out of date, leaving them unable to keep up with consumers' fast-changing and localized tastes.

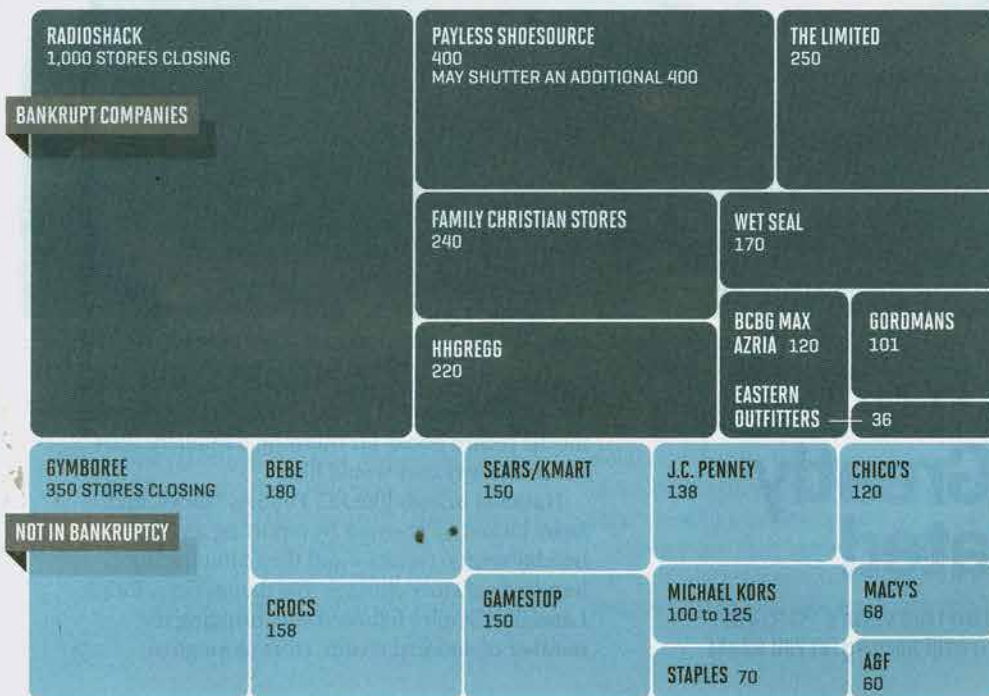
A closer look at the chaos, however, will show that the companies hurting worst have a lot in common: A disproportionate amount of the suffering has afflicted

apparel chains and department stores, many of which are selling undifferentiated products (basic T-shirts and jeans for everyone!). Chains that were scooped up during the recession by private equity firms, and loaded with crippling debt loads, were also hard hit. (Looking at you, Neiman Marcus.) It's difficult for these companies to pay interest expenses, let alone invest in e-commerce or improve their stores.

But despite the dour headlines, some retailers are doing quite well—Walmart, Home Depot, Costco, T.J. Maxx, and Best Buy among them. These companies have evolved with consumers, remaking their stores, while creating robust e-commerce platforms. (See more on this topic on page 27.) Walmart, for instance, offers discounts on online orders if they're picked up in-store—encouraging “add-on” shopping. And Best Buy is reinventing itself as a place to get expert advice on smart homes and more sophisticated services.

Make no mistake, many large national chains face grim futures. But look beyond clothing chains and department stores and you'll see a pretty healthy industry. What seems like a retail-pocalypse is really a shift in where and how consumers shop. “Retail has gone through periods of creative destruction before,” says Joel Bines, a managing director at consulting firm AlixPartners. In the end, the companies left standing may emerge stronger than ever.

## STORE CLOSURES ANNOUNCED IN 2017





# ANALYTICS: SEEING TRENDS IN THE DATA

- METRO AREA WHERE SUBURBS GREW MORE THAN THE PRIMARY CITY
- AREA WHERE CITY GREW MORE THAN THE SUBURBS

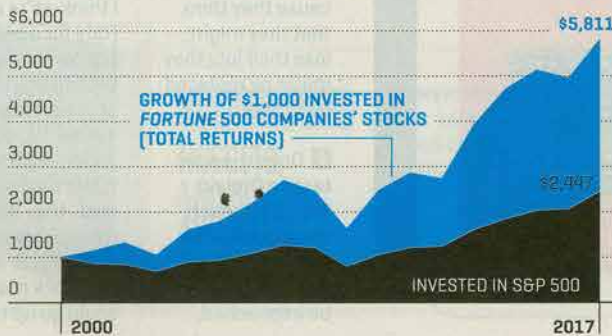
## ■ MIGRATION SORRY, URBANITES: PEOPLE STILL LOVE SUNBELT SUBURBS

This decade, Americans were supposed to flock en masse to cities—and for the first five years they did, reversing suburbs’ historic surge in prior years. But according to new data, in 2016 suburbs’ population gains outpaced cities’ for the first time since 2010. The Sunbelt’s suburbs grew the fastest, far surpassing the Snowbelt’s cities (and its suburbs). To be sure, this is just one bad year for cities: It could be a blip—or it could be a return to old habits.



## ■ BIG BUSINESS IF YOU BET ON THE FORTUNE 500, YOU BEAT THE MARKET

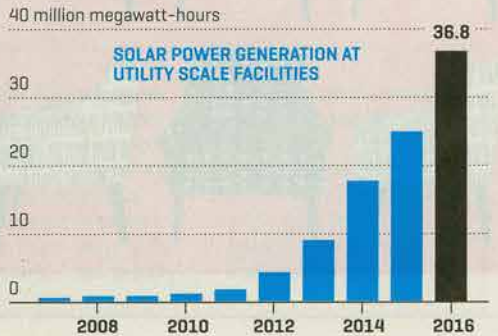
LET'S SAY YOU BOUGHT \$2 worth of stock of every company on the Fortune 500 list in 2000, for \$1,000. Then in 2001 you sold it all and reinvested your gains, again buying an equal amount of every stock on that year's list—and repeated the process annually until 2017. Your Fortune 500 portfolio would have lapped the S&P, earning 481%.



SOURCES: BLOOMBERG; FACTSET RESEARCH SYSTEMS

## ■ ENERGY SOLAR POWER BOOMS

PRESIDENT TRUMP may have pulled the U.S. out of the Paris Agreement, but renewables already have a foothold in America's energy landscape. Solar power generation has soared in recent years and is more competitive than ever with fossil fuels.



SOURCE: EIA



## BRIEFING

# Get Ready for Fast Furniture

The consumer thirst for the latest trends remade the fashion industry—home goods are next. BY ERIN GRIFFITH

## TECHNOLOGY

BY VIRTUE of its inventory, the furniture industry is a bit clunky. But it's about to get a lot nimbler, thanks to technological breakthroughs and shifting consumer demands.

Today's home-goods shoppers want the same things they want from their clothing retailers: speed, affordability, and wide selections. Disruptive "fast fashion" chains like Zara and H&M have trained consumers to expect up-to-the-minute trends. Now people approach decorating their home "very similarly to how they engage with their wardrobes," says Noa Santos, CEO and cofounder of Homepolish, an on-demand interior design service. "A space is never really done." Plus, the idea of waiting eight weeks for a couch delivery seems absurd, especially to younger consumers.

The shift has created an opening for upstarts like Cloth & Company, which launched in 2016. Taking advantage of advances in digital textile-printing technology, the company custom-prints fabrics in-house in a matter of days. That means Cloth & Company holds no inventory, takes more design risks, and can spin up partnerships with retailers like Target and Amazon in a matter of a month, says cofounder Meganne Wecker.

For incumbent furniture players, particularly at the high end, the challenge will be streamlining operations, more than improving design. Most people can't tell the difference between a \$15,000 Eames lounge chair and a \$2,000 replica—especially on Instagram.



On-trend sample chairs by the on-demand furniture startup, Cloth & Company.



## THE Q&amp;A

## A STOCK-MARKET SKEPTIC EYES THE TRUMP BUMP

NOBEL LAUREATE **ROBERT SHILLER**, FAMED FOR HIS CLAIRVOYANCE, TELLS FORTUNE'S JEN WIECZNER WHY IT'S TOO SOON TO PANIC.

**1** You saw the dotcom bubble coming early. Do you see similar warnings today? The market doesn't seem as excited now. I think people are more anxious and worried. Paradoxically, it may be helping support the markets. People might buy stocks because they think that they might lose their job; they might be replaced by a robot.

**2** Does the specter of a Donald Trump impeachment pose a risk to markets? If Trump were to be impeached,

that seems to me such an intense thing. I think it would hurt the stock market. I think we'd have real anger and protests.

**3** The stock market's volatility has remained extremely low. Why? Volatility hasn't been high in times of war. Similarly now, I think all of this talk about Donald J. Trump might be just distracting people from the market and perversely making volatility low. If we had an impeachment, that would make markets volatile.

**4** What's your outlook on the market now? I would say it's overall overvalued, but not extremely so. I know from my own survey data, people in America think that the stock market is high. People still don't have extravagant expectations, so I think we're not [due for a bursting bubble] yet. Even technology stocks appear undervalued. We could go for years with home prices going up as they have, 4% or 5% a year, since 2012. And the stock market could go up too.



# Tourists: China's New Political Weapon

When you cross Beijing, the danger isn't that the Chinese will come pay you a visit—it's that they won't. BY CLAY DILLOW



Chinese sightseers brave the elements but heed Beijing's travel warnings.

**TOURISM** WHEN THE first pieces of a controversial missile-defense system arrived in South Korea early this spring, China—which opposes its installation—responded with a weapon of its own: its tourists.

Within days after the equipment arrived, Chinese tour operators began canceling trips and packages that would have sent travelers to South Korea, resulting in a 66% decrease in Chinese

visitors to the country in April alone.

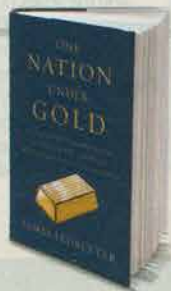
South Korea isn't the only target. Hong Kong, Taiwan, Vietnam, and Japan have all experienced varying degrees of Beijing's cruise ship diplomacy. It usually comes in the form of warnings from China's tourism agency, bad press from state media, and messages to travel agents. The losses are potentially high: Some 133 million Chinese tourists spent \$261 billion

abroad last year, up 20.2% over the year prior.

Beijing encourages its citizens to travel abroad and wields their spending as both a carrot and a stick. Last year Taiwan and Hong Kong saw significant declines in Chinese visitors—16% and 7%, respectively—that corresponded with moments of international tension. For example, after a more nationalist Taiwanese President came to power in May,

year-over-year mainland tourism dropped nearly 30% in five months. Tourism numbers tend to rebound as tensions relax.

In South Korea, though, the pain continues. Chinese travelers (who account for half of its foreign visitors) booked 28% fewer stays between four and eight nights in the second quarter of 2017, according to data firm ForwardKeys. At least Bali is nice this time of year.



## BOOK VALUE

**NUGGETS,  
AND BULLION,  
AND BILLS,  
OH MY!**

**AMERICA HAS A THING** for gold. [Exhibit A: the new curtains in the Oval Office.] *Inc.* magazine editor James Ledbetter chronicles this national romance with metal in his new book, *One Nation*

*Under Gold*, a surprisingly readable history of U.S. monetary policy. Starting with America's earliest currencies [before greenbacks took over, there were "shin-plasters," "stump tails,"

and "smooth monkeys"], the book traces the chaotic end of the gold standard and dissects our modern obsession with trying to bring it back. The persuasive conclusion? Don't.





## DEBRIEF

## LIFE, ACCORDING TO MARTHA

*Fortune* caught up with the lifestyle goddess for her thoughts on the state of American work and play. Watch the full interview on [Fortune.com](http://Fortune.com).

## ON THE INTERNET

I thought it was going to save us so much time to do so many other things. Instead it is a huge time waster.

## ON SNOOP DOGG

Snoop and I are creating a new genre of TV with *Martha & Snoop's Potluck Dinner Party*. I met him on my show, and he was a fun guest, cooking brownies, of course. [I do not partake of what he's partaking of.]

## ON HOW TO MAKE IT

Baby, don't cry. Don't cry, don't whine, and don't kvetch.

## ON PRISON

I have a lot to say about it. I've been waiting to write about it. I will be doing that soon.

## INNOVATION

## Titans of Business Think Small

In this innovate-or-die era, the *Fortune* 500 turn their eyes to startups for inspiration.

BY VALENTINA ZARYA

A ROBUST startup ecosystem seems to be working for Silicon Valley, so why not the rest of us? Walmart (No. 1 on the 2017 *Fortune* 500 list) launched its first technology incubator in March, becoming the latest company with not just a skunkworks (though it has one of those too), but also a Bay Area-style incuba-

tor, accelerator, or lab.

Since 1943, when Lockheed Martin launched the original corporate Skunk Works (that's still the name of its Advanced Development Programs division), corporations have sought to mimic upstarts' nimbleness with in-house projects that are separated from the bureaucracy of the larger company. Alphabet's Google X may be the buzziest example, but Coca-Cola, Deloitte, Lowe's, and Target are all running their own similarly minded entrepreneurial initiatives.

Several *Fortune* 500 names have also set up independent investing shops to get a piece of early-stage firms on the outside. Intel Capital, Google Ventures, and Salesforce Ventures were the most active corporate VC funds last year by number of deals, according to CB Insights. Startup culture? Not just for startups.



Lockheed Martin's Clarence "Kelly" Johnson (right), creator of the original Skunk Works, with his successor, Ben Rich.

## BIG BUSINESS TO ENTREPRENEURS: HAVE CASH, WILL TRAVEL

## FACEBOOK

The social network's Paris-based accelerator, Facebook Startup Garage, will give employees from a dozen startups office space, technical help, and mentorship for six months. Its September inaugural class will focus on personal-data firms.

## ORACLE

In April the software giant began recruiting engineers for an as-yet-unnamed "startup" within its U.S. operations. Employees of the new unit will explore how to use new tech—including much-loved initialisms V.R. and A.I.—to serve existing customers.

## WALMART

Store No. 8 (an homage to an early location where Sam Walton experimented with store layouts) is an in-house accelerator focused on Walmart's e-commerce future. Last month the company announced its first portfolio company, Code Eight.

## DUPONT

This summer, in partnership with the University of Delaware and the state, DuPont will open its 100,000-square-foot Delaware Innovation Space, housing STEM-focused early-stage startups and helping it build up an acquisition pipeline.



## FASHION

WATCH OUT, NIKE,  
THE GERMANS  
ARE COMING

**THE GERMANS** are sports stars—they're the reigning World Cup champions, they dominated the most recent Olympics, and lately they've been running laps around the sportswear competition too.

Retro activewear is back in fashion, and that's good news for

Germany's shoe giants Adidas and Puma. Sales of Adidas's classic Superstar rose sixfold in 2016—making it the top-selling active shoe in the U.S., a distinction that had been held by a product from Nike [which still sells more shoes overall] for over a decade. To boot: Adidas's Stan Smith sales increased fivefold, and Puma's Clyde and Suede sneakers are booming.

"The fashion cycle we are in, which is casual and retro, plays to their sweet spot,"

says Matt Powell, NPD Group's sports industry analyst.

For a full year, Adidas's North America sales growth outpaced its competitors Nike and Under Armour. During the latest quarter, Adidas's sales soared 31% to \$1.1 billion, and its CEO, Kasper Rorsted, promises growth will outstrip the rest of the U.S. market again in 2017. Puma, for its part, has posted a double-digit sales increase in the Americas region for three

consecutive quarters.

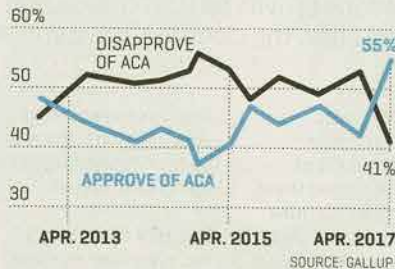
North America's "Big Three" aren't at the top of their game: Nike is lamenting hefty discounts by retailers, Under Armour was hurt by Sports Authority's bankruptcy, and Lululemon Athletica's store traffic has dipped. But Germany's winning streak may not last: The most recent numbers suggest that sales have cooled for both Adidas's Superstar and Stan Smith. In both fashion and sports, there's always next season.



## POLITICS

HOW AMERICANS  
LEARNED  
TO STOP  
WORRYING AND  
LOVE THE ACA

**FOR THE FIRST TIME** more than half of Americans approve of Obamacare, according to Gallup. Meanwhile, a Kaiser poll found that just 31% approve of the House's attempt to replace it. The lesson for the GOP? The idea of change is often more popular than the real thing. —SY MUKHERJEE



## FORTUNE 500

THIS BRAND  
DWARFS YOUR  
COMPANY

The brands make the business. Here, products and subsidiaries of corporate giants that—taken individually—would still make the 500 list, and where they would rank. —DANIEL BENTLEY

## IPHONE

NO. 12

Apple's venerable iPhone represents 63% of its \$216 billion revenue. If it were a stand-alone company, it would still be one of the world's largest.

## GEICO

NO. 112

Berkshire Hathaway's insurer made over \$25 billion in 2016. It's one of several Berkshire businesses that would make the 500 list if broken out.

AMAZON WEB  
SERVICES

NO. 230

Originally built to serve Amazon.com, the company's cloud-computing platform now fuels much of the Internet and makes more than \$12 billion a year.



## TECH

## SHANTANU NARAYEN

CEO  
ADOBE

AGE 54

FROM Mumbai

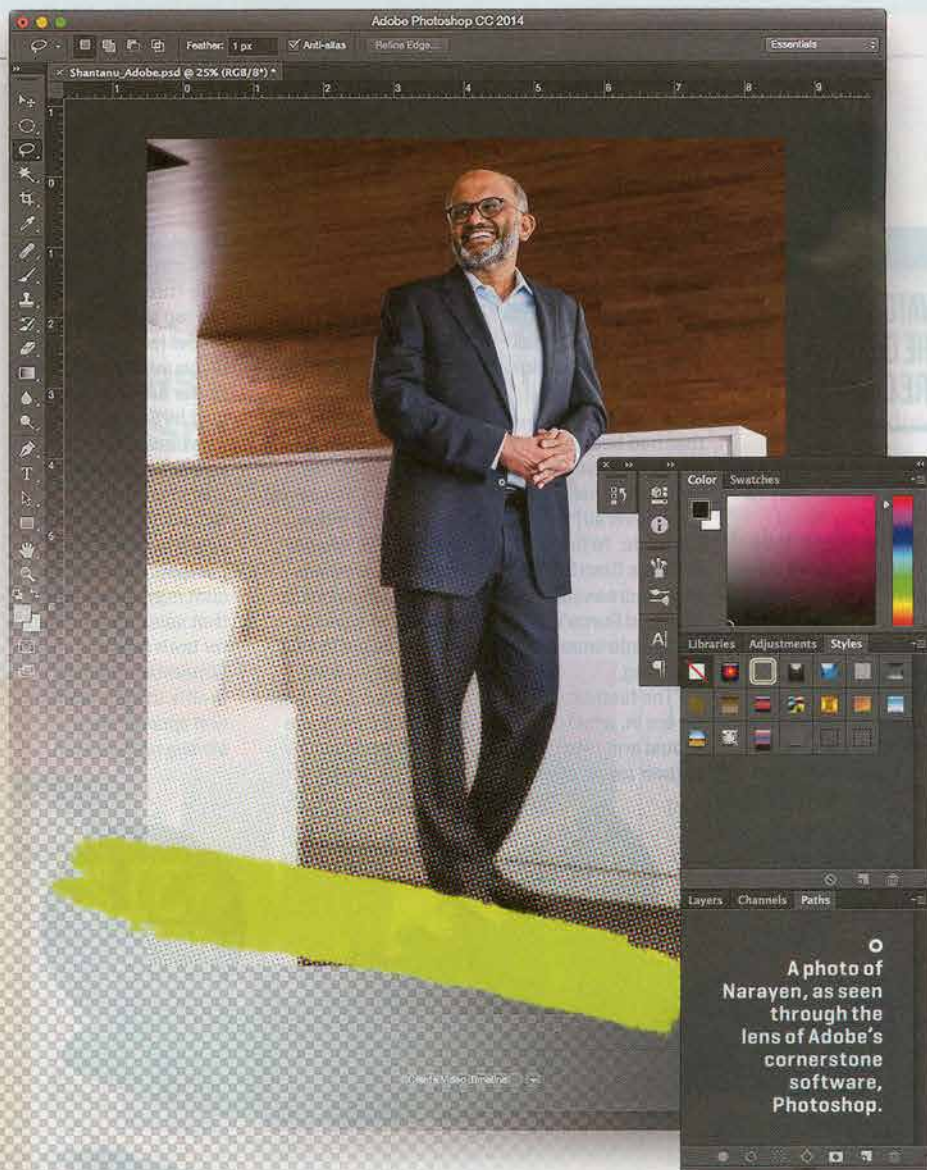
**IN CLOUD WE TRUST** CEO since 2007, Shantanu Narayen has overseen a period of explosive growth for the San Jose software company. As Adobe has embraced a cloud-based subscription model, its stock has been on a tear, up 43% [to \$142] since late May, with annual revenues of \$5.85 billion.

**FOGGY BOTTOM** When Narayen became CEO, "you could see there were some dark clouds on the horizon," he says. The global financial crisis was just around the corner, and Adobe was not landing new customers as fast as desired. "I didn't time that very well," Narayen jokes.

**OUTSIDE THE BOX** By 2009, Adobe embarked on an ambitious mission to overhaul the way it shipped popular products like Photoshop. "A crisis is a terrible thing to waste," Narayen says. Adobe switched to a subscription model, opening the door to a new way to deliver software in which customers could more easily receive updates and new features.

**FINDING WALL STREET** Investors were con-

BUSINESS IN THE CLOUD



## FLASH FORWARD

As Adobe arrives on the *Fortune* 500 for the first time, the software maker's chief shares how the cloud led it to a sunnier future. AS TOLD TO JONATHAN VANIAN

cerned Adobe was spending too much on data centers, but Narayen convinced them it would pay off. "I think we did a good job of that," Narayen says. By going to the cloud, Adobe ended up saving money with the switch from one-time

licenses to recurring subscriptions. Narayen adds that ditching packaging also helped.

**THE NEXT FRONTIER** Narayen sees artificial intelligence as a game changer, but he warns, "Many companies just

say A.I. without understanding how they want to apply it." Adobe's A.I. plans start with voice commands. Imagine brightening colors on photos just by speaking.

**DOUBLE DUTY** Adobe's board elected

Narayen as its chairman this year on top of his CEO duties. Narayen is quick to mention Adobe couldn't be successful without his staff's hard work. But, he says, "maybe it is recognition of some of the contributions I've made in the company." ■



# STORM CHASERS

**THERE'S AN AWFULLY GOOD** reason that the world's top executives, entrepreneurs, and financiers gather in Aspen in July—and it's not just the gorgeous weather.

At our annual *Fortune Brainstorm Tech*, ideas sprout like wildflowers in a meadow. Ahead of this year's summit—which is July 17 to 19 and by invitation only, though you can watch most sessions at [Fortune.com](http://Fortune.com)—here's a look at some of the luminaries who have graced the Brainstorm stage over the years. Can you match the savants with what they said? Give it a go—then check your work using the answer key below. **BY ANDREW NUSCA**

**MARK ZUCKERBERG**  
Chairman, cofounder, and CEO, Facebook

**JEFF BEZOS**  
Founder, chairman, and CEO, Amazon

**MEGAN SMITH**  
3rd Chief Technology Officer of the U.S.

**SHERYL SANDBERG**  
COO, Facebook

**SATYA NADELLA**  
CEO, Microsoft

**BOB IGER**  
Chairman and CEO, Disney

**PADMASREE WARRIOR**  
CEO, NIO U.S.; former CTO, Cisco

**MADELEINE ALBRIGHT**  
former U.S. Secretary of State

**JOHN MCCAIN**  
Senator [R-Ariz.]

**TRAVIS KALANICK**  
CEO, Uber

- 1 "Let's take what we're good at and rethink it. That's not a side project. That is the very company itself."
- 2 "The Internet is not wires and tech—it's just us. It's full of all of our greatness and biases and racism and misogyny. It comes through in the algorithms."
- 3 "I believe the United States needs to have a moral foreign policy."
- 4 "Building a platform is the essence of being a technology company. Allow people to build things on top of you."
- 5 "Innovating for constraints will drive the next generation of technology."
- 6 "Marketplaces don't work when people are cheating."
- 7 "The head of any company should be optimistic. If you're trying to lead anybody, you'd better not be pessimistic. Not too many people follow pessimists."
- 8 "The shift to mobile is the fastest adoption of a communication technology that we've ever seen. The word 'online' is about to be something only your parents say."
- 9 "We're a long way from the end of history as far as America is concerned."
- 10 "Important industries are rarely built by one company."

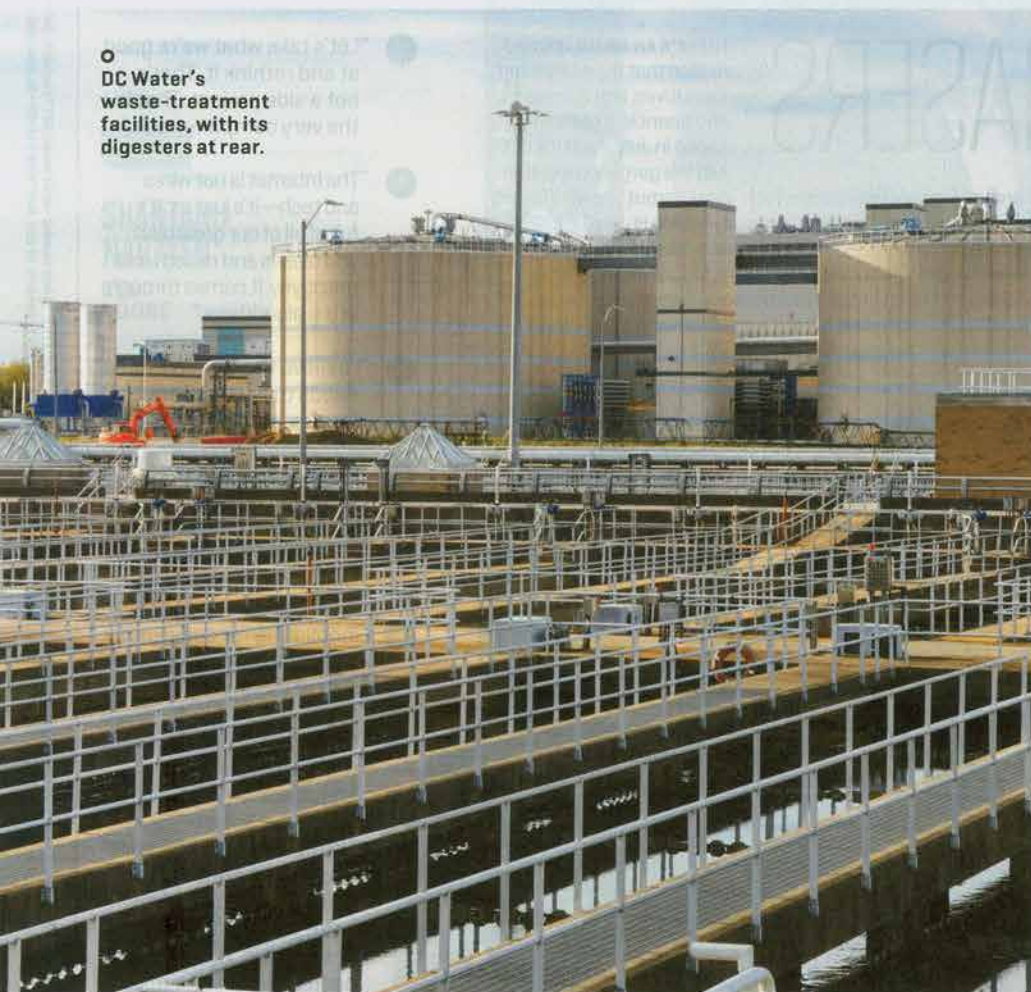
ANSWER KEY ▼

1: Zuckerberg; 2: Smith; 3: Albright; 4: Zuck; 5: Warrior; 6: Kalanick; 7: Iger; 8: Sandberg; 9: McCain; 10: Bezos

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○ **DC Water's waste-treatment facilities, with its digesters at rear.**



# TURNING WASTE INTO GOLD (OR COPPER)

DC Water needs costly infrastructure—pipes, especially—and the utility is finding creative, entrepreneurial ways to pay for it.  
BY JENNIFER ELSEVER

**THE WATER AUTHORITY** in Washington, D.C., receives 1,500 wet tons of sewage into its wastewater-treatment facility each day. CEO George Hawkins views it as liquid gold—an ingredient for a moneymaking operation that could help pay for repairs to its aging infrastructure. His agency, DC Water, cooks, sterilizes, and turns that sewage into a soil fertilizer called Bloom, which began shipping this spring to nurseries and garden centers in the region.

Ignore the “ick” factor. DC Water is among a handful of utilities that is innovating to save or generate money. Philadelphia’s utility is using the water that washes into the sewers during storms to keep its parks green. And in Portland, Ore., purified wastewater is being used to make beer. (No one says you have to drink it.)

The Washington initiative is ambitious. The process begins with the matter flushed down a toilet, which may travel through any of DC Water’s 1,800 miles of sewer pipes to the wastewater-

treatment plant. Oils, fats, sediments, and objects are screened out, and the water is disinfected. The remaining sludge then goes through a three-stage process that cooks it in high heat and pressure, sterilizing and softening it. The clean sludge is then sent to four 80-foot-tall anaerobic digesters, where giant mixers churn the liquid for two weeks while a population of microorganisms called “methanogens” eats the organic matter, producing methane gas for electricity that ultimately powers a third of the water plant’s operations. The solids then travel to a belt-filter press that squeezes out water and delivers the crumbly compost to bunkers that can hold 1,000 tons each.

The result can be used to fertilize gardens and trees. (Bloom fertilizer is in high demand, says



Brian Riddle, who bought 1,000 tons of it for his D.C.-area garden centers, Homestead Gardens. He says it's hard to find affordable fertilizer that's safe and natural. "Bloom," he says, "is loaded with valuable nutrients.")

DC Water spent several years investigating and testing the technology, which was already in use in Europe, before spending \$470 million on the equipment two years ago. DC Water would have needed to spend most of that money anyway to treat the biosolids, and this was a way to do that in a sustainable manner *and* generate revenue to fix aging pipes. More than half of the D.C. pipes are 79 years or older—some date to 1860—and the agency estimates a need for at least \$1 billion in repairs in the coming years.

Bloom's sales are still fledgling, and Hawkins says it may take two or three years to ramp up. But the approach was a necessity. "It's literally like a startup," he says. "Our business model was going to fail without fundamental change."

That could be the case for much of America's broad array of infrastructure, says Greg DiLoreto, past president of the American Society of Civil Engineers, which produces a report card on the state of the nation's infrastructure every

four years. America's grade this year: D+. The nation's 14,748 water-treatment facilities are in particular disrepair, suffering from 240,000 pipe breaks a year. Those facilities will need to serve some 56 million new customers over the next two decades, says DiLoreto.

He praises DC Water's initiative. "That kind of innovation will make the money go a lot further," says DiLoreto, "but we still need investment or we're going to see more pipe breaks and more Flint, Michigans."

DC Water's new investment has allowed it to cut its operating budget, as well as its biosolid disposal and energy costs, making it the largest generator of clean energy in the Washington, D.C., area. The utility has even more plans to generate revenue, including selling "sewer-thermal energy," which uses heat exchangers inside the city's underground sewage system to heat and cool buildings—much like traditional geothermal energy drawn from the earth's core. The sewer energy is being tested at several of DC Water's own buildings before being rolled out to potential customers. Other plans are in the works too. They give new meaning to the old phrase "Waste not, want not." ■

## OLD PROBLEM, NEW DATA

CAN TRANSPORTATION APPS HELP ADDRESS THE NATION'S AGING ROADS?

**WHEN IT COMES** to fixing the nation's crumbling roads, the one thing you can count on is that political rhetoric will far outpace spending. That makes information—say, which portions of a decaying highway force drivers to slow down most often—crucial in deciding where to target government dollars. Enter the data-drenched startups of the new economy. Google's Waze, the mapping app that optimizes routes to avoid traffic, along with ride-sharing company Uber, is helping officials prioritize by delivering data collected from millions of drivers on the road.

Just two years after its start, Waze's Connected



Citizens program delivers free data to 250 cities and half of the nation's state transportation departments. [In return, Waze receives information from its government partners.] The program helps identify traffic patterns, map potholes, and suggest where to allocate

resources.

Rio de Janeiro, beset by complaints about its infrastructure in the run-up to the 2016 Summer Olympics, used Waze's data to validate locations for two new highways and then to manage traffic and road closings during the games. Boston used

Waze data to determine which intersections were most congested and which needed new stoplights. The result: an 18% reduction in congestion at key intersections.

Waze may not be able to fix a road—but it can find the one that needs the most urgent attention.





# DEFENDING YOUR PORTFOLIO

Policy is hard to predict under Trump, but defense spending seems certain to grow. These *Fortune* 500 stocks should help investors feel safer. BY JEN WIECZNER

## INVEST

**AS HAWKISH** as he was as a presidential candidate—advocating, for example, that the U.S. “bomb the hell out of ISIS”—as Commander-in-Chief, Donald Trump has sent some mixed signals to the aerospace and defense industry. Investors remember, in particular, a stretch in December, when the President-elect’s breakfast routine apparently included lobbing Twitter attacks at America’s biggest government contractors.

There was the day he targeted Boeing with a tersely tweeted missive to “Cancel order!” for a new Air Force One, shaving 1% off the plane-maker’s stock. A week later, he similarly fired away at Lockheed Martin’s F-35 fighter jet program, whose costs, Trump tweeted, were “out of

control.” Lockheed stock swooned as much as 4% that morning, then another 2% just before Christmas when Trump threatened to revoke its contract—and hire Boeing to build a jet instead. “There is a lot of noise, and the noise is going both directions,” says Dan Denbow, senior portfolio manager for USAA.

Indeed, since taking office, Trump has become a powerful ally of the Boeings, Lockheeds, and Northrop Grummans of America, contractors that are also among the largest U.S. manufacturers and biggest taxpayers. Bumps aside, Boeing has seen its stock rise 31% since the presidential election. The S&P 500 aerospace and defense index is up more than 21% over the same span, nearly double the returns of the broader market. Now investors believe that Trump could be the best thing to happen to the sector in years, with the Commander-in-Chief promising “historic” increases in U.S. defense spending (which has declined 17%, to \$585 billion, since its peak in 2011) and an enormous expansion of the U.S. Navy to 350 ships, up from the current 275. “We’re in the early innings of a defense up cycle,” says Jason Adams, an aerospace and defense analyst at T. Rowe Price, who has recently been making the rounds to clients explaining why the asset manager is currently overweight in the stocks.

After all, companies that make airplanes and armaments for the U.S. and other governments—not to mention passenger jets, the



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▷▷ safest mode of transportation for civilian travel today—have a proven ability to survive even unsympathetic Presidents and recessions, in peacetime as well as war. In fact, on this year's *Fortune* 500, of the 54 companies that have made the list every year since its launch in 1955, eight are in the aerospace and defense industry. A handful of others are industrials that contribute engines and other parts for both military and commercial planes.

Military contractors, employing multitudes of engineers and, yes, rocket scientists, are also something of a stealth center of American innovation, responsible for breakthroughs in everything from autopilot (now the foundation for self-driving cars) to fiber-optic networks (being used by Google and others to provide ultrafast Internet) and semiconductors. "The things that we as consumers today just take for granted were pioneered by these companies," says James Cross, vice president, research analyst, and portfolio manager with Franklin Equity Group. "These companies classified as old-world metal benders are also on the leading edge of a whole host of technology."

Of course, those advances have largely been driven by necessity, and the bull case for defense stocks is partly based on the fact that the world has become a scarier place than many of us believed just a few years ago. Since 2013, Russia has invaded Crimea, putting much of Eastern Europe on alert; North Korea has persisted in testing its slowly improving missiles; ISIS and its followers have made mass terrorist attacks an all-too-regular occurrence; and cyberattacks have emerged as a formidable danger, from the WannaCry ransomware that crippled businesses worldwide to the revelation that foreign hackers likely interfered in the U.S. election. "The threat environment has become more complex, and the list of worry items has lengthened," says Cross.

### RAYTHEON (RTN, \$163)

One company addressing those threats on multiple fronts is Raytheon (No. 116 on this year's 500 list), the defense company that also invented the microwave oven shortly after World War II. When Trump ordered a strike on Syria in April in response to the Assad regime's chemical attacks, the U.S. military used 59 of Raytheon's Tomahawk missiles to carry it out—and promptly placed another order. Investors like Raytheon

because it's a provider of high-tech weapons systems that can be guided to long-distance targets by computers while keeping U.S. soldiers out of harm's way—an approach the military is increasingly shifting to for the future. "What's the point if you're dropping dumb bombs off a great new aircraft?" says Cross, who manages the Franklin Small-Mid Cap Growth fund. "You need both."

Raytheon is likely to be a major beneficiary of the nearly \$110 billion arms deal Trump signed in May with Saudi Arabia. Already on track to grow earnings at a clip of 10%-plus through at least 2019, Raytheon is also enjoying international demand from other countries, such as Poland, where a deal worth as much as \$7.6 billion is currently pending.

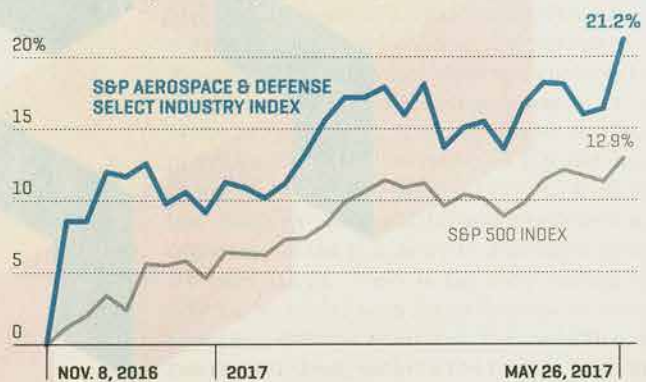
Raytheon benefits from its focus on perennial staples of modern warfare. "They don't make ships. They don't make planes. They don't make tanks. They don't make submarines. They make missiles," says Chuck Harris, director of research at ClearBridge, which is a major owner of Raytheon stock. At the same time, its wide range of products, which includes cybersecurity technology, makes its revenue more stable. Its more than 8,000 contracts mean it's less dependent on any one program than the typical defense company. Raytheon stock, trading a little under 22 times estimated earnings for the next 12 months, is not cheap, but Harris thinks the valuation will be justified by accelerating growth in the next few years. "Unfortunately, we believe the threat is high enough that spending for their product is going to continue to increase," he says.

### BOOZ ALLEN HAMILTON (BAH, \$39)

When the U.S. government gets nervous about getting hacked, its first call is often to Booz Allen Hamilton (No. 481). "This is the preeminent cybersecurity franchise in the government-contracting industry," says

## LAUNCH SEQUENCE INITIATED

DEFENSE AND AEROSPACE stocks soared just after the election; they widened their lead over the broader market this spring after President Trump formally proposed a big boost in military spending.



SOURCE: BLOOMBERG





**O**  
**AIRBORNE ASSETS**  
 Increased U.S. military spending should boost defense contractors like Lockheed Martin, maker of the F-35 fighter jet [1]; Raytheon, whose missile product line includes the Tomahawk Block IV [2]; and Boeing, whose Chinook helicopter [3] is crucial to moving troops and artillery in combat zones.

of technological ability that we don't think Wall Street always understands," says Cross.

Lockheed already has buyers lined up for the fighter in the U.S. Air Force, Navy, and Marines, plus at least 10 other countries; Saudi Arabia is also expected to order some F-35s. "That's still very early days, so that'll have a good tailwind, pardon the pun, for Lockheed as that program rolls out," says Denbow, who believes the company's costs will also come down the more F-35s it makes, as production becomes more efficient. By 2018, Denbow thinks, Lockheed's earnings will accelerate to a yearly growth rate of 10% or more for years to come, perhaps giving it room to further boost its dividend, which has grown at least 10% annually for the past 14 years, and currently yields 2.6%.

### BOEING [BA, \$187]

The kind of technology found on F-35s is also landing on commercial flights, creating what investors are calling the "connected plane," the way Internet-of-things gadgets have given rise to the "smart" home. Boeing (No. 24), whose latest planes generate 10 times as much data as its previous models and can also be equipped with high-speed Wi-Fi, is now selling services to airline customers to harness that information to make maintenance and air-conditioning more efficient. The company has racked up a "tremendous" backlog for its newest 737 MAX and other planes, says ClearBridge's Harris, setting it up to boost earnings and profit margins through 2021 and beyond. "It's a nice equation for success for the next several years," he says. Boeing also makes transport helicopters and fighter jets, programs that are in line to get a piece of Trump's \$52 billion proposed budget increase for the military.

### HONEYWELL [HON, \$133]

Though it's more of a diversified industrial company than others on this list, Honeywell (No. 73) claims to have made something for every commercial, military, or space aircraft flying today. The company has also sent its "smart" wireless tech 51,000 feet up: Its touch screens can be found on planes in both the cockpit (supplying real-time weather updates and 3D maps) and cabin (offering on-demand movies). "We're in the very early stages of exploring that opportunity set," Adams says. If investors are right, such stocks are ready for takeoff. ■

Adams. Rather than selling the software itself, "Booz Allen Hamilton sells you the best systems engineers in the world," he adds. And yet Booz Allen, which grew revenue 11% last quarter, trades at 21 times estimated earnings, far lower than Silicon Valley cyber stocks like Palo Alto Networks, which has a forward price-to-earnings ratio of 45. "This is an entire new category of defense investing," adds Cross.

### LOCKHEED MARTIN [LMT, \$284]

The defense giant behind the F-35, Lockheed Martin (No. 56) has reached a truce with President Trump (in part by pledging to bring 1,800 new jobs to Texas) and is moving ahead with the next-generation fighter jet. The one-seater plane is packed with enough sophisticated technology to make it a mission control center in and of itself, from reconnaissance sensors to radar-evading technology that allows it to sneak up on enemies undetected. Lockheed offers "incredible amounts



# PASSIONS

TIME  
WELL SPENT

HOTELS

**IN THE 1980S**, Ian Schrager pioneered the concept of the boutique hotel: a new breed of high-design hotels with distinct character and a heavy emphasis on chic, atmospheric lobbies that became social hubs. The concept was laughed off at the time; now, boutique hotels are a mainstay of the industry. [For more, read "Marriott Goes All In," in this issue.] This month Schrager cuts the ribbon on his latest work: Public New York, a stylish, 370-room luxury property on Manhattan's Lower East Side. But this time the disruption is in the price: \$150 per night. We sat down with the 70-year-old visionary to talk about Public, the hospitality industry, and, of course, Airbnb.

## So what's the big idea behind Public?

The primary idea is luxury for all. I think that is an important idea; it's revolutionary. It's taking luxury and democratizing it and making it available to everybody. It has nothing to do with how rich you are or the traditional criteria used for luxury. It's a very sophisticated place, but it's not dumbed down. People aren't giving up anything that they might expect to find in a luxury hotel.

## How do you do that for \$150 a night in New York?

By editing and rethinking the business model and getting rid of all those things

## THE ORIGINAL HOSPITALITY DISRUPTER

The father of the boutique hotel has strong words for his industry peers on their battle with Airbnb. They should probably listen. INTERVIEW BY LEIGH GALLAGHER



that people really don't care about that are superfluous and leftovers from a bygone era. I don't think getting service by somebody in a military uniform with gold buttons and gold epaulets and white gloves, with an obsequious manner, is something people really care about. They don't care about those traditional signposts of luxury. They've completely changed. But for some reason the luxury approach in hotels hasn't changed.

**But you say this is not a hotel for millennials.**

Building a hotel for millennials is the most stupid idea I've ever heard in my life. If you do a product that resonates, it doesn't know any one demographic. Did Steve Jobs make the iPhone for millennials?

**Speaking of millennials, what do you make of Airbnb?**

Airbnb is one of those brilliant, genius ideas, and I don't really throw genius out so quickly. I think those guys were brilliant. They came up with a really great idea that's so obvious—but I think all the great ideas are kind of obvious. Not only is it a great idea, but it is a mortal threat to the hotel industry. Whether they're saying it or not, to me, it's a mortal threat.

**What do you make of the hotel industry's response?**

The hotel industry is in denial about [the impact of] Airbnb. They're saying the same thing about Airbnb now that they said about OTAs (online travel agencies) when they got started. The exact same thing. That's not going to work. That may

slow them down, but they're not going to stop it. You can't stop progress.

**Do you agree that Airbnb should have to comply with the same taxes and safety regulations as hotels?**

I do think that's important for safety reasons and otherwise. You want to have a level playing field. But in terms of what's going to happen in this fight, that's a distraction. It's a smoke screen. That's not the issue. That's not the way to fight. You have to meet a strong idea with a strong idea. Hotels have to offer the public a better service and a better experience and a better price than Airbnb. And until they do that, they won't be able to defeat them.

**Should hotels get into home-sharing?**

I think they should. I think they're in a better position

to execute. I think the idea and innovativeness has come from Airbnb, but I think hotels could really take that baton from them and do it better.

**Does the pushback remind you of when you pioneered boutique hotels and everyone thought you were crazy?**

The same thing. Any new idea is always treated with skepticism. People used to say only people who wore black and lived in SoHo would come to my hotels. Now there are more boutique lifestyle hotels being developed than any other kind of product in the hotel space.

**You've been working with Marriott for a few years now. How has that been?**

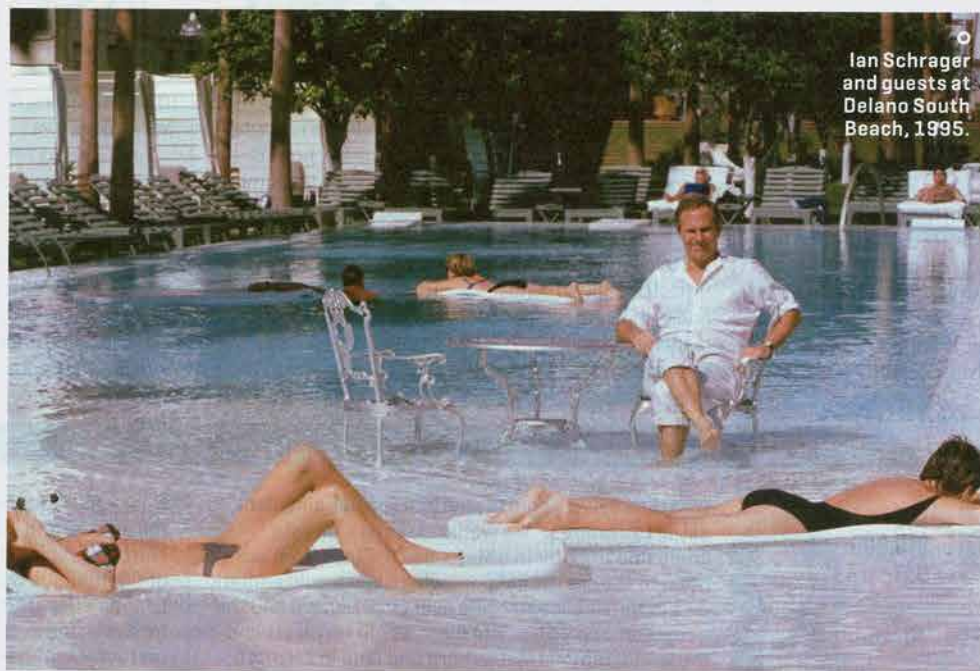
It's gone very well. Marriott's been great to work with, and it's been very, very expansive for me. There was a little bit

of a learning curve for them, and for me. They do everything by consensus. They can't make a mistake.

I do nothing by consensus. I think what got us through was that I have a real affection for those guys, and I really respect them. They're the best and the brightest in the business. And they've become my friends.

**Tell me your thoughts about another hotel guy, Donald Trump.**

I told the Marriott guys a few weeks ago that you couldn't run Marriott the way I behave as an entrepreneur. And I don't think an entrepreneur can run the country. You need to run it like a big company. And everybody laughed, but I really felt that. Look, I've known Donald a long time, and I do like him. I hope he gets used to the job and does well by the country. ■



© RICK EDMAN—AP



# ON THE GRAND LAKE

Whether you're a foreign diplomat or a chocolate-seeking tourist, Sylvie Gonin, head concierge of Lausanne's Beau-Rivage Palace hotel, has the perfect recommendation for your time in Switzerland's picturesque lakeside city.

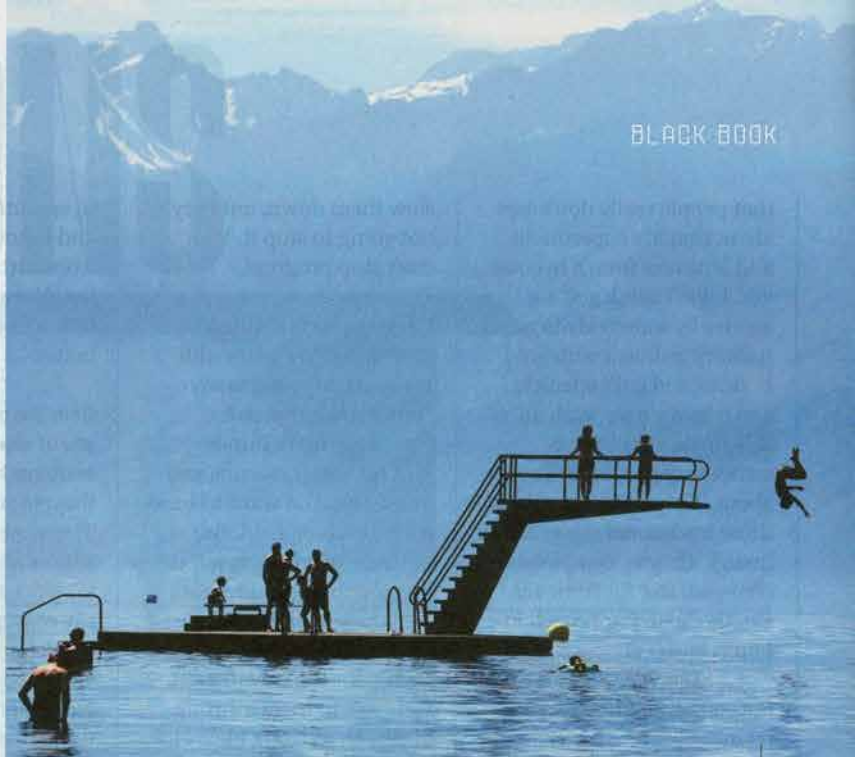
BY ADAM ERACE

**Emerging neighborhood:** Years ago, the **Flon** area used to be not very clean and a little bit dangerous. Now it has been completely renovated. There's great nightlife including bars and cinemas. If you're young and you want to see the life of Lausanne, it's the Flon.

**Best new restaurant:** Very recently, a charming Italian restaurant, **Amici**, opened in the city center. The cuisine is authentic; the chefs are from Calabria and Sicily.

I love their homemade pastas, octopus salad, and whole fish cooked with lots of herbs and butter.

**Lake activity:** Lake Geneva is big and deep, and hosts a lot of activities. It is actually a famous spot for scuba diving. **CGN**, a local company, operates big, beautiful steamer boats that will teleport you back in time. They have a sunset cruise that is great for dinner, especially when the weather is nice.



**Under-the-radar museum:** A five-minute walk from our hotel is the **Olympic Museum**. [Lausanne is the home of the International Olympic Committee.] This museum traces the history of the Olympics from the Greeks and Romans through to the

modern games. It's very interactive.

**Chocolate shop:** Not too far from the hotel, there is **Durig**. Dan Durig, the owner and chocolatier, works with organic cocoa only, so the chocolate is excellent and very pure. He

**[1] Lutry Beach on Lake Geneva near Lausanne.**  
**[2] A cheese stall at Lausanne's Saturday market.**

works in a modern way, sometimes adding chili or other spices, which can be difficult to do well but is always very good.

**Shopping spree:** We don't have the shopping of Zurich or Milan or Paris, but still we have lots of nice little boutiques and the **Saturday market** outside in the old town. It is full of local people and is great for lunch or a coffee, especially now in the spring. Just remember: It's open only until one o'clock.

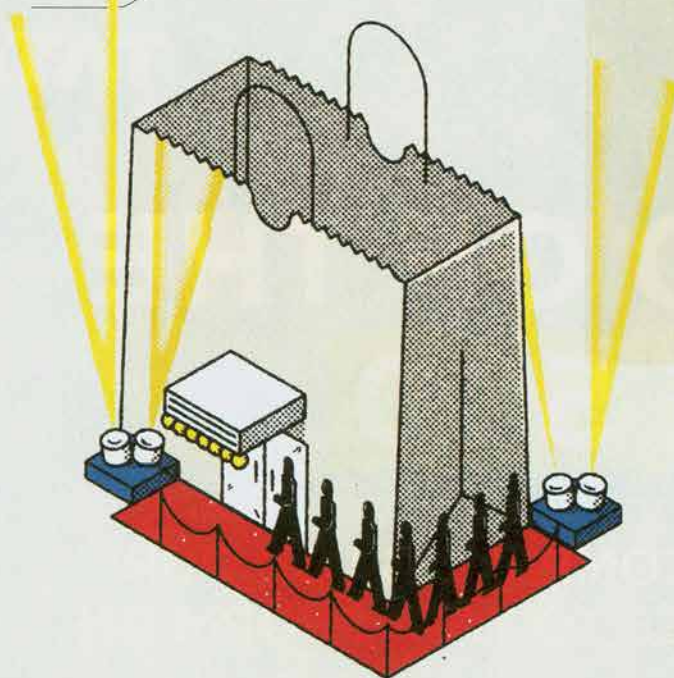
THE  
\$10,000  
DAY



We asked Sylvie Gonin to plan us a special, singular day in Lausanne ... "We would arrange a private limousine transfer in a Mercedes S-Class from our hotel to the nearby heliport, where you would embark on a private helicopter ride over Lake Geneva and the gorgeous Swiss Alps. The flight would travel around the world-famous Matterhorn and land in Zermatt,

where you would enjoy a surprise champagne picnic full of local and international delicacies on a glacier. The champagne of choice would be either a bottle of Champagne Salon Blanc de Blancs 1999 or Krug Grande Cuvée. Afterward you would be whisked back for a relaxing evening at the hotel's Michelin two-star restaurant, Anne-Sophie Pic." ■





A BOOM WITH A VIEW

# YOU'LL LAUGH! CRY! (MAYBE BUY.)

A revolution is underway in retail as the industry realizes that the primary role of a brick-and-mortar store may not be sales. BY ERIN GRIFFITH

IT IS A WEEKDAY AFTERNOON in May, and a dozen young women are dabbing themselves with expensive creams, serums, and balms in the Glossier showroom, a tiny, light-filled beauty sanctuary on the sixth floor of an office building in downtown Manhattan. Even the cosmetics startup's employees, whose dewy complexions match their millennial-pink jumpsuits, are participating.

Some of the women are here to shop for Boy Brow eyebrow gel and Balm Dotcom salve, but that's not really the point of the space. As Glossier CEO Emily Weiss recently explained at the TechCrunch Disrupt conference, the women



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are present because they want to be a part of something. "While the sales are through the roof and defy all odds, what's more interesting are the girls who come once a week because they want to feel the energy in the room," Weiss declared. "I can't say that about large beauty retailers." The showroom is merely one of a dozen daily touch points, digital and physical, that Glossier has with its fans.

That's the future of retail, according to a new breed of startups that have embraced physical stores as places for "brand experiences" rather than mere sales. Consider Outdoor Voices, an athletic apparel brand that has gained a cultlike following among young, primarily female fitness enthusiasts. The company's four stores are home base for gatherings like "dog jogs," community yoga, and brunch parties. As CEO Tyler Haney explained at the TechCrunch event, its stores "are not about revenue, but community."

A statement like that might induce eye rolls from a traditional retail executive. But it's worth considering in a year when store closings are on pace to break a 20-year record. Macy's, Sears, J.C. Penney, Staples, and Kmart are all shuttering stores this year. Payless, the Limited Stores, Wet Seal, MC Sports, Gander Mountain, and Rue21 declared bankruptcy in 2017. The retail landscape is so ugly that CEOs are issuing mea culpas about missing the e-commerce wave, as J. Crew's chief recently did. "If I could go back 10 years, I might have done some things earlier," Mickey Drexler conceded to the *Wall Street Journal*.

On the flip side is Amazon, which marked its 20th anniversary as a publicly traded company amid the retail carnage. Famous for defying shareholder expectations to turn a quarterly profit, Amazon has watched its stock price soar since going public in 1997. The company is now worth about \$473 billion; more than Walmart Stores, CVS Health, Walgreens, and Target combined. The behemoth has opened seven physical bookstores with plans for convenience, electronics, grocery, and home-goods shops.

In the middle of it all are the upstarts, among them Glossier, Outdoor Voices, Warby Parker, Harry's, Bonobos, Rent the Runway, Everlane, and Cuyana. They are leveraging newly available real estate to experiment with boutiques, showrooms, and pop-up shops. Using physical spaces to build offline community has another advantage: It's one place where Amazon doesn't care to compete. The company's sensor-packed Amazon Go convenience stores, set to open later this year, won't even have cashiers. ■



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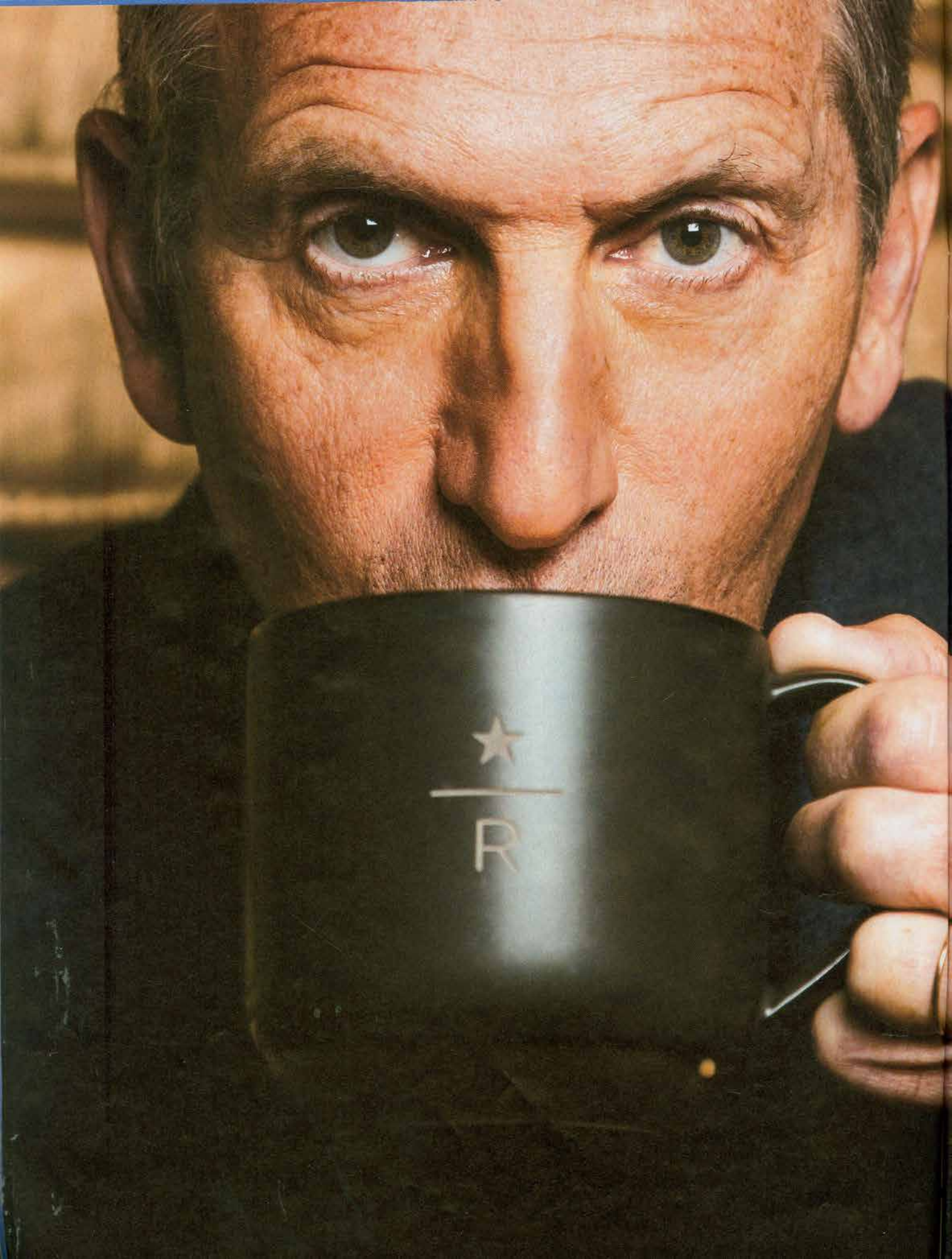
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500

2016 COMPANY PROFILE  
STARBUCKS

REVENUES

PROFITS

EMPLOYEES

TOTAL RETURN TO SHAREHOLDERS  
(2009-2016 ANNUAL RATE)

\$21.3 BILLION

\$2.8 BILLION

254,000

13.2%

# HOWARD SCHULTZ HAS SOMETHING LEFT TO PROVE

RANK 131

The longtime CEO of Starbucks has “stepped down” to become executive chairman. Now he’s leading the chain’s efforts to launch a higher-end coffee business. It may mean even more to him than it does to the company.

BY BETH KOWITT



# E

EVERY YEAR, before Starbucks' annual meeting, Howard Schultz goes to its original store at Seattle's Pike Place Market to drink a doppio macchiato and reflect on how far the company has come in his more than 30 years there. The most recent annual gathering on March 22 was Schultz's last during his second run as CEO. That gave the ritual added weight, and he planned a ceremonial moment to mark the occasion.

Schultz was scheduled to arrive at the store at 6:30 a.m., but he's notorious for running early—"Howard time," as a colleague calls it. Those playing some part knew to get there by 6:15 or risk missing him completely. One of those people was Kevin Johnson, Schultz's chosen successor as CEO. That morning the two, both in shirt and tie, suit jackets doffed, spent a few minutes together amid the bags of beans. Schultz reminisced about the early days.

Then he formally presented Johnson with the key to the original store, a possession he said he had carried in his pocket for nearly 35 years. The two posed for a photo and by 6:22, with the sun yet to rise, both were gone. "Note to self: Don't lose the key," Johnson stage-whispered on his way out the door.

The new CEO need not have worried, it turns out. "I have another key," Schultz tells me a month and a half later in his office at the company's Seattle headquarters.

Could there be a more apt metaphor? Handing over control of a company is always tricky—Schultz, 63, officially relinquished the CEO job on April 3—

and doubly so when it involves a charismatic, longtime leader who all but founded the company.

In Schultz's case, how does a notorious perfectionist who craves total control apply his perfectionism to the act of ceding control? That challenge is all the more fraught because his most notorious professional failure by far was his last attempt to leave as CEO, in 2000, a slow-boiling disaster that eventually concluded with his triumphant return. Schultz really, really, really wants to nail it this time. "I would say that, of the list of the most important things that a public CEO has to get right, succession is in the top three," he says. "I did not get it right the first time around."

For its part, Wall Street has made its position absolutely... contradictory: *Starbucks must prepare a new generation of leadership!!* And also, *Howard, could you stay just a little longer?!?*

None of that makes it easy for Johnson, 56. In addition to replacing a legend—as he has quipped, he has venti-sized shoes to fill—the new CEO is doing so at a time when Starbucks' sales have turned from scalding to tepid. Same-store sales, a key metric, are still rising, but at the lowest pace since the financial crisis. The company has fallen short of analysts' expectations on that measure for five consecutive quarters.

Despite that, Starbucks' ambitions are audacious. The company recorded \$21.3 billion in revenues last year, ranking it at 131 on the *Fortune* 500—and it's projecting it will reach \$35 billion in sales by 2021. To achieve that hoped-for 64% revenue explosion, Starbucks plans to open some 12,000 stores over the next five years, which would bring its total count to 37,000. The majority will be in China, a market the company thinks could be its biggest someday. Some 3,400 of the new stores will be in the U.S. (By comparison, Chipotle has about 2,300 in its entire system.)

Beyond covering the planet with coffee bars, Starbucks has two main growth initiatives, which Johnson calls the "most critical things for the future of the company." Johnson will be in charge of one of them: the continuing development of Starbucks' digital and mobile operations. That's a natural mission for him, given that he was an executive at Microsoft for many years and, later, CEO of telecom hardware maker Juniper Networks. Starbucks is already a leader in this realm, with 25% of orders now placed or paid digitally. Johnson's task will be to expand and iron out the logistics so that a system made to facilitate speed and convenience doesn't leave customers frustrated and cooling their heels.

The second key area will fall to Schultz. As executive chairman, he's leading Starbucks' push to develop a higher-end brand and "experiential destinations" to entice people who have abandoned malls to stop by a store. That strategy involves a three-pronged attack consisting of (1) the Roastery, a handful of massive, ultraluxurious coffee palaces inspired in part by *Charlie and the Chocolate Factory*; (2) a new brand of rare and single-origin coffee beans called Reserve; and (3) a second line of boutiques—a notch above a regular Starbucks but not quite as over the top as the Roastery—also called Reserve. If all goes well, those options might even lure some self-styled purists who spend \$16 for a cup of single-origin pour-over at an "artisanal" coffee emporium like Blue Bottle and wouldn't deign to set foot inside a Starbucks.

There's a tension there. Schultz wants to keep serving 90 million people a day, maintain the admiration of Wall Street—and





New CEO Kevin Johnson will lean on his tech experience to focus on Starbucks' digital ordering.

HOWARD SCHULTZ ON HIS SUCCESSOR



## I HONESTLY BELIEVED THAT KEVIN WOULD BE BETTER SUITED TO RUN THE FUTURE OF STARBUCKS.”

be respected by the coffee community. He's an aficionado, and this feels personal. It's no coincidence that his drink of choice, the double macchiato—a traditional espresso “stained” with a dash of frothy milk—is downed more often by people standing at the bar of a café in Rome than in a typical Starbucks.

But his company achieved epic success not so much by emulating Italian coffee as by adapting it to American tastes, what one tiny rival derides as the “Big Gulp version of coffee and milk.” Schultz initially hesitated to sell frappuccinos, says Howard Behar, a Starbucks executive for 21 years. “It didn't live up to his purist idea of coffee,” says Behar. Schultz has always asked one question, Behar says, since the beginning: How do

we elevate the coffee? Now he's making it his primary mission. All of which suggests he won't be leaving anytime soon.

**T**HE FIRST TIME Schultz stepped aside as CEO in 2000, the process started fairly smoothly. His successor, Orin Smith, was a company veteran who had served as CFO and COO at various times. Schultz knew and trusted him. Business was booming.

The circumstances changed five years



later, after Smith retired. By then Jim Donald had taken over, and Schultz's relationship with him became "complicated," according to Schultz's 2011 book *Onward*. Donald, a former Walmart executive, was an outsider, and the two regularly disagreed on major hiring decisions. Schultz's entrepreneur's disease—his inability to detach from the company he had built—began to show itself. "I put the responsibility on myself," he tells *Fortune*. "I don't think I was prepared as I certainly am today to recognize the need to let go."

Schultz returned as chief executive in 2008 as the business struggled, owing to a combination of a spiraling economy and what Schultz, in a famous leaked memo to Donald, called the "commoditization of the Starbucks experience." Schultz, who had retained the chairman title, returned to the CEO job and was hailed for the turnaround and the stellar run that followed.

Those kinds of accolades are great for the ego but less so for succession plans. When Johnson was announced as CEO on Dec. 1, the company's stock briefly dropped 12% in after-hours trading. "Investors are very focused on it," says restaurant industry analyst John Zolidis. "They're well aware of what happened the last time Howard Schultz stepped aside."

Schultz is now walking a fine line, making it clear that Johnson is running the business but signaling that the big kahuna is never far away. "I say not only that he's



○ Brewing coffee using a "siphon" at a Starbucks with a Reserve bar.

becoming the CEO of Starbucks, but I want you to know he is going to be the CEO," Schultz said during his prepared remarks at the company's investor day in December, preempting the likely question from analysts. "He's got the last word. He is running the company." All of Schultz's direct reports except for two—Liz Muller, senior vice president of creative, global design, and innovation, and Cliff Burrows, president of the group overseeing the Roastery and Reserve—have shifted to Johnson.

Still, it takes time for everyone to adjust, and even Schultz's attempts to be encouraging betrayed the faintest hint of the old

## THE ROASTERY AND RESERVE: AN INTRODUCTION

To combat artisanal coffee startups, Starbucks is launching two new lines of retail stores and a new brand of premium beans. The first will be massive, ultraluxurious palaces called the Roastery; the second—smaller versions of the Roastery—will be called Reserve. [A Reserve-branded bar will also be added to some existing Starbucks.] Finally, the premium beans will also be branded Reserve.

- 20 to 30: The number of projected Roastery locations. The first, and so far, only, opened in Seattle in December 2014.
- 15,000 square feet: The size of the first Roastery. The one planned for Chicago will be nearly three times as large as that.
- \$20: The average a visitor spends at the Roastery, vs. \$5 at a typical Starbucks.
- 1,000: The number of Reserve stores the company is projecting. They will be twice the size of a typical Starbucks.
- \$3 million: The expected annual sales of a Reserve store, twice that of the typical Starbucks store.
- 20%: The percentage of Starbucks' stores that will eventually include a "Reserve" bar with higher-priced options.



lion patronizing his successor. Less than a month after Johnson officially became CEO, he hosted his first earnings call with analysts on April 27, and Schultz was on the line.

"Kevin, congratulations on your first call. I think you did really well," he said after the presentation of the company's results, which had failed to meet analysts' targets. Referring to Starbucks' China CEO, Belinda Wong, Schultz added, "And, Belinda, coming from China in the middle of the night, I could not be more proud of you."

Johnson ran the management discussion but left time for Schultz—who described himself as the "unscripted closer to summarize what's been said"—to speak before executives took questions.

Schultz is adamant that this transition will be different from the last. For one thing, he says, Johnson isn't an outsider. That's technically true, but slightly misleading. Johnson, a company director since 2009, spent his career at Microsoft and other tech companies, then took an executive role as Starbucks' chief operating officer and president in 2015, beginning when the last heir apparent, Troy Alstead, departed.

Some analysts question Johnson's lack of retail chops, but Schultz has stressed the importance of his experience as a 34-year tech industry veteran. This increasingly critical digital business is not Schultz's "primary skill," he admits.

Schultz also had started to see not only the potential and importance of the Roastery and Reserve brands but the time investment they would require. "My schedule was not going to be compatible with running the company day to day," he says. "And I had my own private moment of realizing I honestly believe that Kevin would be better suited to run the future of Starbucks than myself."

Compared with Schultz, a double macchiato of an executive—he's intense and caffeinated—Johnson comes across as a decaf vanilla latte. (He says he favors a triple macchiato.) Johnson is methodical in his responses—he's data-driven, whereas Schultz tends to operate more on instinct—and hews to a standard CEO script. When I interviewed the duo together in Schultz's office in May, Johnson gave a careful minute-and-a-half analysis of their differing leadership styles before Schultz jumped in.

"Kevin is calmer, more patient," Schultz says. "I was born restless."

One of countless examples: Starbucks' SVP Muller was on a trip to China when Schultz wanted her to fly back right away to look at the site he had found for the Seattle Roastery. He then called her while she was on vacation in South Africa to tell her they should open more.

Starbucks had perhaps gotten too big for Schultz to run alone, given his exacting attention to detail. Years ago he became obsessed with the company's breakfast sandwiches because he thought the odor of burning cheese—in particular cheddar—overwhelmed the coffee aromas in the store. While Donald was CEO, Schultz pushed unsuccessfully to remove all breakfast sandwiches from the menu. Then, when he returned as CEO, he again took up the issue, ultimately instituting a series of new procedures (including placing the cheese in a different part of the sandwich) to avoid burning it.

"If you're a control freak and there's 20,000 stores waiting for you to tell them what to do, it's not going to work," says Dave Olsen, a senior adviser to Starbucks. He recalls that in the days before speed dial, Schultz had some 50 to 70 store phone numbers memorized. "His passion, his intense drive, all of that could play out in that way when there were that many stores."

Schultz's quest for perfection, which may have been part of the problem during the last CEO handoff, just might help the transition this time around. One failed changeover could be chalked up to a fluke; two makes it look like Schultz's problem. That's not a mark that he wants on his record.

**I**N 2009, as Starbucks' turnaround was underway, Schultz jotted a few phrases on a Post-it: "the Willy Wonka of coffee," "take customers on a magical carpet ride," "totally immersive joyful customer experience," "coffee at its peak." Schultz let the idea percolate until 2012, when he found what he believed to be the perfect laboratory: a 15,000-square-foot onetime Volvo dealership on Pike Street in Seattle. Schultz had Muller, the company's head of creative and design, come over to his house to watch *Charlie and the Chocolate Factory* with him.

Starbucks opened the Roastery, its "coffee shrine," in December 2014, and indeed it has some "chocolate factory" touches, albeit in a much more elegant setting. Tubes shoot coffee beans through stages of the roasting process before they land at the coffee bar. There you can order a micro-lot like Cape Verde Fogo Island or Rwanda Maraba, brewed using methods not available in a typical Starbucks: Chemex, pour-over, a high-tech Clover brewer, French press, siphon, or manual espresso (the regular stores use automatic machines). The Roastery is filled with copper and hand-stained, reclaimed wood.

The retail section sells items like thermoses that set your coffee to a selected temperature for \$149.95, or a Miir McCall Cruiser bike designed exclusively for the Roastery, complete with a carrier for your cold-brew growler, for \$1,499.95. Customers have spent accordingly. The average visitor spends about \$20 at the Roastery, about four times the outlay at the typical Starbucks.

The Roastery achieves something that few regular Starbucks can accomplish: It attracts significant clientele during the





afternoon and evening. At the Roastery, the majority of sales occur in the afternoon. (The company has tried in the past to boost later-day sales at regular Starbucks, by selling wine and beer at 400 locations as part of its “Evenings” program, which was supposed to launch in thousands of stores over time. The company says it “paused” the endeavor in many stores in January.)

The company plans to open 20 to 30 Roastery locations, with projects underway in New York, Chicago, Tokyo, and Shanghai. These sites will roast coffee for Starbucks’ premium Reserve brand, which will also be served in 1,000 Reserve stores—essentially mini-Roasteries that are twice the size of a typical Starbucks. The first will open inside the company’s headquarters in the fall, with the second planned for Chicago in 2018. Reserve stores are expected to generate \$3 million in annual sales, twice that of the typical Starbucks. Eventually 20% of Starbucks will have a high-end Reserve bar. The company is also upping its food game for the Roastery and Reserve cafés with its investment in Italian luxury baker Princi.

These projects are designed to engage the customer: a tasting menu of coffee flights or the glow of the bright bulb under the siphon brewer. The company realizes it no longer

**O** A worker pours beans at the Roastery’s staging area. They’ll travel by tube to a roaster and then be cooled in the copper cask at rear.

can count on malls to attract shoppers who then wander into Starbucks. With millions of customers abandoning in-person shopping and flocking online, Starbucks needs to draw them on its own.

The Roastery and Reserve initiatives are also an attempt to head off rising competition from high-end coffee shops. Says Tim Calkins, a professor of marketing at Northwestern’s Kellogg School of Management: “Starbucks is going to have to figure out how you navigate a market that seems to be becoming a little bit more like beer—small crafty players merging and becoming a big force.”

**T**HERE WERE MANY DECADES when restaurant coffee in the U.S. was almost universally watery and brackish. So when Starbucks stormed the nation beginning in the 1990s with its richer, darker roasts and its lattes, it was a coffee revolution. The offerings were exotic enough that when the *New York Times* reported on the company’s East Coast expansion in 1993 it felt the need to explain how to pronounce the word “latte.” (LAH-tay, for the record.) Before long, Starbucks was a global behemoth, with mass-scale products that earned it comparisons to



McDonald's in some quarters.

What's known as the "Third Wave" of small coffee purveyors then emerged in recent years as a rejection of Starbucks and an embrace of the broader food movement that reveres ideals like purity, authenticity, and a know-your-farmer philosophy. If Starbucks is where you go for a Pumpkin Spice Latte, the Third Wave shops are where you go to get your single-origin brew (black, please, no sugar) from a specific region.

These newer and cooler chains like Stumptown and Blue Bottle may not be big enough to take market share, though some of them are consolidating and gaining substantial backing. Investment fund JAB Holding, for example, has rolled up a number of coffee companies, including Peet's, which in turn has purchased Stumptown Coffee and a stake in Intelligentsia.

But already, these smaller fry are moving consumers' tastes and habits more upscale in the way Starbucks once did. For the first time in the history of its survey, the National Coffee Association found that more than half of the coffee consumers reported drinking in the past day was classified as gourmet.

So far, that's not a real problem for Starbucks, which is included in the gourmet category, because there's been enough growth to go around. But increasingly, dynamism is coming from offerings like cold-brew coffee and nitro (coffee infused with nitrogen), both of which have been popularized by the younger, small-batch operations. Starbucks has been forced to try to catch up. (One potential benefit of the Roastery: The shops are less regimented and can experiment. When the company realized it was serving 100 cups of nitro in the Roastery every day, it decided to roll the drink out to regular Starbucks.) "It's at risk of losing the credentials of very premium coffee," says Calkins. "Some would say it's already lost a lot of its credentials."

One indication that times have changed: The small shops fear Starbucks less than they once did. A decade or so ago they wouldn't have dreamed of opening near a Starbucks, several independent founders told me. Now they believe they're no longer competing for the same clientele.

Starbucks keeps a keen eye on the newbies. Todd Carmichael, a founder of



o Schultz at the Roastery in Seattle.

## COFFEE MAN FOR PRESIDENT?

► One possible disruption to Schultz's plan at Starbucks: his own political ambition.

There were rumblings that Howard Schultz had designs on a presidential run in the last election, but he quashed them in a 2015 *New York Times* op-ed that stated, "Despite the encouragement of others, I have no intention of entering the presidential fray." Still, rumors have flared up periodically, and Schultz's transition from the top job at Starbucks has done little to suppress them.

Schultz has never been afraid to get political, leading the company into issues that most executives avoid: gun control, immigration, refugees, political gridlock, and marriage equality. Starbucks' campaign to encourage customers to talk about race with their baristas backfired disastrously, but Schultz said at a recent talk that having the "courage to raise the issue" was one of the things he's proudest of. [Johnson has signaled that he wants to continue the company's

progressive agenda, but hints he may turn the volume down on the megaphone. "We have a strong view on taking care of people," he says. "Others will politicize that. I'll acknowledge that."]

Schultz has made it clear he's concerned with the country's direction, and in a leaked video from February told employees that President Donald Trump is "creating episodic chaos every single day." The Starbucks chairman is clearly focused on political developments. The day I interviewed him and Johnson in Schultz's office, where photos of Martin Luther King Jr. and John F. Kennedy sit on the windowsill, the House was scheduled to vote on the repeal of the Affordable Care Act. Schultz asked a PR person twice in an hour whether the House had voted yet.

Will he run for office? "I don't have any plans to do that," Schultz told me, and needless to say, that amounts to something less than a no. A politician couldn't have said it better.

La Colombe Coffee Roasters, says members of Starbucks' R&D team have ordered cases of its canned draft latte. Starbucks even opened its own "stealth" Third Wave shops in Seattle. At its Roy Street store you can order a lavender cortado from a barista who's wearing flannel rather than a green apron. The company has conducted research on "credibility cues"—a bit like taking a class on authenticity—and discovered that baristas with tattoos are thought to make better coffee.



And thus the Roastery, as appealing as it is, seems like a defensive move, one that is producing derision among the Third Wavers. “They looked at what every high-end coffee bar is doing and checked all the boxes,” says Tony Konecny, a longtime coffee guy who’s now running the coffee program at startup chain Local. “The impression that I get is that it’s important for Howard to feel like they weren’t losing the high ground with all this revolution that’s happening in high-end coffee bars.”

Still, the force of Howard Schultz’s will should not be underestimated. Bryant Simon, a Temple University history professor who wrote a 2009 book called *Everything but the Coffee: Learning About America From Starbucks*, says Schultz’s resolve is one reason the company has been so successful. He is unwilling to believe that the company is no longer cutting-edge. Simon says Schultz was apoplectic when people compared Starbucks to McDonald’s. “That’s what keeps them from falling below the middle,” he says. “His own aspirational vision for the brand is enough to keep them there.” The Roastery and the Reserve brand, Simon thinks, “will satisfy in some ways for Schultz a yearning for doing something new and reinvigorating its legitimacy. Then someone in operations will come up with a new Unicorn—the viral, color-changing neon frappuccino, which the company offered for a week in April. Smith calls this tension a “perfect Starbucks moment.” As he puts it, “It’s a battle that’s been going on at Starbucks for 15 years.”

When Johnson and Schultz are asked about it, Johnson responds by describing Starbucks’ core business as delivering a warm, welcoming experience that’s about coffee and people. The conversation moves on, but a few minutes later Schultz interjects and wants to go back to that point. “The Unicorn frappuccino was a phenomenon in the lexicon of Starbucks,” he says. “What we knew going in was that if we created a product that had the viral nature of being Instagrammable, that it would be accretive to the brand even though it was highly indulgent.” He goes on: “It was catalytic and accretive to the joyfulness of making people smile. And how could that be a bad thing? I think the long answer is that metaphorically, if we’re going to do things like that, we also have to make deposits in reaffirming our leadership position in all things that are in the essence of coffee. The discipline of that is in the art of the possible and the power of ‘and.’ And we’ve been good at that for a long time.”

**M**ILAN, THE FINANCIAL AND DESIGN HUB of Italy, plays a central role in the Starbucks creation story. Schultz was working as head of marketing for the company in 1983 when he traveled to Italy for a trade show and discovered the city’s espresso bars. The concept—a place where coffee was the main event—barely existed at the time in the U.S. Starbucks, with its four stores, was primarily a coffee roaster. Schultz went home and pitched to his bosses the idea of re-creating the company in the image of the Milanese coffee bars. They didn’t bite, so Schultz left to start his own—Il Giornale, named after Milan’s daily newspaper. When Starbucks went on the market in 1987, Schultz pulled together \$3.8 million from investors and bought it.

Bringing Italian coffee culture to the U.S. was not enough for Schultz; he always dreamed of bringing Starbucks to Italy. As

early as 1998 he had it in his sights, telling *The New Yorker* that to open in the country would be “to climb Mount Everest.” At the time he said it would be at least a year before he made his move. In the end it was closer to 20. The company announced in February that its first location in Italy will be a Roastery in Milan’s old central post office building. It’s scheduled to open in 2018, to be followed by regular Starbucks branches.

Starbucks has conquered most of Europe, but the delay in entering Italy is partly a reaction to the country’s unique coffee culture. Italians drink most of their coffee in the form of espresso—a quick shot that just coats the mouth—while standing at the bar in one of the country’s 150,000 cafés. Andrea Illy, president of the Italian company that bears his family’s name, says that in Italy coffee is consumed as a tiny concentrate, not a hot beverage. “It’s something you drink for physiological properties,” he says. “It doesn’t feed you. It’s an elixir.”

If you want to give yourself away as a tourist, order a cappuccino in the afternoon. “You’re not supposed to drink milk after lunch,” says Paola Bay, a fashion industry veteran who is advising Starbucks on the Roastery here. “That would be madness.”

Bay, a Milan native who now lives in London, takes me to a few of the city’s coffee bars, including Marchesi and Cova. As a sign of how important they are culturally, the Prada Group and LVMH recently invested in the brands. Bay thinks Starbucks will do well in Milan, that the Milanese will order frappuccinos and other novelties exported from the U.S. that they can’t get at an Italian coffee bar.

This is the strange full circle of Starbucks opening in Italy: The company found inspiration in Milan, Americanized it, and is now bringing its Americanized version back to the city. Schultz had “a deep passion for that intimate Italian coffee shop, that authentic experience,” says Christine Day, an early company executive who stayed for two decades, “but the challenge of growth led the company to become known for the innovation of new products, not the Italian coffee shop.” In short, if it were possible to memorialize a person with an eternal cup of coffee on his tombstone, Schultz would no doubt request a macchiato. But history will likely assign him a frappuccino. ■



500

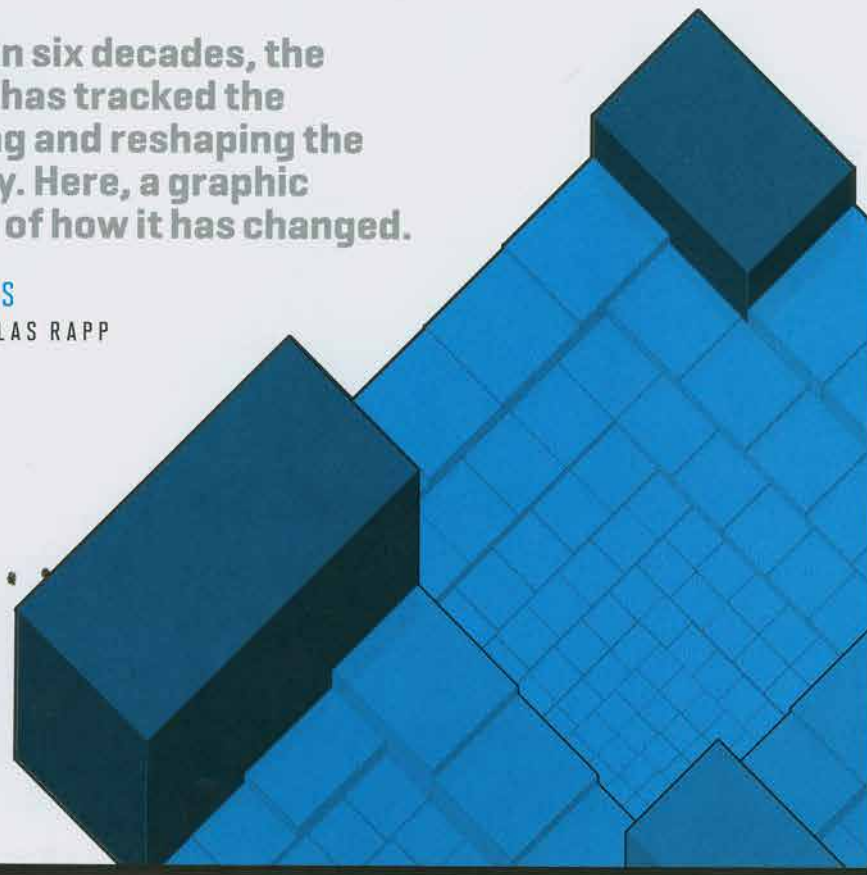
# AMERICA: A GROWTH INDUSTRY

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BY LAURA ENTIS

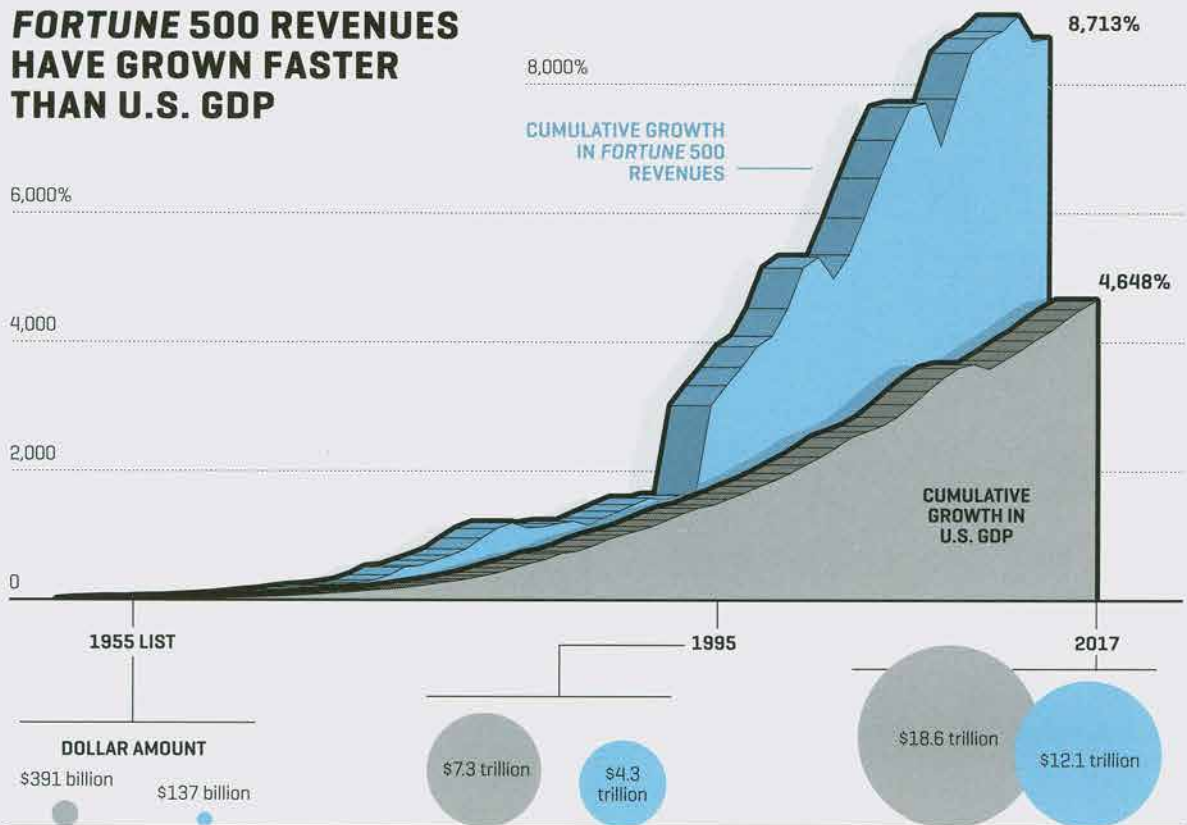
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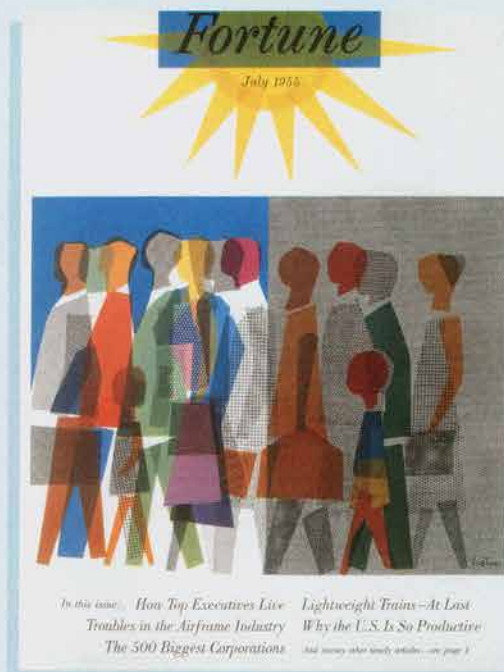


## FORTUNE 500 REVENUES HAVE GROWN FASTER THAN U.S. GDP



SOURCE: BUREAU OF ECONOMIC ANALYSIS

FOR ITS FIRST four decades, the *Fortune 500* grew at about the same pace as U.S. GDP. That changed abruptly around 1995, when the list expanded beyond the industrial sector and the 500 rocketed ahead. The break-neck growth of tech companies such as Apple and Amazon.com helps explain the acceleration. So does globalization: America's largest companies were simply better positioned than mom-and-pops to expand their businesses abroad. As a result, the *Fortune 500*'s slice of the overall economy has grown fatter: The \$12.1 trillion in total sales for this year's list equals 65% of U.S. GDP—up from 59% in 1995. This was certainly beyond the ken of our *Fortune* forebears who put the debut of the list on the cover of the July 1955 issue (right) almost as an afterthought. But even as it changes, the 500 remains, as we put it back then, "a unique and distinguished roster." ■





## WHEN GUANGZHOU MEETS FORTUNE

# A business friendly city with efficiency



A groundbreaking ceremony was held on April 27 for the \$2.9 billion Cisco (Guangzhou) Smart City Project that will establish an internet R&D and intelligent operations center in the city. The event marked China's first smart city project to begin construction.

Upon completion, the project will set an example of smart manufacturing and innovative economy and help lead and drive industrial development nationwide. "Cisco will fully utilize its rich experience in smart manufacturing and deliver the opportunities of digitization," Cisco CEO Chuck Robbins said at the ceremony.

Cisco, however, is far from the only mega-corporation choosing Guangzhou as a place to invest. In March, Foxconn kicked off a project to produce its 10.5 generation electronic display with an investment of \$8.8 billion.

Answering media questions about where a company might want to invest, Foxconn CEO Terry Gou replied, "I expect to see whether they have such an administrative efficiency like Guangzhou's." "We have factories in 27 countries around the world. But I can make it clear that Guangzhou ranks No. 1 in administrative efficiency."

Administrative efficiency is a typical manifestation of Guangzhou's business environment.

Gou, who regards administrative efficiency as the key to the competitiveness of global cities, added.

Administrative efficiency is a typical manifestation of Guangzhou's business environment. For five out of the past six years, Forbes magazine has selected Guangzhou as the top business city on the Chinese mainland. This March, Guangzhou also was named the top Chinese city of opportunity for the second consecutive year by the Chinese Cities of Opportunity study report released by PwC China.

Transportation also constitutes a key factor in multinational companies' investment decision making. Guangzhou Baiyun International Airport, one of three hub airports on the Chinese inland, handled nearly 60 million passengers in 2016, becoming the No. 1 gateway to Southeast Asia and Australia. Currently, the airport offers 151 international routes, with more than 1,000 flights to 216 destinations every day.

Boasting a rich talent pool, Guangzhou also ranks as the second most popular destination for Chinese returning from overseas study, according to the latest statistics released by the Ministry of Human Resources and Social Security of China. Today more than 60,000 Chinese returning from overseas study work in Guangzhou, with over 2,000 enterprises in the city launched by returned students, according to the ministry.

In addition to its favorable business environment and great talent pool, Guangzhou is also a livable city. As a merging point for Chinese and western cultures, Guangzhou features an open and inclusive culture. The city is one of China's most attractive for foreign residents, due to its international atmosphere and multicultural environment.

Known as a flower city, Guangzhou enjoys lush green trees and blooming flowers year round. With the best air quality among China's five major cities, Guangzhou is well-known for its "Guangzhou blue" campaign for clean air that has become a big selling point for the city's business promotions.

This December, Guangzhou will host the 2017 Fortune Global Forum, when business elites of Fortune Global 500 companies will come to the city to meet and exchange ideas. Speaking of Guangzhou, Gou said: "For businesses that have already invested in China, you can come to Guangzhou and give a try. For those with no investment in China, you should come to Guangzhou, and I guarantee Guangzhou will be your right choice."





# TESLA MAKES A U-TURN IN CHINA

▲ PHOTOGRAPHS BY ADAM DEAN





500

RANK  
383

2016  
COMPANY  
PROFILE  
TESLA

REVENUES

\$7.0  
BILLION

PROFITS

-\$674.9  
MILLION

EMPLOYEES

30,025

TOTAL RETURN  
TO SHAREHOLDERS  
(2011-2016  
ANNUAL RATE)

49.6%

**○ SAFETY FIRST**  
Vanessa Zhu exits her Model X in front of a Tesla showroom in Beijing. Strong demand for SUVs and their perceived safety advantages have fueled Tesla's surge in China.

Two years ago, Tesla was stumbling in China, after exasperating would-be buyers with long waits and weak customer service. Today, its cars are everywhere in Beijing and Shanghai, and Chinese sales have helped propel the company to its *Fortune* 500 debut. Here's how Tesla turned the corner.

BY SCOTT  
CENDROWSKI





**STUDENT DRIVER**  
A child steers a "Model S for Kids" [also battery-powered] at a Tesla event at a Beijing mall.

# W

**WHEN YOU CLIMB** into a Tesla as a first-time passenger, drivers turn giddy at the chance for show-and-tell—especially in China, where Vanessa Zhu is playing host on this sunny spring day in Beijing.

"It's huge, isn't it?" she says, pressing the double-size, iPad-like control screen in the center console until the stereo blasts

Adele's "Send My Love." Then comes the ceremonial closing of the gull-wing doors on Zhu's Model X. We peer through an expansive glass roof. Zhu, the assistant to the chairman of a major marketing agency, likes SUVs for their safety on China's chaotic roads—she and her husband upgraded from a BMW X5. One of the first Model X owners in China, Zhu paid a deposit before Tesla had even calculated how much a deposit should be.

"Now put your head back against the seat," she advises.

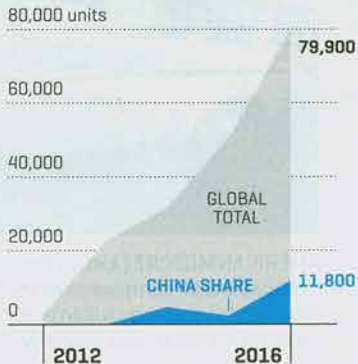
The two-lane road we're on is missing traffic lines, not to mention levelness, but as a section clears ahead, Vanessa floors it. We whirl past a small black Hyundai so fast that the car seems to turn stationary. For a second, driver and passenger feel the same head rush. Then Vanessa slams on the brakes to respect a stop sign, chuckles, and changes Adele songs.

**THE SIGHT OF** Teslas whizzing down roads in China's biggest cities is becoming as common as—well, the sight of Teslas whizzing down roads in Silicon Valley.

In 2016, Tesla tripled its sales in China over the previous year's, to 10,400 vehicles, according to research firm JL Warren Capital, or about 13% of the nearly 80,000 cars it delivered worldwide. The company reported in March that it earned \$1.1 billion in revenue



## TESLA VEHICLES DELIVERED



## TESLA REVENUES



## TOTAL NEW CARS SOLD IN 2016



## ELECTRIC AND PLUG-IN HYBRID



SOURCES: SEC FILING; J.L. WARREN; EV OBSESSION; AUTODATA CORP.; CHINA MINISTRY OF INDUSTRY AND INFORMATION TECHNOLOGY

in China last year—a boost that helped Tesla join the ranks of the *Fortune* 500 for the first time, with just over \$7 billion in revenue worldwide. And Tesla's China news has only gotten better since then: Its imports in the first three months of 2017 have put it on pace to easily double sales this year. Wealthy drivers are crowding showrooms in China's major cities, and Chinese buyers have put down \$1,200 to preorder the company's Model 3 sedan in numbers second only to those in the U.S.

The sales rush is the clearest sign yet that Tesla has turned a corner in the world's largest auto market. And it has caught almost everyone by surprise. As recently as last summer, the narrative had been that Tesla just didn't get China. The automaker was on track for its third consecutive year of weak sales. The few consumers who knew about Teslas didn't know how to recharge one; those who preordered had faced delivery delays and iffy service. What's more, Tesla lacked the joint-venture partners that helped other foreign carmakers break into China's market. Michael Dunne, who runs independent advisory Dunne Automotive in Hong Kong, wrote a column in September predicting Elon Musk would reach Mars before cracking China.

Today, Dunne is cheerfully sheepish about that column, and other naysayers are equally befuddled. There's no single explanation for Tesla's breakthrough. Sales got a lift from the introduction of the Model X, a luxury SUV for an SUV-mad country. The company also benefited from a critical mass of charging stations; from its direct-sales

## BABY STEPS IN A BIG MARKET

➤ China is a crucial proving ground for any carmaker: It's both the world's biggest market and a major source of demand for electric vehicles. After a couple years of weak sales, Tesla made big strides in China in 2016.

model, in a country where buyers feel fleeced by dealerships; and from CEO Elon Musk's celebrity among the technorati.

But chummy government relations also matter in a country where the state exerts enormous economic control, and Tesla's technology just happens to align perfectly with government priorities. Cofounder Martin Eberhard has said Tesla was started to fight climate change. Nowhere is the climate fight more important than in China, the world's largest spewer of greenhouse gases, which is in the midst of an unprecedented promotion of electric cars: Last year, sales of electric and plug-in hybrid vehicles in China rose 50% to 507,000, more than three times the U.S. figure.

The government estimates that as many as 7 million electric cars could be sold in China annually by 2025. It sees them as a way not only to clear smoggy skies, but to hack into the top rankings of the global auto industry. In electric, Chinese companies don't have to match the quality of a Ford or Mercedes-Benz; they think they can quickly build a whole new car. "For electric vehicles in China, we have a new technology model every two years," says Dong Yang, a high-ranking Communist Party official at the China Association of Automotive Manufacturers, the auto lobby.

Still, virtually all Chinese electric cars are low-cost, relatively low-performance ones, without the luxury trimmings and lightning-fast acceleration that Tesla owners fetishize. Government officials consider Tesla a role model for these Chinese brands, and they've cheered the company from the sidelines. Today, a handful of Chinese companies and cities are feverishly courting Tesla for a joint venture, *Fortune* has learned, and Musk has said his company could begin building cars in China before the end of 2018.



## TESLA JOINS A VERY EXCLUSIVE CLUB

When *Fortune* introduced its list of the 500 largest U.S. companies by revenue, in 1955, it included five U.S. automakers. By 1999, only Ford and General Motors remained. Tesla is the first new car manufacturer ever to join the list. Here, a look at *Fortune* 500 carmakers from years past.



### STUDEBAKER [1955-1967]

The company's South Bend, Ind., plant produced its last U.S.-made car in 1962; by 1966, it was bankrupt.



### AMERICAN MOTORS (AMC) [1955-1987]

AMC pioneered compacts like the Gremlin (above) and created civilian versions of the Jeep before being taken over by Chrysler.

A joint venture could turn Tesla's China growth stratospheric, because its current model of importing cars from California is costly. Chinese tariffs and taxes boost the price of Tesla's sedans and SUVs in the country by 50% compared with the U.S.; the Model S sedan starts at the equivalent of \$105,000, and the Model X at \$130,000. So even as Tesla woos middle-class buyers in the U.S. (the Model 3, due to arrive this fall, will start at about \$35,000) buyers in China have mostly resembled Vanessa Zhu: wealthy drivers who view Teslas as luxury vehicles, or at least as the coolest new piece of tech since the iPhone. Most of Tesla's 2016 sales were concentrated in Beijing, Shanghai, and Shenzhen, China's centers of capital and affluence.

Even if Tesla doesn't become a mass-market brand, sales in China alone could soon climb to 100,000 a year, impacting Tesla as intensely as a new, 1.4-billion-person market would Coca-Cola. "I could see a future where Tesla is displacing a lot of those Audis and Mercedes-Benz that are everywhere on Chinese roads," says Dunne.

Not bad for a company that, until recently, was digging out from under past mistakes.

**T**ESLA BEGAN TAKING preorders in China for the Model S in August 2013. The company didn't know exactly how much each car would cost, and deliveries were eight months away. But anticipation ran high. The combination of Musk's renown, stories comparing Tesla's acceleration to a Ferrari's, and intrigue

over the new technology sent preorders above 5,000 by the end of the year.

The hype was there, but the sales and support were not. The original head of Tesla's China business was Kingston Chang, formerly of luxury automaker Bentley. Chang wanted to broadly expand Tesla's operations, including customer service centers, public relations, and car-charging networks, according to tech news site PingWest. But Tesla headquarters told him to build a sales team first, betting that good marketing could bring in more revenue before more stores and charging stations were finished being built. Tesla opened just a single showroom in Beijing, opposite an American Apparel store in one of the city's glitziest malls.

Tesla's strategy shifted again after Veronica Wu came aboard in December 2013, after a successful stint in big enterprise and education sales for Apple in China. At Tesla, she discussed adding traditional outlets like dealerships to the mix, similar to the way Apple had added retail channels in China. Though headquarters balked, Tesla in China was soon encouraging fleet sales orders of 100 or more cars from car-rental agencies and institutions, to jump-start demand. Staff, especially salespeople, soared from 10 employees to more than 100, and later to 600.

At the same time, Tesla imposed rules that frustrated individual buyers. Before customers could order a car, Tesla required that they prove they had a parking spot and a home charger, to ensure a good experience. The company also required that buyers live in a city that had a Tesla service center—even though, as of mid-2014, only Beijing and Shanghai had such centers. Some high-rise apartment managers, meanwhile, balked at having chargers installed in their buildings.

The mismatch between Tesla's approach and customer demand created a big opportunity for gray-market resellers—who bought in bulk and catered to buyers who didn't meet Tesla's criteria. The company had no official resellers, but the cars made their way to many, who sold in dealerships, car centers, and even on Alibaba's Tmall for more than the same models cost on Tesla's website. "There were a lot more scalpers than we expected," Wu now says. Others questioned whether the company was really in the dark:





#### CHRYSLER [1955-1998, 2011]

One of Detroit's Big Three, it fell off the list after merging with Germany's Daimler-Benz. After multiple sales and a bankruptcy, it's now part of Italy's Fiat Chrysler.



#### TESLA [2017-]

Battery-powered Model S sedans began rolling off Tesla's Fremont, Calif., assembly line [above] in 2012; by 2016, the company had \$7 billion in global revenue, including a little over \$1 billion from China.

"Most 'fleet' sales were just a flimsy cover for sales to resellers," concluded Bertel Schmitt of Dailykanban.com, an auto industry site. It was all legal, but also a sign that Tesla had strayed from the high-touch sales approach it used elsewhere.

Tesla's first China deliveries arrived in spring 2014; Wu later told Reuters that China sales could drive 35% of the company's growth. But that was already sounding fanciful. Tesla was hurriedly building customer-service centers, and customers outside of Beijing and Shanghai were told they wouldn't get their cars until those centers were finished. One buyer made national news when he smashed the windshield of his own Tesla, after it arrived months later than expected. Meanwhile, the Chinese press didn't shower Tesla with as much coverage as the West's did. As a result, most potential customers didn't know much about Tesla's product. Consumers didn't know they could charge their car at home every night like a cell phone; most thought they had to rely on the still-small Supercharger network.

By the end of 2014, Tesla's business was a mess. About 4,700 cars had been shipped to China, but only 2,500 were sold and registered to drivers. (The company delivered 18,500 cars in the U.S. that year.) Publicly, Tesla blamed the gap on speculators who entered orders, then didn't buy the Teslas once they shipped. But several former employees say the real problem was the lack of customer support. Says Ricardo Reyes, Tesla's former communications chief: "I think Tesla took for granted

that they were just going to succeed in China."

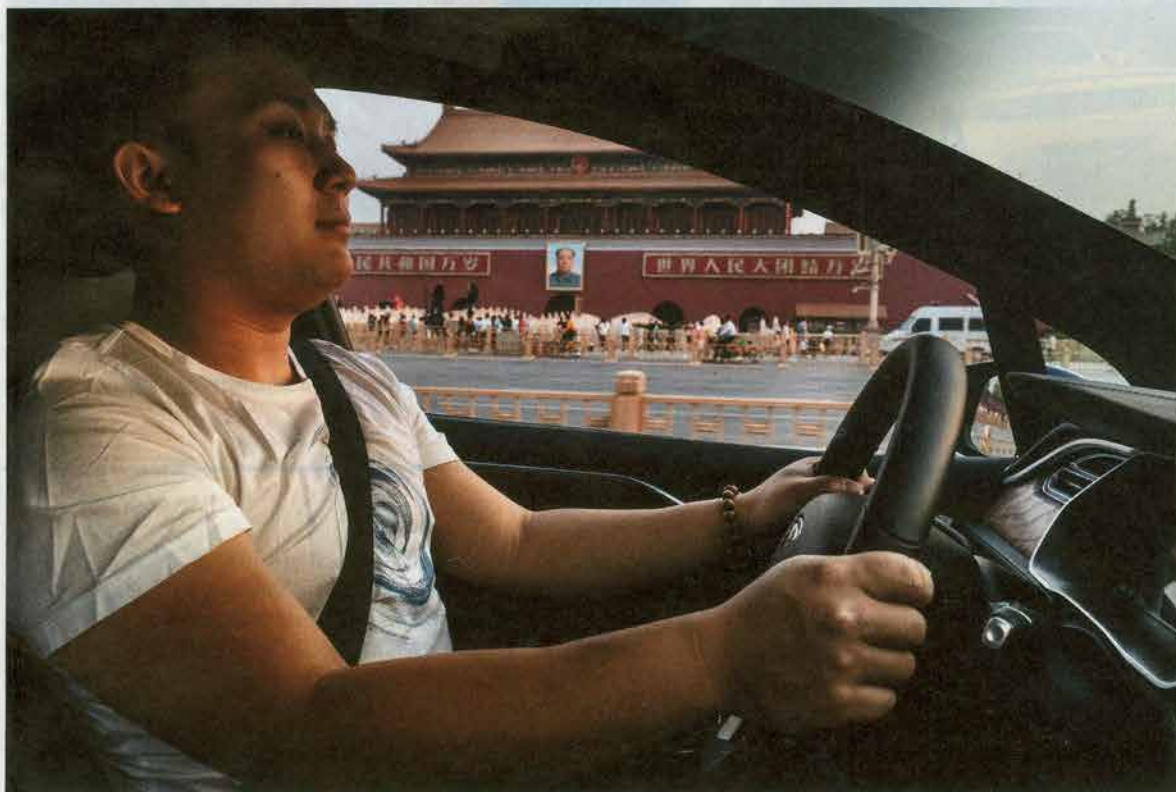
By December 2014, both Chang and Wu had left Tesla. Tesla executives in California griped privately that China wasn't so unique that it demanded a different strategy. But not long afterward, the company began an apology tour that marked a turning point. On a frigid evening in January 2015, during the Detroit International Auto Show, Musk admitted China sales were "unexpectedly weak." That spring, he traveled to China to meet with President Xi Jinping and other leaders, tweeting that he remained "very optimistic" despite "earlier mistakes." Reyes offered a mea culpa at the Shanghai auto show in spring 2015, the first Chinese motor show that Tesla bothered attending: "I think we have been a little bit too impatient in the Chinese market." It was as contrite as the company would get—and the news it was generating was about to get better.

**I**N 2015, TOM ZHU, a respected engineer responsible for China's Supercharger network, became the top executive in the country. The company ended that year with a disappointing 3,700 cars sold, but there were slivers of optimism. For one thing, Tesla was building Supercharger locations in China at a faster pace than anywhere in the world, addressing consumers' "charge anxiety." About 120 Supercharger locations exist in China today, compared with 370 in the U.S., and Tesla says China will have more than 800 charging stations by the end of 2017.

Just as important: Word was getting out that buying a Tesla was easier than buying other luxury cars. In China, dealerships known as "4S stores" (for "service, spare parts, sale, and survey") largely corner the market for popular luxury brands like BMW, Jaguar Land Rover, and Mercedes-Benz. The stores inflate costs for consumers by tens of thousands of dollars with various vague fees. Tesla's direct-sales showrooms eschew that system. And while import tariffs increase their overall cost, Tesla otherwise prices its cars in China at the same level that it does in the U.S. after currency adjustments.

Vanessa Zhu visited three other brands before she settled on her Model X. The Range Rover dealership asked for an additional 300,000 yuan (\$45,000) as its standard fee, she says; Porsche





told her she had to wait three months for its Cayenne SUV and required a 100,000-yuan delivery fee. Tesla in contrast, put her on a one-size-fits-all waiting list and didn't impose fees. "In China, a car is a symbol of your status, so most people don't care what you pay in terms of those extra fees," Zhu says. "But I do care. I don't like it."

Tesla owners also found out they could beat China's bureaucracy in the license-plate game. China's local governments restrict the number of drivers on their clogged, polluted streets by controlling the number of plates issued. Drivers have to wait years to get one through a lottery system. (In early 2015, 6.2 million people applied for just 36,757 available Beijing plates.) And once drivers get a plate, they are barred from driving one day a week.

But plates for electric cars now fall under different rules, thanks to the government's push for electric vehicles. Beginning in 2014, Shanghai allowed electric-car drivers to get a license plate without facing a wait, a \$12,000 plate fee, or driving restrictions. Other cities followed suit, and

**○ SQUARE DEAL**  
Mike Fan drives his Model X past Beijing's Tiananmen Square. Tesla sells its cars outside China's network of luxury-auto dealers, enabling buyers to avoid onerous fees.

such policies became a boon for China's electric-car makers. Without them, "there's no possibility that private consumers would buy these vehicles," says Zhang Yong, deputy general manager at the electric-car offshoot of state-owned Beijing Automotive Industry Holding Co.

The policies were game changers for Tesla too. The first six cities in China to have exempted electric vehicles from license plate restrictions: Shanghai, Beijing, Shenzhen, Hangzhou, Guangzhou, and Tianjin. The cities with the highest Tesla sales, according to Junheng Li of J.L. Warren Capital: Shanghai, Beijing, Shenzhen, Hangzhou, Guangzhou, and Tianjin.

While the policies helped sell Model S sedans, Tesla realized quickly that the Model X would be a much bigger story in China. China's obsession with SUVs is 10 years old and going strong. Their popularity stems from a variety of factors: Domestic makers produce good models; their seating can accommodate an entire extended family; they're widely believed to be safer; and their higher prices imbue status. German luxury-



car maker Porsche's bestselling vehicle in China isn't a sports car but its Macan SUV.

By 2015, SUV sales were the only growing part of the Chinese auto market; in the first half of 2016, SUVs accounted for 35% of passenger-vehicle sales. It's no coincidence, then, that a spike in Tesla sales coincides exactly with the first Model X deliveries in China, in June 2016. In the second half of last year, with the SUV available, Tesla notched 7,670 sales—about three-quarters of its total for the year in China. Tesla's sales had finally caught up to its hype.

**CLOSE GOVERNMENT RELATIONS** are a must in China for foreign companies, and Tesla has carefully cultivated them. Like Apple, Tesla has created new businesses thanks to its demand for Chinese-made components, particularly its cars' giant touch screens. In 2015, Tom Zhu said Tesla would double its spending on Chinese-made parts, committing to buying \$500 million worth of supplies from Chinese companies that year; such spending has likely only skyrocketed.

The far bigger question mark is whether, and when, Tesla will announce plans for a factory in the country. Every car brand with significant China sales—including luxury-auto makers like Mercedes-Benz and BMW—runs a joint venture with a local partner. The government has required as much for decades. Imported cars face hefty fees, as Tesla owners are painfully aware. A Model 3 sedan's \$35,000 starting price in the U.S. becomes \$50,000 in China after a 25% tariff and 17% value-added tax—a heavy lift for a middle-class buyer. “If they don't announce plans for local production, they will struggle to sustain this performance,” says Bill Russo, former head of Chrysler North East Asia and managing director of Gao Feng Advisory in Shanghai.

Tesla remains cagey about what those plans could look like. Dong Yang, the auto lobby official, says several potential local partners are courting the company, and that multiple provinces and municipalities want Tesla to build a plant with them: “They all offer better and better options,” Dong says. In May, Musk said Tesla would more clearly define its plans for China production by the end of this year; a spokesman declined to give further details.

Tesla may be hesitating because of today's

sales numbers. If you build fewer than 100,000 vehicles a year, it doesn't make sense to manufacture in China, says Steve Man, analyst at Bloomberg Intelligence in Hong Kong. Tesla's factory in Fremont, Calif., can churn out more than 500,000 vehicles annually. Even if it doubles China sales this year, Tesla will just pass 20,000 cars. It faces a catch-22: It won't sell cars at lower prices that drive sales if it doesn't produce them locally, but local production won't be economical until sales rise drastically.

Intellectual property is a looming headache as well. Critics of Chinese business practices argue that Tesla faces certain IP theft as soon as it brings manufacturing into China. “Yes, some of its tech will be stolen,” says Crystal Chang, a lecturer at University of California at Berkeley who studies China's auto market. But Chang adds that the danger inherent in that theft is overstated. “Just stealing tech does not make [a rival] a competitor,” she says. “It's all about brand.”

Today more than a dozen Chinese-backed manufacturers (many of them American startups that now have Chinese owners) are tripping over one another to promote their electric cars and acceleration times; Faraday Future, Karma Automotive, NextEV, and Future Mobility are but a few. But most are likely to be stuck in the concept or prototype phase for the next several years—even as Teslas zip across China.

That's one reason Tesla may be able to reach an agreement to produce cars in the country on favorable terms. China lusts after Tesla's technology but also its management practices. And Tesla already offers its patents to anyone who asks—making it highly plausible that Musk would agree to more information-sharing in return for a vastly expanded market for Tesla's cars.

One big Chinese corporate player seems to have no doubt about Tesla's prospects. In late March, Tencent, the politically connected technology giant that recently became one of the world's 10 largest publicly traded companies, said it spent \$1.8 billion buying Tesla stock. Not long afterward, Tesla's market capitalization edged past that of General Motors, making it the most valuable American automaker.

**I**N A RECENT Sunday night, three dozen prospective buyers gather in a Tesla showroom in Beijing for a wine tasting. The crowd of mostly thirtysomethings skews wealthy, and cares some about the environment, but they're mostly in awe of the brand. Tesla's buyers' circle has expanded to include the rich along with the very rich. Jeff Yu, whose family runs a yogurt business, thought about buying an SUV from Mercedes-Benz or Maserati, but was put off by their glitz. “Tesla is a tech thing. That's my taste,” he says.

Evan Qu, a slim man sporting a designer shirt and Buddhist wrist beads, sells audio equipment; he thinks executives at his biggest customer, CCTV, the central broadcaster, will appreciate the environmentalist aura of the Tesla when he rolls up to their next meeting. “This car helps you get more deals,” he says. On Tesla's website, he's customized his Model X—color: ocean blue—for a total cost of 1.2 million yuan (\$175,000).

A waiter refills Qu's glass as a promotional video on a loop in the background underscores his aspirations. *Choose a Tesla green vehicle, it says, over and over, to advance a better life in the future.* ■



500

RANK

157

2016  
COMPANY  
PROFILE  
PG&E

REVENUES

\$17.7  
BILLION

PROFITS

\$1.4  
BILLION

EMPLOYEES

24,000

TOTAL RETURN  
TO SHAREHOLDERS  
(2008-2016,  
ANNUAL RATE)

6.5%

Williams  
photographed  
on Treasure  
Island,  
with San  
Francisco,  
PG&E's home  
city, in the  
background.

# A BOLT OF ENERGY

PG&E CEO **Geisha Williams** is a classic immigrant success story. Now, as head of California's largest utility, she's embracing a business rocked by powerful change. BY VALENTINA ZARYA





▲ PHOTOGRAPH BY DREW KELLY



# W

**WHEN THE TIME CAME** and the Jimenez family was finally permitted to leave Cuba after 18 months of trying, the government gave them barely a matter of days to go. Even at age 5, Geisha understood there was little time for questions, and none for packing toys or books. They would leave their government-owned apartment with whatever they could carry, with just enough time for her dad to visit his parents and say goodbye. The family boarded a plane for Miami and then continued on to St. Paul, where their only American relative, an elderly aunt, lived at the time. The day they arrived in America was the first time any of them saw snow.

That was March 1967. Fifty years later, almost to the day, Geisha Jimenez made business history. Now 55 and known by her married name, Williams, she became the first Latina CEO of a *Fortune* 500 company—in this instance PG&E Corp., the \$17.7 billion (revenues) parent of the venerable Pacific Gas & Electric Co.

Williams is taking over at a time of accelerating change in her industry. Indeed, nowhere are the barricades being stormed more aggressively than in PG&E's home, California, whose mandate for change is more audacious than any other state's: Its law requires that 50% of utilities' power be generated by renewable sources by 2030. Under Williams, who ran the com-

pany's electric unit before becoming CEO, PG&E charged past its most recent renewables target years ahead of schedule.

Certainly, the logistics of maintaining a power grid have always been daunting; the regulations, suffocating. But the business equation used to be simple: (1) Produce electricity or gas at a few massive plants, (2) deliver it to customers, and (3) collect money.

Today the complexity has increased exponentially. Utilities are transforming themselves into what Williams calls "platforms," hubs that are as important for their ability to receive power from other entities as they are for their ability to produce and distribute their own juice. For example, thousands of families not only have solar panels on the roofs of their houses but also have the right to sell electricity back to PG&E.

That's only the tip of the turbine when it comes to supply these days. There's wind power, of course, biomass, and other alternative sources. PG&E is also required to buy electricity from independent power producers. There are even newer players, in the form of energy spinoffs from some of the largest companies in the country: Google, Amazon, and before long, Apple.

Meanwhile, the rise of electric cars—half of all U.S. electric vehicles (EVs) are in California—means PG&E needs to deliver electricity in places where it was never needed before. Throw in the eternal goal of developing large-scale electric storage, and the result is a business that scarcely resembles the sleepy old utility of yore.

That means rethinking not only the grid—but also how to pay for it. "The new model needs to reflect the new reality," says Williams. It's no longer logical to charge customers by kilowatt-hour, she maintains. Williams is pondering different pricing models, including ones in which customers would pay PG&E a fee to keep the whole sprawling system in balance. Her idea is to change the yardstick, just as telecommunications companies did when people stopped talking on the phone: Instead of charging customers per minute, they now bill by gigabyte of data.

Williams rose at PG&E in large part because she has embraced the rise of renewables. And she shows every sign of continuing to welcome dramatic change. As she puts it, "I've got revolutionary blood in my blood."

**WILLIAMS'S PARENTS WERE POLITICAL DISSIDENTS** in Cuba. They initially supported Fidel Castro, but even then there were hints of their affinity for America in the name they gave their daughter. They took it from the title of a John Wayne flick, *The Barbarian and the Geisha*, which has to be the only movie in which the aging cowboy was seen on-screen wearing a kimono. ("At least they didn't name you after the barbarian," goes the family joke.)

Her parents became disillusioned with Castro after he began militarizing and suppressing free speech. They began attending and organizing counterrevolutionary meetings in the early 1960s. One day, when Geisha was 10 months old, her father, Alberto, disappeared. Her mother, Ana, was told he was dead. Ana refused to believe it; people in Cuba disappeared and reappeared constantly. Eventually, she found him at a local prison, where he was held for three years before he was released for lack of evidence.

After Alberto's stay in prison, the family decided to flee to the U.S., where, thanks to the Cold War, Cubans could gain near-



automatic admittance. Castro's government didn't make it easy for them, but they finally departed on March 8, 1967.

Like many immigrants before them, Alberto and Ana took menial jobs in their new country. A welder by trade, he worked in factories during the day—including stints making cardboard boxes and vinyl tablecloths—and washed dishes at local eateries at night. She cut embroidery by the piece. Eventually they saved enough to buy a small grocery store they called La Guajira (peasant girl), in Jersey City, N.J., where they moved shortly after their first winter in St. Paul. They sold that grocery to buy another and inched their way up to become part owners of a supermarket in Newark.

Williams spent most of her time outside of school at the family's groceries. She would do her homework while perched on a stack of 25-pound bags of rice in the stock room, then pitch in as needed. Her favorite role was cashier, she says, because she loved counting and making change. To this day, she credits that experience as her reason for liking math and eventually becoming an engineer—that and the fact that she didn't speak any English when she first went to school. "I had a comfort in math because I was still learning the language," Williams says.

Her first American teacher thought she was deaf, but by age 7 she was the family's main translator, involved in discussions with accountants, lawyers, and property managers. Between keeping up with her schoolwork, helping out at her family's businesses, and taking care of her younger brother, Williams didn't have time for much else. Her husband, Jay, says his wife was "never a kid," but Williams doesn't see it that way. She had a different kind of childhood, not a lack of one. "I liked helping my parents, feeling useful, feeling smart," she insists. "I enjoyed knowing that I was helping somehow."

**G**EISHA WILLIAMS ISN'T THE FIRST person whose life included moments of happenstance—but her ability to make the most of them is striking. She pursued engineering in college largely because her high school math teacher suggested it and her parents approved. Her entry into the energy business was even more random. While attending the University of Miami and in need of a summer job, she saw a yellow sticky note on a job postings board.

It read, "Engineers wanted. Call Rick." She called Rick, and he hired her.

She spent that summer working as a marketing service representative for Florida Power & Light. Her job was to show customers how to make their homes more energy-efficient. Williams would measure their windows and calculate how much they could save if they added insulation here, window film there. It was fun, she says, except for the blue polyester uniform—"so hot, so uncomfortable"—and crawling through attics in sweltering Miami. "I would get home at the end of the day and be all sweaty and have fiberglass in my hair, and my mom would ask, 'Why are you a technician?'" Williams laughs. "But I loved it." The company tracked customers' energy usage, and her record that summer was fantastic. The families she visited followed through with her power-saving suggestions.

She became attracted to the idea of a career in energy. In her view, it's "such an enabler of everything we do." When she graduated, FPL was the only company she applied to. She ended up staying for 24 years, during which she held positions across the customer service, marketing, external affairs, and electric operations departments.

Williams says it never occurred to her that she could run a company one day. But early on at FPL, a pep talk altered her per-

**O** Williams (below) as a girl in Cuba; her parents (at bottom) in one of the succession of grocery stores they owned in New Jersey.





spective. It came from an older manager named Clark Cook, who told her, "Some day, somebody has to run this company. Why not you?" Asked what unique quality he saw, Cook chuckles and admits he offered similar encouraging words to many a young employee. (One possible hint: Cook says that the much more junior Williams threw him out of her office during one of their first meetings because he was smoking. "She was very well-liked," he says, "but also tough as nails.")

She may not have been the only one to receive Cook's support—but nobody took it further than Williams. "That conversation was such a turning point," she says today. "I went from thinking I could be a manager to thinking I could do something much bigger than that."

**W**ILLIAMS STAYED AT FPL till 2007, when she decamped for PG&E. The California utility stalwart had long been viewed as the gold standard in its business. It powered California's economic boom and was an early leader in renewable energy. But Williams arrived at a precarious time: The company was between two traumas. PG&E had been hammered by energy deregulation in 2000, which led to a statewide power crisis and later, a humiliating trip to Chapter 11 bankruptcy reorganization. Then in 2010 a PG&E gas line in San Bruno exploded and killed eight people in a fireball that destroyed 38 houses. It was the worst disaster in company history.

PG&E—which ultimately paid \$1.7 billion in fines and penalties and was later found criminally responsible for shoddy pipeline management—had to spend years working to improve its gas infrastructure and trying to restore its reputation.

It helped Williams that she was on the electricity side of the business at the time—and that she has a reputation for integrity. Equally important, she was able to give the unit a crucial upgrade. "Geisha transformed us from old grid to grid of the future," says her predecessor as CEO, Tony Earley. Under her leadership, the company invested \$15 billion in modernizing its electricity infrastructure, including spending on "smart" meters (which allow companies to monitor use remotely), auto-switching devices that allow employees to

monitor usage and outages from a distance, and technology that helps the grid "self-heal" by rerouting electricity around a damaged power line. All of that has helped PG&E achieve the best electric reliability in its history.

Williams also played a crucial role in transforming the electricity business into a leader in clean energy. During her tenure as president, PG&E connected more solar rooftops and supported more EVs than any other energy company in the U.S. With her at the helm of the company's electricity business, PG&E reached its 2020 target—to generate 33% of its electricity from renewable sources—three years early. The company is six points above the state average. And now Williams has announced that PG&E will aim to exceed California's 2030 target—50%—by five percentage points.

Williams's people skills have also been a boon to her career. "She's got this mix of blue collar and white collar, can talk tough issues and simple issues—and all in this disarming way," says John Simon, the company's general counsel, who has worked with Williams for a decade.

Her biggest diplomatic triumph came in her decision to decommission Diablo Canyon, California's last nuclear plant, beginning in 2024. Closing down an old nuclear facility is more controversial than one might think. The tricky part was winning support from a disparate group of sometimes contentious stakeholders, including environmental groups, who feared that the company might replace the plant's power with carbon-belching fossil-fuel sources. Committing to a greenhouse-gas-free plan, Williams soothed the constituencies and earned their support. "I haven't seen anything like this kind of cooperation," says Ralph Cavanagh, codirector of the Natural Resources Defense Council's energy program. Adds former CEO Earley, "Pulling that together was a real tour de force. He calls the deal the "final exam" in her quest to become the new chief.

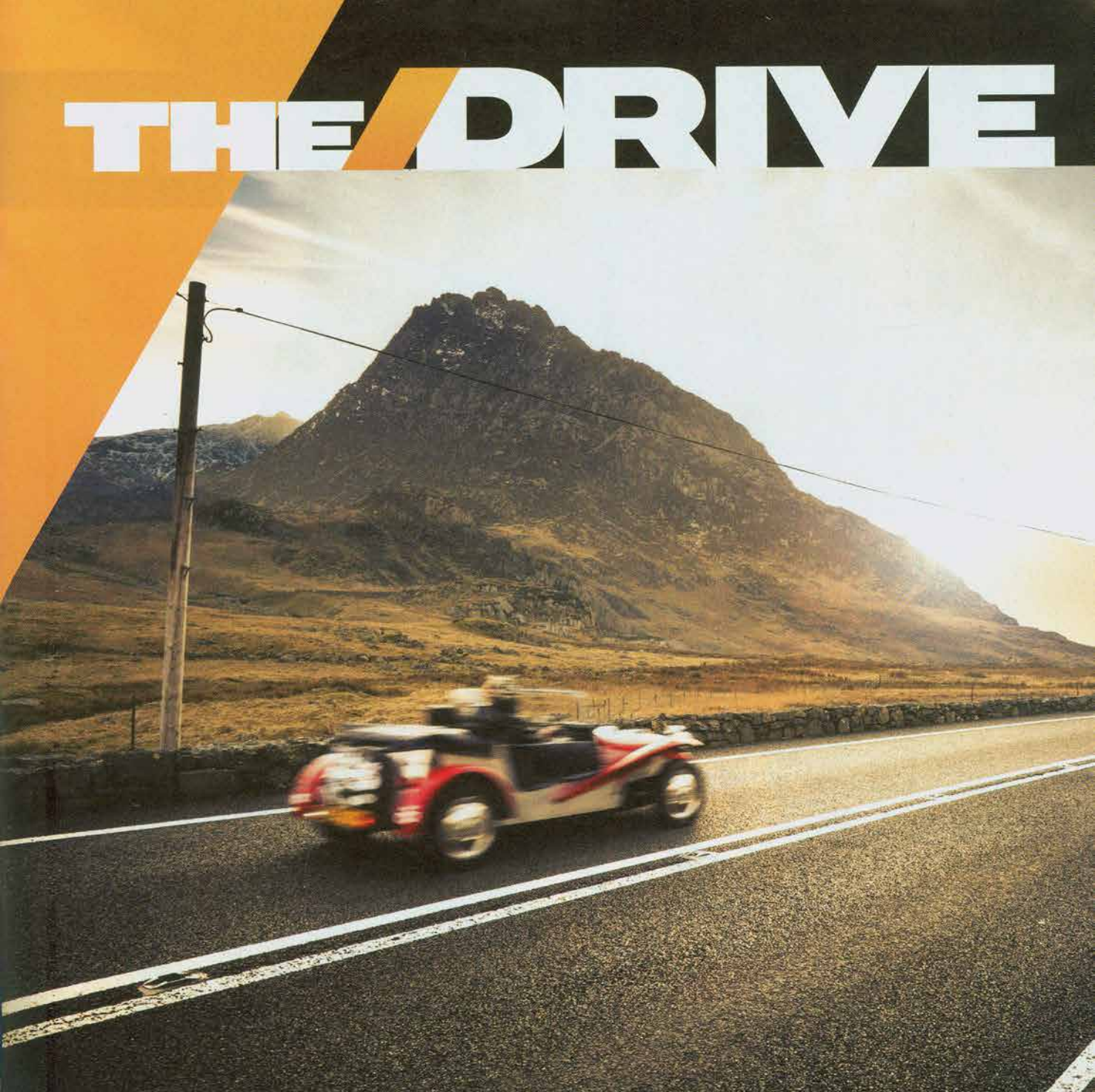
Williams, of course, faces plenty more tests, but, typically, she's enthusiastic. She calls electric transportation the "single biggest opportunity to really make a meaningful impact on reducing greenhouse gases." To that end, she plans to invest \$130 million over the next three years to install 7,500 EV charging stations.

Another major challenge is storage. The utility's biggest renewable resource is solar power—it connects some 6,000 new solar customers per month last year—but the obvious problem is it fizzles when the sun sets. Being able to better store energy from the sun would dramatically increase its utilization. PG&E expects to procure 580 megawatts of storage capacity—enough to power roughly half-a-million homes for a year—by 2020.

Williams sees PG&E's future role as one of grid administrator and connector of distributed energy resources like solar panels, EVs, and battery storage facilities. Together with General Electric, Tesla, and Green Charge, PG&E is testing this idea in a pilot project in San Jose. A few dozen residential and commercial customers were given solar panels and substantial batteries. PG&E is regulating the entire ecosystem. Discussing the future leaves Williams, um, charged up. "How lucky am I! How privileged am I!" she exclaims at one point. A half-century after immigrating to the U.S., she's still grateful—and energized. ■



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# IS GOLDMAN SACHS

RANK 78

# STILL NO. 1 ON WALL STREET?

The finance world's most ruthlessly efficient profit-maker has struggled in an era of tighter regulation. Now its supremacy is being challenged by both big banking peers and nimble fintech startups. Here's how CEO Lloyd Blankfein plans to take Goldman back to the top.

BY WILLIAM D. COHAN





**LLOYD BLANKFEIN HAS** always been a big worrier. At Harvard, the future CEO of Goldman Sachs worried that he wouldn't be able to match wits with the prep-school students who seemed light-years more savvy than a little kid from an outer borough of New York City. "I was as provincial as you could be," he once told me, "albeit from Brooklyn, the province of Brooklyn." He worried at Harvard Law School. He worried at Donovan Leisure, the law firm where he worked as a tax lawyer. And he worried at J. Aron & Company, the commodities dealer Goldman Sachs had bought in 1981, the year before he joined it to trade gold—a task for which he had very few qualifications.

Blankfein, 62, has been the chairman and chief executive of Goldman since June 2006, when Hank Paulson left to become Treasury secretary, and he's still worrying. He is hopeful that tax and regulatory reform—if it can be achieved amid the immense turmoil in Washington—will help propel Goldman back to its customary place as Wall Street's most ruthlessly efficient profitmaker. But as usual he doesn't know for sure what will happen, and so he worries. "Gee, I hope I don't look back five years from now and say, 'The last 10 years were the Golden Age,'" he says. "That would be bad. But who knows? When they had the 40-day flood, on the third day, they said,

'Boy, that's a lot of rain! It can't last much longer.' So who knows?"

It has certainly been a tumultuous decade or so, both for Goldman and for Blankfein himself. There was the financial crisis of 2008, of course, and the regulatory reckoning that came after—including the Dodd-Frank reform bill and the Volcker Rule, which greatly inhibited the highly profitable proprietary trading that Goldman had always seemed to do better than anyone else. The investment bank was memorably derided by *Rolling Stone* as a "great vampire squid wrapped around the face of humanity." And Blankfein himself was relentlessly pilloried for a quip that Goldman and its peers were doing "God's work." More recently, Blankfein has faced a serious health scare: He was diagnosed with lymphoma in 2015 and spent months undergoing successful treatment. His doctors say the disease is in remission.

The professional and personal crises may have receded. But Blankfein now has a whole new set of reasons for anxiety.

To begin with, his longtime No. 2, Gary Cohn, recently left the firm to go to Washington as President Trump's national economic adviser, necessitating the most significant management reorganization at Goldman in a decade. Goldman's bigger and better capitalized banking competitors, such as JPMorgan Chase, Bank of America, and Wells Fargo, are churning out record or near-record profits, while Goldman Sachs is still trying to find its footing in a regulatory environment that has favored less risk taking than Blankfein's company is designed to accommodate. More than a few people on Wall Street, however, expect that Cohn and Treasury Secretary Steve Mnuchin, another Goldman alum, will find a way to ease back on the regulations.

Meanwhile, Goldman's longtime rival, Morgan Stanley, is winning the plaudits of industry analysts who view its acquisition of Smith Barney as a savvy move into the less volatile fee-based money-management business. This even as Goldman is still betting that investment banking and trading will once again return to prominence on Wall Street. "Unlike Goldman, whose strategy has been a little bit, 'Let's just wait it out and the world will come to where we want it to be over time,' Morgan Stanley's strategy has been, 'Let's take the bull by the horns,'" explains Guy Moszkowski, who has been a Wall Street research analyst for decades and now is the managing partner and director of research at Autonomous Research.

Then there's the rising threat from the so-called fintech industry, the growing number of Silicon Valley-based financial businesses that are using the Internet to disintermediate the work that Wall Street has done spectacularly well for centuries: putting people who have money and want to lend it or invest it in direct contact with the people who need to borrow it or want to use it to start or grow businesses. The threat remains a marginal one for now, as the startups are primarily picking off low-hanging fruit in credit card and student-loan markets. But the days of fintech companies underwriting stocks and bonds and making corporate loans—the bread and butter of Wall Street—may not be too far away.

These concerns were magnified in April by current events, when Goldman announced disappointing results for its first quarter of 2017. In bond trading—an area where it expects to rule—it reported shockingly anemic revenue growth (1%) compared with





Goldman CEO Lloyd Blankfein, photographed in Davos, Switzerland, in January, is healthy after undergoing treatment for lymphoma.

LLOYD BLANKFEIN: CEO, GOLDMAN SACHS



## IF SOMEBODY SAID TO ME THAT IT'S TIME TO LEAVE, I WOULD UNDERSTAND THAT. NOBODY'S FIRED ME YET."

strong double-digit gains by its major banking rivals. That got Wall Street worrying too: How had mighty Goldman managed to fumble so badly, investors and analysts wondered, when all of the other banks were raking in profits thanks to the long-running Trump rally? What happened? After reaching an all-time high of nearly \$253 a share in March, Goldman's stock fell to around \$212 at the beginning of June.

It's beyond premature to begin writing off Goldman Sachs. With \$37.7 billion in revenues for 2016, Blankfein's company ranks No. 78 on this year's *Fortune* 500. The bank earned \$7.4 billion in profits on those sales, a 22% gain over the year before. Goldman remains a formidable force in global markets. And with Cohn and Mnuchin in positions of considerable power in the Trump administration—as well as Dina Powell, another Goldmanite who is serving as Trump's deputy national security adviser for strategy—it appears to many on the outside that “Government Sachs” still effectively rules the world.

But it is certainly fair to wonder if Goldman is well positioned for the realities of today's Wall Street—flanked as it is on one side by much larger traditional banks and on the other by nimbler startups. Does the bank known for always being first to see the next big trade still have what it takes?

At least one savvy investor, who owns some \$2.5 billion worth of Goldman stock, urges calm amid the roiling seas. “I'm not much for prognostications,” emails Berkshire Hathaway CEO Warren Buffett from Omaha, “but one thing I'm close to 100% sure about—whatever the twists and turns there may be in regulation, technology, and markets, Goldman will successfully adapt. I've watched them do it for decades.”

**T**HE NEWS REVERBERATED around Wall Street. When, in September 2015, Blankfein announced he had a “highly curable” form of lymphoma, there was understandable concern—not just for the CEO himself but also for the future of the bank. Would Goldman soon have a new leader? Would Cohn be his successor, as everyone assumed? Or would the Goldman board of directors reach deeper down to find a younger leader, as it did when the board selected Blankfein to succeed CEO Paulson instead of Paulson's seemingly designated successors John Thain and John Thornton? For much of 2016, it was Wall Street's favorite parlor game.

In a recent interview in his 41st-floor office, overlooking New



York Harbor, Blankfein tells me that for a “long time” during 2015 he wasn’t feeling well and that “in hindsight” he had symptoms he could “explain away.” Then he jokes, “And anything I can explain away, I do.”

For instance, he was losing weight. “But I’m always trying to lose weight,” he says. “I just thought I was unusually successful.” In fact, he says, he thought he had hit upon a new diet. He began proselytizing. “I started giving people advice on how to lose weight, because I was so successful at it.”

Then he developed a cough. “It was in the summer,” he says. “I thought I had allergies.” Then came the aches and pains. “I was exercising,” he says, and he thought he was just sore. “I just had these things, and then they started accumulating.” He remembers how he’d been walking with some people and told them to slow down. “And they said, ‘No, Lloyd, you’re walking slow, and you’ve been walking slow for a long time,’” he says. “Literally, that’s what happened.” He went to the doctor, who told him that in two more weeks he wouldn’t have been able to walk anymore. He had 75 tumors, and they were growing.

He scheduled a biopsy for Sept. 16. Usually such surgeries are done first thing in the morning. But Blankfein had already committed to speak at a *Wall Street Journal* event at the Pierre Hotel in Midtown Manhattan. In his interview that day with Gerard Baker, the editor of the *Journal*, Blankfein looked wan and a bit peaked but was otherwise lucid. He was asked, among other things, about the growing popularity of Donald Trump. Blankfein, a Democrat and a longtime supporter of Hillary Clinton, said that some of Trump’s statements were “wacky” and the thought of Trump “with his finger on the button blows my mind.” Before nearly anyone else, Blankfein drew a parallel between Trump and Andrew Jackson, a comparison that Trump now makes himself. (Trump has put Jackson’s portrait in the Oval Office.)

Blankfein was in the hospital when his doctor got the biopsy results. “You’re going right up to chemo,” he told Blankfein. While the PICC line was in, Blankfein informed the Goldman board of directors of his diagnosis. And then he arranged for a call with his management team. While those calls were being made, the doctors were performing a painful bone-marrow biopsy. “But I was so involved [with the calls],” he says, “I didn’t even notice it.”

Goldman released a statement about Blankfein’s illness. It said he would undergo months of chemotherapy but still be able to lead the firm, albeit on a reduced schedule. During chemother-

apy, he didn’t feel that sick. “I had one bad week,” he remembers.

He was more concerned about getting an infection that might kill him. In the days after the chemo, his white blood cell count fell to nearly zero. He walked around the office carrying a thermometer, because taking his temperature repeatedly was the best way to figure out quickly if he’d become infected. “If your temperature goes over 100.4, you’ve got to go to the hospital,” he says. Already mostly bald, Blankfein lost his eyebrows. “I can show you pictures,” he says. “It looks weird. I looked like Lex Luthor at the end of winter.” People told him after he was diagnosed that he hadn’t looked so great for a while. “Well, why didn’t you tell me?” he asked them.

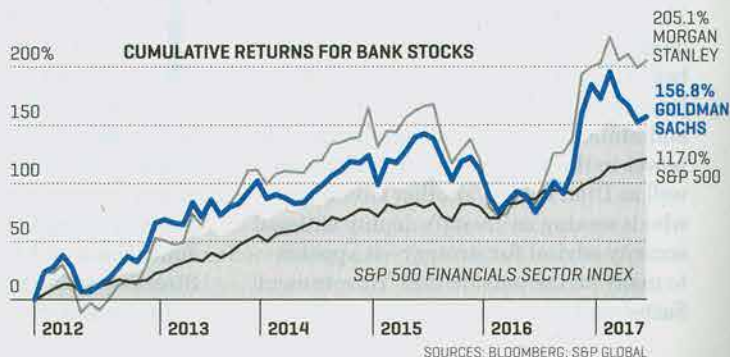
The chemotherapy worked. Blankfein says his cancer is now in remission. “I think I’m okay,” he jokes. “The problem is, by the time I’m sure I’m okay, I’ll be so much older that I’ll have that as a problem. So it’s like, there’s not going to be any peace in this, for me.”

His eyebrows have grown back. And so has a little bit of his paunch. (As we spoke, he finished off a bottle of Stewart’s sweet orange soda, not the easiest thing to find in Manhattan.) His sense of humor is as dry and acute as ever. “You should really be sympathetic, by the way,” he tells me after we get done talking about his illness.

**I T IS CLEAR NOW** that Blankfein is not going anywhere soon, just as Jamie Dimon, the chairman and CEO of JPMorgan Chase, seems more entrenched than ever following his successful bout with throat cancer two years ago. Indeed, Blankfein is now the longest-serving CEO on Wall Street. (And the second-longest-serving

## A GLASS HALF FULL, OR HALF EMPTY?

Goldman shareholders have been rewarded with total returns over the past several years that beat both the broader market and the average financial stock. But the bank’s stock has lagged well behind its archrival Morgan Stanley.





leader in Goldman's illustrious history, behind only the legendary Sidney Weinberg, who died in office in 1969 after 35 years at the top.)

Healthy and focused, Blankfein seems determined to steer Goldman through what is shaping up to be an important inflection point in the industry: The economy is growing stronger, unemployment is low, and interest rates remain low. Assuming that Washington pulls back on regulation, Wall Street should be poised for boom times.

Blankfein's vision for the future of Goldman, not surprisingly, does not stray far from what has made the firm the envy of nearly every financial institution on the planet. He still wants Goldman to be the financial intermediary of choice, especially when the problems are complex. And he expects that it will still be Wall Street's leading investment bank.

"We're an adviser," he explains. "I don't think advice has gone out of style. We're a strategic adviser. We manage risky assets for our clients in private equity and in our asset-management business. And we're a financier, and usually a financier of choice. The more complex and difficult a financing situation becomes, the more likely we'll get the call to work on it."

He believes that not only will there continue to be demand for these complicated financing solutions domestically, but that there's also a growing need for Goldman's services in developing economies such as those of China and India. "And we've always had a very good foot in the door in those places, so I feel good about that."

Despite increasing pressure on fees as investors move away from actively managed accounts to passive investing, Blankfein also seems pleased with the progress

being made at Goldman Sachs Asset Management, where assets under "supervision," as Goldman calls it, have increased to \$1.375 trillion, from \$1.275 trillion a year ago.

Goldman's problem in recent years, Blankfein says, is that its businesses "still correlate with growth," and the world—China aside—has been in an extended slowdown at the same time that Wall Street has endured the "relatively heavy-handed" way that new regulations have been implemented.

There has been a lot less risk taking in recent years, says Blankfein, because people are afraid of losing money. Or they're worried they'll be accused of violating the Volcker Rule or otherwise using capital in a prohibited way. "Somebody will say, 'This was a risk that you shouldn't have been taking,'" he says. "There are layers and layers of stuff that made people very, very cautious and very, very risk averse."

He says Goldman's challenge is how to make money with the tools in its control. "Where is growth?" he wonders. "What are you going to do to get higher growth?"

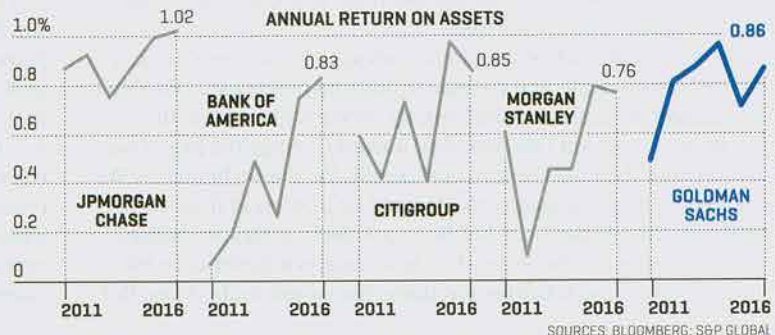
Ironically, at the moment, one answer for Goldman seems to be in lending money to consumers and small businesses—an activity that harks back to the days when Marcus Goldman bought receivables at a discount from the vendors around Wall Street in the 1860s. "We're a bank, we should act like one," Goldman told the *Wall Street Journal* in February.

So after shunning the public for most of the past 148 years, Goldman is embracing the loan business—in its own way. "We have the opportunity to build a higher-margin lending business because we're not competing in the league tables where people already have \$2 trillion worth of loans on their books," he says. "If we got an incremental \$100 billion of the best kind of lending business out there, it would be accretive to what we're doing. We don't need to do it, because nobody thinks that's our core business."

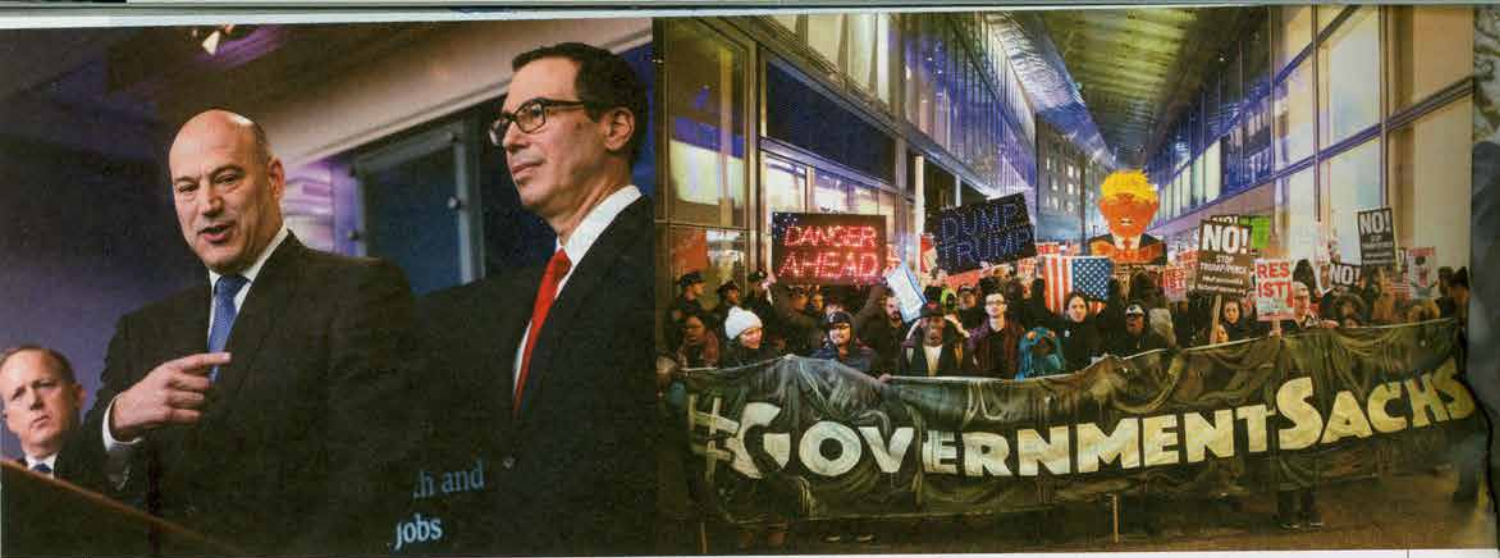
To make it happen, Goldman is even getting a little fintech-y. In 2016 the firm created Marcus, a part of its new online retail banking service, which makes no-fee loans of up to \$30,000 to individuals seeking to refinance their high-priced credit card debt with a small, lower-cost loan from Goldman. So far Marcus—named after the firm's founder—has made loans totaling about \$1 billion in its first six months. Blankfein says that because Goldman doesn't have a legacy consumer business or bank branches, its technological expertise allows it to tailor its products to individual needs. Since the loans aren't being securitized and sold off to investors,

## MIDDLE OF THE PACK IN PROFITS

Looking at Goldman's profits as a ratio of its assets shows that the bank has failed to rise above its major Wall Street peers in recent years.







he said, “We can make it almost bespoke.” That means borrowers can pick the term of the loan, the monthly payment amount, and when they start making payments.

Furthermore, Goldman’s diminutive Salt Lake City–based commercial bank, known as Goldman Sachs Bank USA, is now suddenly eager to get your money, also through the Internet. To do so, the bank is offering depositors an interest rate of 1.05%, some four times or more what rivals JPMorgan Chase and Bank of America are offering. Goldman’s commercial bank now has deposits of around \$125 billion—a mere fraction of Chase’s \$1.4 trillion, but up considerably from Goldman’s \$28 billion in 2008.

If Goldman’s “toe dip” into the waters of consumer lending works out well, Blankfein expects the firm will do more of it. “Reaching a consumer digitally” through technological expertise plays to Goldman’s strengths, he says. “If I assume that consumer experience is a weakness of ours, I’d say a strength of ours has been technology—digital platforms, algorithmic trading, and risk management,” he says.

**W**HEREAS ONCE UPON A TIME Goldman was the largest full-service investment bank on Wall Street, in the wake of the financial crisis—which immolated Bear Stearns and Lehman Brothers—it has now become the smallest. It has assets on its balance sheet (as opposed to under management) of around \$950 billion. Bank of America, which owns Merrill Lynch; JPMorgan Chase, which bought the lifeless Bear Stearns and ultimately folded it; and Wells Fargo, which bought Wachovia, each have nearly three times as much in assets as Goldman does. Its principal rival, Morgan Stanley, has around 100,000 employees, thanks to its acquisition of Smith Barney from Citigroup and its aggressive push into the brokerage business. Goldman has no brokerage business to speak of and has only around 35,000 employees.

Blankfein does not see Goldman making a further move into traditional commercial- and consumer-banking businesses. “We don’t have a kind of regular vanilla banking business like a lot of firms do,” he says. “We don’t do that. And it would change the firm if we did, because then we’d be 225,000 people. We’d have branches. We would have cash management. It would be a different firm. Now, maybe it’d be a better firm, but that’s not the firm that we historically have been or have aspired to. In a crisis, is it better to be bigger and have those activities and those diversified strains? Yes. But

it’s a different firm to manage. It’s a different culture, too.”

Blankfein is human, so on some level he is, of course, covetous of JPMorgan Chase’s ability to produce \$25 billion in annual net income year after year. But he is more focused on the return on equity that can be achieved from Goldman’s mix of businesses, and less on the absolute dollar amount of Goldman’s profitability. In a low-growth environment, such as we’ve seen the past few years, Blankfein says that having a huge loan portfolio such as Chase’s can be stabilizing: “But there have been huge swaths of time—in fact, the predominant amount of time—where our returns were always much higher. And had we had that business, it would’ve pulled down our returns. So it depends on what part of the cycle you’re in.”

At the moment, he laments, Goldman’s return on equity is 10%—below where he’d like it to be, certainly, and more in keeping with what the bigger commercial banks should be delivering to investors.

One way to goose Goldman’s ROE, Blankfein points out, would be to reduce the capital that big banks are required to have. And—spoiler alert!—he thinks capital requirements are too high. “If we ran the same business with 25% less capital, we’d have a third higher ROE,” he says.

The departure in April of Daniel Tarullo, the Federal Reserve governor who was Wall Street’s de facto regulator-in-chief for the past six years, gives Blankfein some hope that those rules might be changing. Tarullo was the leading advocate of stricter capital rules on banks in the wake of the financial crisis. The consensus on the Street is that whoever President Trump appoints to succeed Tarullo will be much more understanding of the banks’ point of view.





That's the bet that Steve Eisman is making. The veteran investor, a character in Michael Lewis's *The Big Short* who was memorably portrayed by Steve Carell in the movie version, is bullish on financials, including Goldman. Under Trump, he believes that the regulators will grade the banks' safety net "on a different curve," and the Volcker Rule will be relaxed. Banks will be able to buy back more stock and ease back into risk. "They'll have more leverage so the ROE will go up a lot," he says. "Goldman will benefit enormously from that."

**A** LOT OF BLANKFEIN'S focus today is on establishing his new leadership team. Cohn's departure necessitated a major restructuring. David Solomon and Harvey Schwartz, the new copresidents and co-chief operating officers, were selected to replace Cohn. Gregg Lemkau and Marc Nachmann have been named the new coheads of investment banking, moving up to replace Solomon. And R. Martin Chavez, an openly gay Latino man with Japanese tattoos on his arm, replaced Schwartz as chief financial officer. Chavez's appointment is as much a sign as any that Goldman is evolving with the times.

Blankfein says he doesn't think Trump chose Cohn, Mnuchin, and Powell just because they once worked at Goldman Sachs, although he takes it as a compliment. "I find it validating," he says. "It makes me feel good that he sees in those people the same thing I see in those people."

In a claim that will draw eye-rolling from some of his fellow Democrats, Blankfein says there's actually a downside for Goldman to having its alumni in Washington. "It was a lot easier for me to call Jack Lew [the former Treasury secretary] than

**O** Far left: Gary Cohn [pointing] left his job as No. 2 at Goldman to serve as President Trump's top economic adviser, alongside Treasury Secretary Steve Mnuchin (in glasses), another Goldman alum. Center: Activists rallied against loosening Wall Street regulations outside Goldman's headquarters in New York in February. Right: U.S. deputy national security adviser Dina Powell [smiling, in foreground] at the White House in April with Cohn, Jared Kushner, and Ivanka Trump.

it is to call Steve Mnuchin," he says. "It's in my head to be careful about it and to limit it." It was one thing during the financial crisis to be able to pick up the phone and talk to Paulson, which he did often, but now, "I'm much more sensitized that people are keeping score."

From a management standpoint, losing Cohn and Powell "makes some things harder and some things easier," he says. "Because every day we had people under Gary that wanted a shot. I wasn't dying to have [him leave], and I'm close to Gary and a lot of life here was organized around Gary's strengths and what he was good at and what he liked to do and his long-term relationships. All that has to be reoriented and replaced."

But his chief responsibility is to think about the firm's future leadership, and Blankfein says that became marginally easier with Cohn's departure. "You can keep somebody an extra two years," he says, "but you might lose somebody who was otherwise going to give you 10 more years. It's an ex post facto rationalization."

What about Blankfein's own future at Goldman? Couldn't it be argued that he is hanging on for a couple extra years, at the expense of the next person who will lead Goldman for another 10? (For what it's worth, the betting on the Street seems to be that after a few more years of seasoning, Harvey Schwartz, the little-known former chief financial officer, will be Goldman's next CEO.)

"Don't be shocked," Blankfein tells me. "I'm probably not going to stay forever. People have been handicapping my succession since my first day. But it's not anybody's job to leave their job prematurely, even though it might be my job to manage that succession, and it might be the board's job to manage me out, if it suits them. So I'll wait until it suits them. If somebody said to me that it's time to leave, I would understand that."

For now he might as well keep at it, though, because "nobody's fired me yet."

Indeed, all things considered, Blankfein is feeling pretty sanguine these days. He says that where once upon a time he spent 98% of his time worrying about things with a 2% probability, he's more optimistic now. "I'm feeling much better about things, so now it's 99% and 1%." ■



FROM THE EDITORS OF GOLF.COM

# GOLD



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WHERE  
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# A GIANT ENTERS A NEW ARENA

Activision Blizzard built a videogame empire around bestselling titles like *Call of Duty* and *Warcraft*. Now it wants to become the ESPN of competitive gaming. Will audiences play along?

BY MICHAL LEV-RAM







# 500

RANK

## 406

2016  
COMPANY  
PROFILE

### ACTIVISION BLIZZARD

REVENUES

\$6.6  
BILLION

PROFITS

\$966  
MILLION

EMPLOYEES

9,500

TOTAL RETURN  
TO SHAREHOLDERS  
(2006-2016  
ANNUAL RATE)

16.3%

**COMBAT ZONE**  
Competitors do battle in the game *Overwatch* in front of a live audience in Anaheim in 2016. Activision Blizzard will launch an e-sports *Overwatch* League this year.



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**A DIAPERED DRAGON** hatches from a polka-dotted egg. Casting off the speckled shards of its shell, it toddles out of its nest and crawls around curiously, flapping a pair of adorably tiny purple wings. Seconds later, a trio of extraterrestrial troublemakers appear, taunting the mythological infant. “I looove baby dragons,” their three-fingered ringleader says menacingly as he and his cohorts encircle their prey. “Especially medium-rare ones.”

The diminutive dragon abruptly lashes out, disabling his opponents with a surprisingly forceful flame. “Oh yeah, Spyro wins!” he gloats, trampolining on one of the fallen aliens with his chubby, clawed legs. Out of nowhere, a tall wizard with a Viking helmet appears and offers him a half-eaten corn dog. “It’s barely touched,” he says.

At this point, I’m completely lost (a sensation that will recur several times while I’m reporting this story). But were I quite a few years younger—and a gamer—I would have recognized the creatures on my screen as characters from *Skylanders*, a \$3.5 billion “toys-to-life” franchise created by videogame powerhouse Activision Blizzard. The Southern California company publishes several of the most popular titles in gaming history, from multiplayer combat series like *World of Warcraft* to smartphone time-suckers like *Candy Crush Saga*. The *Skylanders* franchise, which launched in 2011, has sold 300 million action figures and other toys in six years.

The only part of this scene that might



**○ GAME GURU**  
Bobby Kotick has been CEO of Activision since 1991—he’s the longest-serving current head of a publicly traded tech company.

have struck my hypothetical gamer self as remotely odd is that, well, none of it took place during a game. Rather, I’ve just watched the opening two minutes of the first season of *Skylanders Academy*, a TV spinoff that made its debut on Netflix in October. That program signals a new chapter for Activision Blizzard, a gaming Goliath that is attempting to hack-and-slash its way into becoming a more diversified—and even more gargantuan—entertainment juggernaut.

The company’s growth to date, on games alone, already belongs on some sort of high scorer honor roll. In its last fiscal year, Activision Blizzard reported record revenue of \$6.6 billion, up 42% from the year before. Over the past five years, its stock price has risen more than 400%. The leader behind that performance, CEO Bobby Kotick, is now the longest-serving head of any publicly traded tech company—and one of the highest paid. According to a recent



## FOLLOWING THE MONEY, BEYOND GAMES



➤ Activision Blizzard aims to design franchises with potential for revenue outside of game sales. The company's newest title, *Overwatch*, is an example of the business model in action.

### GAME SALES

*Overwatch* launched in May 2016. So far, more than 30 million gamers have paid a total of **\$1 BILLION** to play online on their PCs or gaming consoles.

### E-SPORTS

The *Overwatch* League will go live this year, with teams competing at live events. The e-sports industry will collectively earn about **\$700 MILLION** this year from ticket sales, advertising, and digital and TV distribution rights.

### MOVIE/TV SPINOFFS

Three movies based on *Call of Duty* are in development, and *Overwatch* could follow suit. A 2016 movie version of the game *Warcraft* [licensed by Blizzard but produced by others] made **\$433 MILLION** globally.

### MERCHANDISING

Think T-shirts, comic books, and eventually jerseys and other apparel that tie in to *Overwatch* League teams and players. A benchmark: Disney earned about **\$5.5 BILLION** in 2016 from such consumer products.

*New York Times* report, Kotick was the 10th-best-compensated CEO in the U.S. last year, with a pay package of \$33.1 million, nearly \$25 million of it in stock. (Kotick is also dating one of the most powerful leaders in tech, Facebook COO Sheryl Sandberg.)

This year, Activision Blizzard earned a spot on the *Fortune* 500 list for the first time in the company's 37-year history. In this industry, that's very rare air. Only two other videogame-centric companies have ever made the *Fortune* 500: Electronic Arts and industry pioneer Atari. And neither had staying power: Electronic Arts graced the list just once, in 2010, while Atari lasted two years—1988 and 1989. (After several ownership changes and a bankruptcy, Atari is now part of a French media company.) The takeaway: Gaming may be mainstream entertainment, but game companies are hit-driven—and none has successfully expanded beyond videogames.

Activision Blizzard hopes to be the first. It's not just dragon-centric TV shows that are being spun out of its massive vault of proprietary characters, which also includes heroic Scottish snipers and a fallen archangel named Tyrael (players of the "dungeon crawler" game *Diablo* go fanboy when he shows up). There are multiple movies under development, loosely based on the best-selling war-game franchise *Call of Duty*. There's a newly launched consumer prod-

ucts division, tasked with developing everything from comic books to apparel based on Activision Blizzard's intellectual property.

And most notably, there is an "e-sports" empire in the works—a major foray into the booming world of competitive videogaming. That genre, once merely a niche, is reaching a tipping point. About 385 million people worldwide are expected to view e-sports events in 2017—mostly online, but increasingly on cable television and at live competitions. Revenue from e-sports will approach \$700 million this year, according to research firm Newzoo; by 2019 it should crack \$1 billion.

Activision Blizzard makes some of the games played in today's e-sports leagues. But it is no longer content to have a spectator role—and the industry is still small and fragmented enough that a company of its size can commandeer it. Last year the game-maker acquired Major League Gaming (MLG), a creator and distributor of e-sports events. "It is like ESPN for videogames," Kotick tells *Fortune*.

MLG is still light years away from ESPN-level domination. But if anything, Kotick's analogy actually undersells his ambitions: It might be more accurate if ESPN not only distributed football games but also owned the National Football League—and made all the footballs in the world as well. Later this year, Activision Blizzard will launch the *Overwatch* League, based on one of the company's hottest new titles. The league will essentially control all the competing teams and the distribution of all the games. Activision thinks that these opportunities, combined with sponsorships and advertising, not to mention *Overwatch*-branded merchandise like T-shirts and hats, could bring the company billions in annual revenue as the e-sports audience grows. As a benchmark for how big it could get, the company notes that the NFL generates \$12 billion in revenues, including \$6.1 billion in media rights sales, from an audience of about 240 million. "Ten years from now, the role models in e-sports [will] be like the



stars in traditional sports," Kotick says.

These are just aspirations for now. MLG, like the company's other recent undertakings, hasn't yet resulted in new operating profits. And even if it were an instant hit, its revenue would be a teeny fraction of the NFL's. Still, Kotick, 54, has had his share of touchdowns. In 26 years as CEO, he has transformed Activision Blizzard from a financial mess nearing extinction into a behemoth with a \$45 billion market cap and 17 gamemaking studios around the world, aggressively buying up other gamemakers and continually expanding its franchises.

Relevancy demands constant growth and constant hits, and Kotick's latest strategy, finding new ways of milking profits from his IP, is one way of extending Activision Blizzard's dominance. If the idea sounds Disneyesque—well, Disney experts would agree. "The approach he is taking leads them down a road similar to the one Disney has been on in the last 15 years or so," says Tom Staggs, the former COO and CFO of Disney and a longtime friend of Kotick's. Indeed, Kotick has hired a host of Disney veterans to help him execute his vision.

Still, Kotick's playbook has downsides. Activision Blizzard has long been criticized for focusing on existing franchises instead of investing in new and innovative products. There is a fine line between breathing new life into your franchises and pumping them so hard for profits that you suck the life out of them—and drive away your fans. As Atari cofounder Nolan Bushnell points out, "The financial strategy for these big blockbusters can lead to things getting stale because you want to do *Rocky* No. 247 instead of innovate... But entertainment is ultimately about novelty."

**D**O EVEN A CURSORY SEARCH of gamer blogs and you'll see some colorful vilifications of Kotick. (Univision-owned blog Kotaku once called him "the most hated man in videogames," though the writer also said he had a "delightful chat" with the exec.) Much of the animosity comes from ROI-minded things that Kotick has told the investment community—he once said at a conference that his focus was taking "the fun out of making videogames." But no one disputes his success.

The college dropout got his start as

a developer for the Apple II in the early 1980s. At just 19, he founded a software company, Arktronics, with funding from Las Vegas developer Steve Wynn—the two had met at a party in Texas. Arktronics eventually went out of business, but in 1990, when Kotick was 27, he convinced Wynn and another partner to buy a controlling stake in Activision, a gaming company founded by four former Atari programmers. Activision was a pioneer—it was the first gamemaker that wasn't owned by a console provider—but it was mired in bankruptcy proceedings related to a patent-infringement lawsuit. For \$500,000, Kotick and his team snapped up a 25% stake. By 1991 the determined entrepreneur was the CEO.

Kotick quickly reorganized the company. In an ecosystem where new games are generally created by startups, Kotick proved adept at spotting companies with great ideas and sustainable profitability—and then gobbling them up—staff, IP, and all. Over the ensuing decades, *Activision grew primarily through* acquisitions, including those of Raven Software and skateboarding gamemaker Neversoft. In 2008, Activision merged with the gaming division of French media conglomerate Vivendi. Blizzard was one of the studios within that portfolio: It had an impeccable reputation for quality and a loyal following—among other titles, it published the popular *Warcraft* franchise. Activision Blizzard was formed, with Kotick still at the head.

Like all companies vying for consumers' attention, Activision Blizzard now faces more rivals than ever. "That includes people watching shows on Netflix, movies, or anything else," says Brian Nowak, a Morgan Stanley analyst who covers the company. Anything else includes "casual" mobile games played on smartphones. While it typically takes multiple years and tens of millions of dollars to design a graphics-heavy standard videogame, mobile games are fast and cheap. Activision Blizzard has managed not only to mitigate those threats, but also to thrive. (Its most significant recent acquisition was *Candy Crush* maker King Digital Entertainment, in 2016.) It can also now deliver many of its games online—allowing for faster, cheaper updates and, importantly, for in-game purchases and upgrades.

Still, some flagship titles are showing their age. *Call of Duty*, a franchise in its 15th year, maintained its position as the bestselling videogame in 2016, according to research firm NPD Group. But analysts say that edition sold less than its predecessors. Set in outer space, the installment was criticized by fans of the franchise for being too futuristic. This year's *Call of Duty* title (a new version is published each year) will go back to the game's World War II roots.

"We should have done more work thinking about how much of a departure from the franchise going to space would be," admits Kotick. But the mini-uprising also underscores the fickle nature of the business—and the importance of extending durable brands in new ways.

It's a warm afternoon in mid-May when I meet Kotick at Blizzard's studio in Irvine, Calif. As at many Silicon Valley companies, the studio's workforce is mostly young and largely male. But there are a lot more tattoos and purple hair than you'd find at, say, Facebook's fresh-faced HQ. It isn't as bright and cheerful here, either—game developers and designers, it turns out, have a penchant for



## SQUEEZING CASH FROM BLOCKBUSTER GAMES

▶ Activision Blizzard's success has been driven by smart repetition: It builds (or buys) games with great hooks, then franchises them like crazy. Here are its five most popular brands.



<p>▼ <b>CALL OF DUTY (2003–PRESENT)</b> Elite soldiers do battle, occasionally in outer space. The franchise has about \$15 billion in sales to date.</p> <p>TOTAL NO. OF RELEASES 14</p> <p>UNITS SOLD 250 MILLION</p>	<p>▼ <b>GUITAR HERO (2005–15)</b> Simulate rocking out to your favorites, on guitar and other instruments—to the tune of \$2 billion in total revenue.</p> <p>TOTAL NO. OF RELEASES 7</p> <p>UNITS SOLD (est.) 25 MILLION</p>	<p>▼ <b>CANDY CRUSH SAGA (2012–PRESENT)</b> Tetris meets tooth decay in a “casual mobile” game; Activision Blizzard bought its creator in 2016.</p> <p>TOTAL NO. OF RELEASES 3</p> <p>DAILY ACTIVE USERS 93 MILLION+</p>	<p>▼ <b>WORLD OF WARCRAFT (2004–PRESENT)</b> A role-playing game set in an ever-expanding online universe. Orcs and trolls abound.</p> <p>TOTAL NO. OF RELEASES 7</p> <p>ONLINE ACCOUNTS (est.) 100 MILLION+</p>	<p>▼ <b>SKYLANDERS (2011–PRESENT)</b> A \$3.5 billion “toys-to-life” series that includes games and action figures—and more recently, a Netflix TV series.</p> <p>TOTAL NO. OF RELEASES 6</p> <p>TOYS SOLD 300 MILLION+</p>
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dungeon-like lighting. Seated in a corner of the cafeteria, Kotick stands out. In khakis, brown loafers, and a button-down shirt under a sweater vest, he looks less like a tech mogul and more like an off-duty attorney visiting his coding-crazy kid at work.

Kotick's voice is so low and muted that I have to lean in to hear him (my recording would barely pick up his answers). His ambition, however, speaks loudly. “The fact that we can entertain people in every country, everywhere in the world—that was always an aspiration I had,” says Kotick.

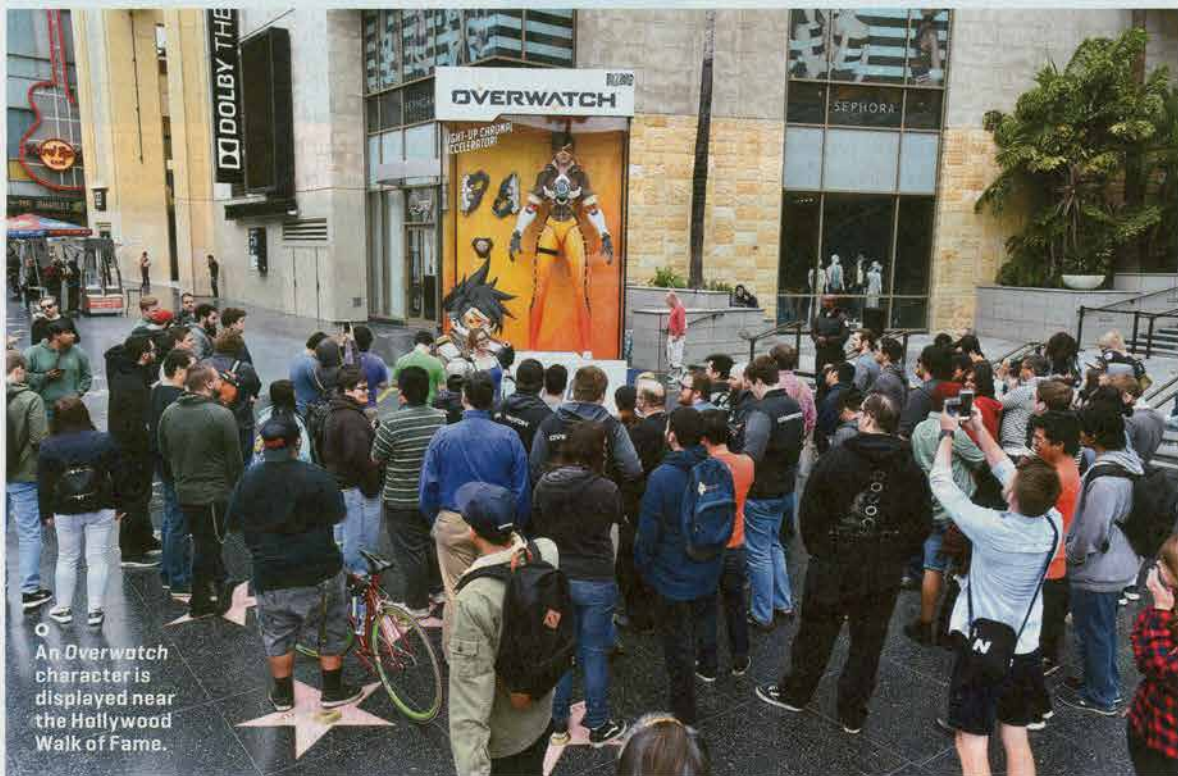
Indeed, while games provide the vast majority of Activision Blizzard's revenue, the pedigrees of Kotick's recent hires hint at how eagerly he wants to establish the

company as a mainstream entertainer. Steve Bornstein, a former CEO of ESPN and cable's NFL Network, is the chair of Kotick's e-sports division (former Fox Sports EVP Pete Vlastelica, meanwhile, is its CEO). A former Disney exec, Tim Kilpin, was recently hired to run the company's consumer products division. (One more Mouse House connection: Sandberg, Kotick's girlfriend, serves on Disney's board of directors.) And Stacey Sher, the long-time producing partner of Quentin Tarantino, is now copresident of Activision Blizzard's fledgling TV and film business.

Kotick feels confident he's placed bets on the right people; time will tell if he's picked the right game.

**SOMEWHERE ON THE INTERNET**, a young woman named Riley Youngs is eating a chicken sandwich, and scores of people—myself included—are watching the mundane act in real time. Youngs is a budding “streamer,” someone who plays videogames online for a living. Her forum of choice is Twitch,





An Overwatch character is displayed near the Hollywood Walk of Fame.



BOBBY KOTICK : CEO, ACTIVISION BLIZZARD

## TEN YEARS FROM NOW, THE ROLE MODELS IN E-SPORTS WILL BE LIKE THE STARS IN TRADITIONAL SPORTS.”

a wildly popular, Amazon-owned website that showcases gamers who broadcast themselves.

About 150,000 fans have watched Youngs do her thing online—her thing being playing Activision Blizzard’s *Overwatch*, along with the occasional live-streamed lunch break. Today’s video stream is titled “LOOK AT MA NEW FOKIN HAIRCUT,” which refers to her below-the-shoulder-length locks, dark brown on top and almost blond underneath.

Viewers follow along. In the main box on the busy web page is a dynamic screenshot of the game on her computer. To the left, a smaller square shows Youngs via webcam as she sits at her monitor. And to the right runs a constant feed of comments and questions from her thousands of viewers—inquiring minds who want to know what

virtual weapon she’s going to pick up next and how much she paid for her new hairdo.

This stream will last more than six hours. (Youngs, a 24-year-old from Michigan, later tells me she streams for four to eight hours a day.) I have a much shorter attention span, but I watch long enough to see why *Overwatch*, a multiplayer, first-person-shooter title, has become Blizzard’s fastest-growing game to date, generating more than \$1 billion in revenue and amassing 30 million players since its introduction just a year ago—and why it’s the game to which Kotick is harnessing his e-sports ambitions.

Youngs’ character runs through some kind of high-elevation temple, encircled by snowcapped mountains, shooting at creatures that are moving so fast it’s hard to make them out. All you see of her in-game self is the tip of the futuristic, golden firearm with which she kills off opponents. On the smaller screen, I see the face of “in real life” Youngs, mostly scrunched in a concentrated squint.

For the uninitiated, the experience is like staring into a digital version of an M.C. Escher print. But for millions, the site—and others like it—presents hours of engaged entertainment. Activision



Blizzard has about 450 million monthly users globally, who spent a collective 43 billion hours playing its games last year. Notably, a record 3 billion hours were spent *viewing* its games in that same time span.

"When people ask me what I do, I say I play videogames," says Brandon "Seagull" Larned, one of the best-known *Overwatch* streamers. "They think it's pretty cool." Larned explains that there are two career paths for gamers. The first is streaming, which allows players with considerable followings to share in profit from advertising. The second involves endorsements and prizes for competing in pro tournaments.

A few high-end streamers and e-sports competitors make seven-figure salaries; most do not. While Larned doesn't disclose his income, he does say he quit a computer science program at Washington State because "there was too much money to be made" as a professional gamer. Larned, known for his "dazzling Genji play" (don't ask), may soon have an even bigger career opportunity—the 24-year-old is a contender for the *Overwatch* League.

At the moment, viewership for gaming is not unlike golf—if you play golf, you'll watch golf. But Kotick hopes to make e-sports more mainstream, more sticky. One way he's doing that: instituting teams that are city-based—a first in professional e-sports. Just like Green Bay's Packers, *Overwatch* teams will be tied to cities. (Activision Blizzard hasn't yet said how many teams will exist and in which locations.) Of course, unlike the NFL—or the NBA, the MLB, or the NHL—*Overwatch* has been around for only a year. "If I'm [a potential sponsor], I have a pretty good confidence that the L.A. Kings [hockey team] will be around in five years," says Morgan Stanley's Nowak. "But how do I know that *Overwatch* will?" Still, Activision Blizzard thinks *Overwatch* has advantages, despite its "noob" status (gamer-speak for new). Going with a recently launched title lets the league start from scratch—more established titles like *Call of Duty* or *World of Warcraft* are already played by several existing e-sports teams and leagues.

Meanwhile, Activision Blizzard doesn't have to deal with the legacy TV networks that have tied up traditional sports rights for years. "E-sports is the first digital native sport," says Vlastelica, the Fox Sports

veteran who heads MLG. "We're not encumbered by the paid-TV ecosystem that keeps the content out of the hands of young people who, frankly, don't watch TV." At the same time, the hope is that transforming itself into the "ESPN of videogames" will help Activision Blizzard make e-sports more recognizable to the masses.

"What we're seeing is the evolution of the games themselves to becoming more broadly appealing as a spectator sport," says Kotick.

That evolution is not lost on the real, Disney-owned ESPN, which launched a dedicated e-sports vertical on its website last year. The audience is "not enormous," says Marie Donoghue, EVP of global business and content strategy at ESPN, but "the fans are passionate and engaged, the athletes and teams are compelling." She adds, "It's also incredibly popular among a demographic we know well—young men."

**A**S LUCRATIVE AS THAT DEMOGRAPHIC IS, Kotick's plans—including the *Overwatch* League—could enable Activision Blizzard to reach beyond it. The vast majority of e-sports pros, like the majority of gamers, are men. But players like Youngs are reminders that capability in videogames doesn't rely on muscle mass or size. And the marketing and expansion of other sports leagues has generally led to more gender parity in their audiences—the NFL, for example, says that women now account for almost half its fan base.

It's clear that Kotick has this ideal in mind as the *Overwatch* League gears up. "I think it's the first game on a broad scale where about half the characters [are] women," he says. "This is a level playing field." Indeed, *Overwatch* features equal numbers of men and women heroes plus three "omnic" (that means robotic) characters and a male scientist who happens to be a gorilla.

Activision Blizzard's real-life leaders don't yet reflect such parity. Only one out of nine board members is female, and there's not one woman on its eight-person "senior corporate management" team. It's notable that one of the company's few leading women—the newish hire, Stacey Sher—is tasked with bringing Activision Blizzard's IP to movies and TV shows, media that more easily cross gender lines. "You have to have control of your script and your movies," says Sher, whose production credits include *Garden State* and *The Hateful Eight*.

Last year Sher put together a "writers room" in a house in Los Angeles, where six handpicked creatives sat every day for a month to brainstorm adaptation ideas; they now have three projects in various stages of screenwriting. Of course, they're all variations on the *Call of Duty* series—a war-driven franchise where male characters dominate. Turns out there's a daunting amount of testosterone in Activision Blizzard's DNA.

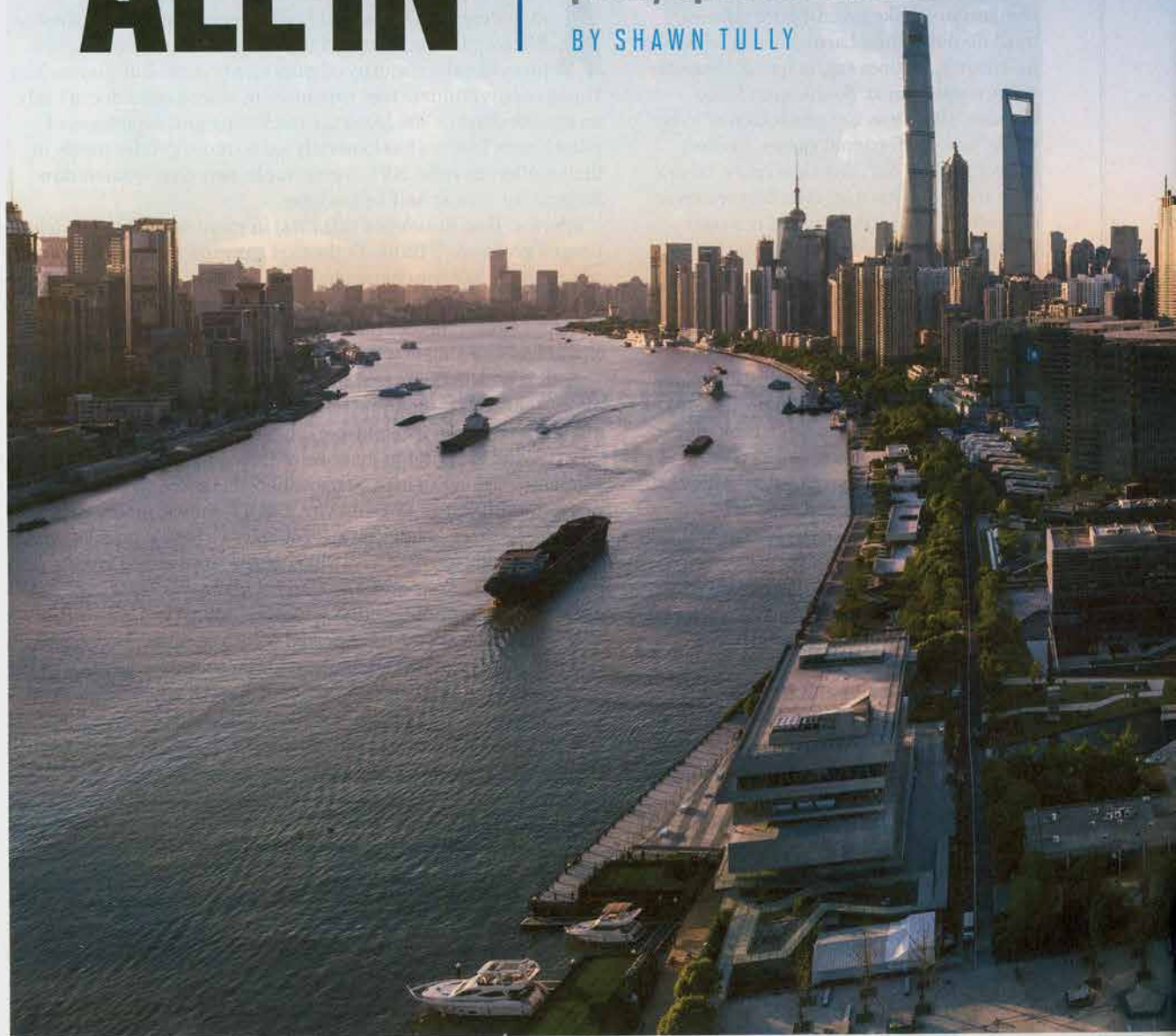
Still, Kotick's strategy suggests that he's willing to alter that code to make Activision Blizzard a bigger, faster-growing entertainment company. In February, in its latest annual report, Activision Blizzard said it will have a light slate of game releases this year when compared with 2016. (There won't be a new "full console" *Skylanders* game, for instance.) The implicit message: It's time for the company to invest in new areas, from its position of strength. If it doesn't, it risks going the way of its predecessors, companies that became one-hit wonders, metaphorically speaking, no matter how many games they created. ■



# MARRIOTT GOES ALL IN

With last year's \$13.6 billion purchase of Starwood, CEO Arne Sorenson has already built a hotel industry Goliath. Now he's embarking on a historic expansion and betting he can fend off a pesky upstart: Airbnb.

BY SHAWN TULLY







# 005

RANK

163

2016  
COMPANY  
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MARRIOTT INTL.

REVENUES

\$17.1  
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226,500

TOTAL RETURN  
TO SHAREHOLDERS  
(2006-2016  
ANNUAL RATE)

7.6%

○ Marriott sees China as its next great growth market. Left: the new five-star JW Marriott Marquis hotel and conference center under construction in Shanghai.



A

**ARNE SORENSON** is back on the banks of the Ganges River. “It was sensory overload,” he says, a faraway look in his eyes as he recalls a trip to India’s holy city of Varanasi 11 years ago with his wife and their four children. “There were holy cremations being performed on timber fires, throngs of people bathing in the river, and clusters of floating candles.” The family’s guide, Sorenson recounts, was one Dr. Shailesh, a learned sage with an aristocratic air and a wicked laugh who reminded Sorenson and his wife of “a Brahman version of Vincent Price.” The overall experience, says Sorenson, was “super intense.”

As the CEO of hotel colossus Marriott International, Sorenson has made travel his business. But spend a few minutes with him, and it quickly becomes clear that it’s also a personal passion. His sixth-floor corner office at Marriott’s headquarters in Bethesda, Md., is decorated with spears and bows and arrows that his parents, Lutheran missionaries who raised him in Japan, brought back from New Guinea. And the walls feature ample photographic evidence of his own adventures, such as a group shot taken at the summit of Mount Kilimanjaro. Says Sorenson: “Exploring new places is the source of my family’s most unforgettable times together.”

And it’s not just him, insists Sorenson. A growing number of people worldwide share his passion. Indeed, Sorenson believes we are entering a new golden age in travel and hospitality. He points to China’s fast-

growing new middle class, a vast cohort of potential travelers who are eager to see the world beyond Beijing. Closer to home, he cites the preference of the millennial generation for making memories (and snapping Instagram pics) over shopping. “They want fresh, exciting experiences far more than they want to buy stuff,” he says.

This deeply held conviction is a major reason why Sorenson engineered a transformative deal for his company: the \$13.6 billion acquisition last September of Starwood Hotels & Resorts, which added such iconic brands as St. Regis, Westin, and W to Marriott’s roster, as well as profitable budget properties such as Four Points. Prior to the purchase, Marriott stood in a virtual tie with Hilton as the world’s largest hotel company. Now it towers over the field. The merger added 381,440 hotel rooms, swelling Marriott’s total portfolio to 1.203 million—50% larger than Hilton’s, and 62% greater than the room count at third-place InterContinental Hotels of the U.K. Today one in seven hotels in North America, and more than one in 14 worldwide, are controlled by Marriott.

The Starwood deal is just the beginning of an epic drive for growth at Marriott, which ranks No. 163 on this year’s *Fortune* 500 with \$17 billion in 2016 revenues. Sorenson, 58, pledges to add, on average, around 100,000 rooms annually over the next three years, or 50% more than Marriott and Starwood combined opened in 2016. Here’s probably the most astounding (and maybe the scariest) statistic: 36% of all hotel rooms under construction in North America, and 23% worldwide, are slated to be managed or franchised by Marriott. So far, Wall Street seems to approve of the plan. As of late May, Marriott’s stock price had risen 60%, vs. a 15% gain for the S&P 500 over the past year.

Sorenson is going all in on hotels as no industry leader has ever done before. But the success of Marriott’s historic expansion campaign is far from a sure thing. The company faces a few major—and growing—challenges.

The most obvious threat to the traditional hotel industry, of course, is the rise of Airbnb and other home-sharing businesses that allow travelers to bask in a local scene by booking, say, a family’s flat on the Seine or a condo in Miami Beach. Since its founding in 2008, Airbnb has recorded more than 160 million “guest arrivals” and now has over 3 million listings worldwide in some 65,000 cities. In March the San Francisco startup was given a valuation of \$31 billion by its investors. Among hotel companies, only Marriott’s \$40 billion market value is bigger.

But the digital disruption doesn’t stop there. Marriott is feeling more pressure than ever today from online travel agencies, or OTAs. Led by the Priceline Group (No. 268 on this year’s 500 list) and Expedia (No. 317), travel sites are selling an increasing share of the world’s hotel rooms. They’re especially attractive to leisure travelers, who, for example, can tap Expedia to compare rates and locations for 385,000 properties, including inventory from Marriott and other major chains. The expanding scale of the OTAs gives them clout and undermines Marriott’s leverage.

“Airbnb and the OTAs are coming for our children,” says Ian Schrager, the hotelier who virtually invented the boutique lifestyle category with Morgans hotels in the 1980s and who’s now collaborating with Marriott on a new hotel brand called Edition. “They are a direct mortal threat.” (For more on Schrager, see our Passions section in this issue.)





○ Sorenson, photographed at Marriott's headquarters in Bethesda, Md., is the company's first CEO not named "Marriott."

If that weren't enough, Marriott is tripling down on new construction at the tail end of a recent hotel building boom—one that industry analysts warn could soon lead to a glut in supply.

None of this appears to daunt Sorenson, who loves citing big macro forecasts that support his optimism. "The story is the hundreds of millions of new people a year with the resources to travel," he says. "Last year, travelers around the world made 1.2 billion international trips. By 2030, the number's expected to reach 1.8 billion. So hotels will be one of the world's best growth markets."

As bullish as he is, Sorenson knows he can't merely build hotels and wait for the travelers to come. To capitalize on the Starwood deal and his expansion plan, Marriott must battle harder than ever to lure a growing share of fickle travelers. So the hotel

giant is investing heavily in lifestyle brands, boosting its rewards programs, and playing hardball with its online booking rivals. Will it be enough for Sorenson's daring bet to pay off?

**W**HEN STARWOOD FIRST put itself up for sale in early 2015, Sorenson wasn't interested. He thought the size and complexity of a potential merger would outweigh the advantages. But just a few months later, the very bigness of the move suddenly looked like a virtue. "I was negotiating an extremely difficult deal with Expedia that almost didn't get done," he says. "I recognized that in the future we'd need far larger scale to prevent the OTAs from taking a lot more of our share of bookings."

And the more Sorenson examined Starwood, the more he became convinced that it was an ideal takeover target for Marriott. Starwood would bring with it the most loyal clientele in the business: the members of its super-generous Starwood Preferred Guest rewards program. "I decided that to keep people booking directly through us and not the OTAs, we needed a more powerful rewards program," says Sorenson. "It's our moat."



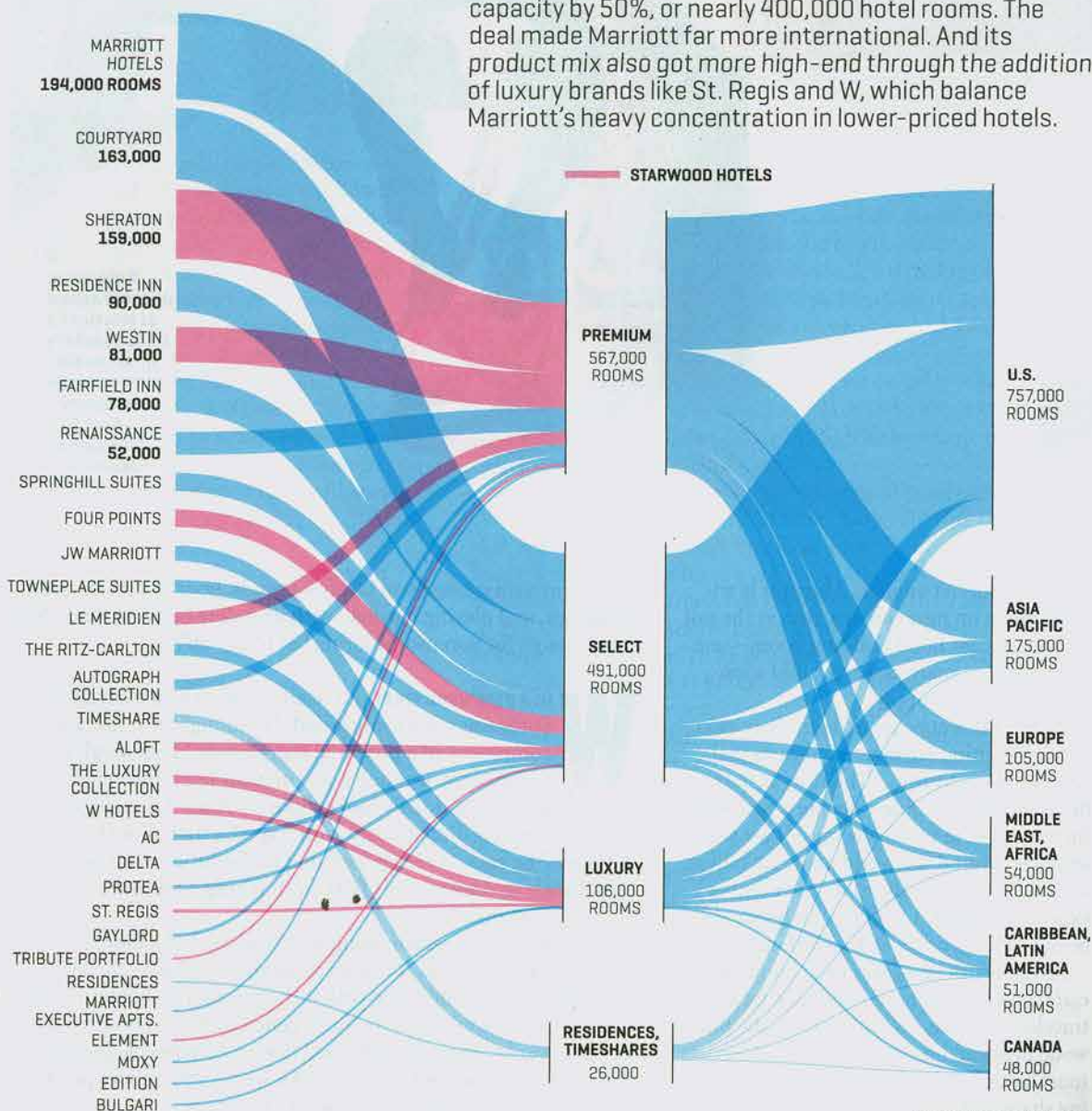
Along with the loyalty program came Starwood's portfolio of chic, distinctive properties. Prior to the merger, Marriott's 19 brands were highly tilted toward mid-market, "select service" properties catering to price-conscious road warriors—notably Courtyard, Fairfield Inn & Suites, Residence Inn, and SpringHill Suites. No less than 53% of its rooms clustered in those limited-service categories. By contrast, well over three-quarters of Starwood's 11-brand portfolio was either in luxury, with properties such as St. Regis, or so-called upper-

upscale, the category between true luxury and limited service, consisting of brands like Westin, Le Meridien, and Sheraton.

Lifestyle hotels are designed to make guests feel that they're staying in places catering to their fun-seeking, healthy, or aesthetically elevated lifestyles. Sorenson believes this curated approach will be a magnet for millennials. Today's young travelers, he says, want more than a clean bed and a room-service burger. A hotel should not only feature designer decor but also connect with the commu-

## MORE ROOMS AT THE INN

► With its purchase of Starwood, Marriott raised its capacity by 50%, or nearly 400,000 hotel rooms. The deal made Marriott far more international. And its product mix also got more high-end through the addition of luxury brands like St. Regis and W, which balance Marriott's heavy concentration in lower-priced hotels.



SOURCE: MARRIOTT, AS OF 2016



nity—and even be a partner in adventure. Revelers at Marriott's Edition in Miami Beach skate around an ice rink next to a subterranean nightclub, cocktails in hand.

The Starwood deal has handed Sorenson two promising new lifestyle brands: Element and Aloft. Element is the only extended-stay hotel chain in the lifestyle space. And many of the new ones will have a completely novel offering: four rooms clustered around a communal lounge to attract groups traveling for sports events or reunions—customers who might otherwise rent an Airbnb together. Aloft, on the other hand, is tailored for midsize cities with fewer activities for business travelers. The central attraction is a bar that lures plenty of locals by offering karaoke nights and performances by the town's musicians. Folks chat and drink in the lounge while shooting pool or playing checkers seated on facing leather sofas. Today the two brands have a total of 150 hotels. Over the next three years that number is expected to double, raising the room count from 25,000 to more than 50,000.

The growing shift toward these highly individualized venues is beginning to capture a growing number of older, traditional travelers as well as millennials. According to Schrager, all hotels will need to go this way to keep the clients they have now, let alone attract new ones. Airbnb can provide a house and a bedroom, he says, but not the beehive of activity in the lobby. "Even the Courtyards have to evolve," he says. "Every brand needs to do something that Airbnb can't do. That's Arne's mission."

**S**ORENSEN IS JUST the third CEO in Marriott's 90-year history, and the first without the last name Marriott. He joined the company in 1996 and worked his way up through the executive ranks before taking over as CEO in 2012. Tall and affable, he looks equally as comfortable in jeans and black cowboy boots, addressing a group of Marriott execs in Dallas, as he does in a suit back in his office.

Prior to Marriott, Sorenson (whose first name is pronounced "Ar-nee") was a partner at the law firm Latham & Watkins in D.C., where he specialized in merger and acquisition litigation. And as the onetime M&A lawyer weighed the Starwood deal, he recognized another bit of potential syn-



o So-called lifestyle brand hotels, like this Aloft in Boston, are key to Marriott's growth plans.

ergy: Like Marriott, Starwood employed the same asset-light model that has long ruled the industry. But Marriott, Sorenson felt, was a lot better at financial blocking and tackling than Starwood—creating an opportunity for him to boost the profitability of Starwood's portfolio.

Although it's often characterized as a plodding manager of cookie-cutter properties, Marriott—which started as a root beer stand in 1927—is actually one of the great financial pioneers in U.S. industry. The architects of the Marriott template were two legendary CFOs: Gary Wilson starting in the mid-1970s, followed in the early 1990s by Stephen Bollenbach, who later went on to run Hilton. Their core principle was that Marriott should own as little real estate as possible. The company should instead focus on two lines of business: managing and franchising hotels owned by others. Marriott today is still run on the same model.

For its managed hotels, Marriott furnishes all personnel in the U.S., from the housekeepers to the general managers. Those "on-property" folks account for about 200,000 of its total workforce of 226,500. The owners of the properties reimburse Marriott for 100% of those personnel expenses. Marriott also provides other major services at cost: The first is sales and marketing, including selling blocks of rooms for conventions. The second is managing the two yet-to-be-merged loyalty programs—Marriott Rewards and Starwood Preferred Guest. The third consists of operating the gigantic phone and Marriott.com reservation system, the source of 70% or more of all managed and franchised bookings.

Marriott's profit from these managed properties flows from two sources: It collects management fees of around 3% of total hotel revenues. And it also gets an incentive fee from U.S. properties of up to 25% of operating cash flow, over and above a minimum that owners pocket first.

For franchised properties, the system is simpler—chiefly because the owners either operate the hotels themselves, or outsource management to contractors. So Marriott doesn't provide the workforce, but it does supply, at cost, management of the loyalty program and the reservation system. The franchisees can either do their own sales and marketing to attract group business, or outsource to Marriott. The profit comes from a franchise royalty fee that's 5% to 6%





ARNE SORENSON CEO, MARRIOTT

## THE STORY IS THE HUNDREDS OF MILLIONS OF NEW PEOPLE A YEAR WITH THE RESOURCES TO TRAVEL.”

of room revenue only. Marriott also provides support services. “It’s simple,” says Tyler Morse, CEO of MCR Development, a major Marriott franchisee. “I pay Marriott to fill my rooms because it’s cheaper than doing my own marketing and paying the OTAs.”

Here’s the brilliance of the asset-light model: It enables Marriott to rapidly grow fees using tiny dollops of capital rather than the huge investments that developers make to expand their business by building more and more hotels. Sorenson has proved to be a master at the game. From 2012, the year he became CEO, to 2015, Marriott’s fees from management and franchising, as well as such additional income including credit card fees, expanded by 31%, to \$2 billion.

By any measure, Marriott’s profitability is stellar. Its operating margin, for example, hovers around 50%. The reason is twofold. First, its expenses have expanded a lot less than its fees, providing strong “operating leverage.” Second, unlike real estate developers, Marriott benefits from minimal interest expense and depreciation (a function of capital costs). And its huge free cash flow has enabled it to repurchase lots of shares. Over Sorenson’s tenure, Marriott’s stock has delivered total annualized returns of 23.1%.

But after a half-dozen boom years, the market going forward looks a lot less favorable. The problem: a glut of new hotel supply. “In the financial crisis, loads of hotels that were started earlier opened, but very few got started,” says Jan Freitag, SVP of hospitality research firm STR. “It wasn’t until 2011 or 2012 that construction heated up again.” Because of the lag, the supply of rooms opening each year was depressed from 2011 to 2015. Customers were booking rooms faster than hotel owners were adding them. As a result, both occupancy and rates surged. Now that scenario is reversing as hotels in the pipeline begin to open. “For the first time in years, supply will outgrow demand in 2017,” says Freitag.

Further clouding Sorenson’s ambitious growth plan is that the looming oversupply problem is particularly acute in Marriott’s staple product: select service. During the past 15 years, Marriott’s prime growth engine has been select-service hotels in North

America—led by Courtyard, Fairfield, and extended-stay entry Residence Inn. Those are the no-frills venues. In a Fairfield, for example, guests fill their plastic coffee cups from canisters, and breakfast is a bagel popped into a toaster.

After the financial crisis, banks became extremely reluctant to lend for expensive, full-service hotels. “The banks went from demanding 20% equity for a full-service hotel to 40%,” says Tony Capuano, Marriott’s global chief development officer. But select service was far less risky—both for lenders and owners. A full-service Renaissance could cost about \$50 million, compared with \$15 million for a similar-size Fairfield; that’s a cost difference per room of \$250,000 vs. \$120,000. Select service was, and still is, a lot more profitable. “You can run them with about 20 employees, and you don’t need ballrooms or big kitchens that cost a lot and take the place of rooms,” says Mit Shah, CEO of Noble Investment Group of Atlanta, which owns around 30 Courtyards and other Marriott select-service hotels. “The profits are a lot more consistent, because fixed costs are so low.”

The biggest growth in select service came in secondary markets, many of which had lots of older, full-service properties. “We figured out that the small markets were underserved,” says Capuano. “So we sent out people with a credit card and a map to find the best locations.” The developers targeted such cities as Minot, N.D., and Hattiesburg, Miss. The strategy spearheaded Marriott’s expansion. From January 2011 to year-end 2016, the pre-Starwood Marriott added nearly 90,000 select-service rooms in North America.

Marriott is counting on the same workhorse to continue driving unit growth. Of its current pipeline of 430,000 rooms, around 40% are Fairfields, Courtyards, and other select-service brands in North America. The hotels are already popping up on more and more corners opposite industrial parks and data centers, often with a Hampton by Hilton or Holiday Inn Express across the street.

“We’re close to being in an overbuilding situation,” says Dewey Weaver, the owner of InterMountain Management, a firm that owns or manages 53 Marriott select-service hotels. Weaver says that in places like Jackson, Miss., and Phoenix, the market is already saturated. “I haven’t bought land in two years,” he says.

Marriott, however, could compensate for a U.S. slowdown with gigantic growth in what will, over the next decade, be the world’s fastest-growing major hotel market: China. Prior to the merger, Marriott was relatively weak both in China and across Asia. Starwood, by contrast, was the leader in the region among global chains, thanks to Sheraton’s long-standing position as a top full-service brand. Although the deal lifted Marriott’s hotel count by 170% to 264 in greater China, its portfolio is mainly big, full-service hotels concentrated in the biggest gateway cities such as Hong Kong, Beijing, and Tianjin.

The thriving segment in China today, however, is domestic business travel. And the boom markets are the 15 or so cities with populations between 4 million and 10 million—notably



coastal metropolises such as Wenzhou and Quanzhou. Traditionally dominating those secondary cities are locally owned, super-budget venues. But the increasingly affluent, brand-conscious Chinese road warriors crave a step up in quality. And that's a huge opportunity for the purveyor of Courtyard, and Fairfield and Residence inns.

Today, Marriott's select-service offering in China is limited to 54 hotels. But its runway the next several years could rival the huge growth in the U.S. over the past half-decade. In 2018, Marriott plans to open 56 hotels in China, including 21 in select service. Its goal: to open 100 hotels annually in China by 2020.

Spreading the Marriott brands in China also boosts business abroad. The Chinese already lead the world in outbound travel. More than 100 million Chinese a year vacation or do business overseas. And as the middle class expands from 100 million to an estimated 400 million by 2020, the global market in Chinese tourism will explode. "A big goal of expanding in China is making domestic travelers familiar with Courtyard, Marriott and our brands," says Craig Smith, Marriott's president for the Asia Pacific region. "They tend to seek out the same brands when they travel abroad."

**W**HILE MANY INSIDE and out of the hotel industry view Airbnb as a formidable disruptive force, Sorenson is surprisingly dismissive of the threat posed by the nine-year-old startup. "We see Airbnb as mainly lower-priced leisure travel, where people make trips they otherwise wouldn't make because it's suddenly become so affordable," he says.

It's hard not to view such a statement as a bit of gamesmanship—a polite dig at an upstart. But for now at least, Sorenson is still speaking from a position of strength. With hotel occupancy and room rates at record levels, evidence is scant that Airbnb is taking lots of Sorenson's business, especially from the higher-priced brands in the Marriott portfolio.

What really worries Sorenson are the OTAs, because they could potentially undermine Marriott's value proposition to its hotel owners. Sites like Expedia.com and Priceline.com have become increasingly valuable to owners as a way to fill in gaps between the bookings that come from Mar-

riott's system. But for every room booked, the owners pay a fee to the OTA—on top of what they're already paying to Marriott. The danger is that down the road owners might start deciding to drop Marriott (and its fees) and go exclusively with OTA bookings.

That's why Sorenson led the charge for hotels in the negotiations with Expedia in late 2015. He saw that the travel sites were gaining leverage. "The OTAs were only booking about 8% of our rooms," he says, "but that was up from 4% three or four years earlier, and I thought it would keep growing."

Led by Sorenson, the owners of Marriott brands formed a united front. Their position: If Expedia declined to make the concessions Sorenson was demanding, the owners would pull their offerings from Expedia en masse. The negotiations were in a standoff until 24 hours before the deadline. Expedia finally broke the deadlock by giving ground and, for instance, reducing the booking fee for owners from around 16% to 12%. And Sorenson scored a coup that bound owners more tightly than ever to Marriott.

So far, Sorenson's strategy of building scale is working. The OTAs' share of bookings remains flat at around 8%, and more new hotels are signing with Marriott and other branded hoteliers than ever before. The combined rewards programs are growing faster than ever, says Marriott, at around 1 million new members a month. As long as those higher-margin direct bookings remain strong, Marriott's owners will be happy and its business healthy.

As hard as he negotiates, Sorenson prides himself on putting just as much energy into seeking out fun—through travel, of course.

Back in his office, he's telling the story of the group photo on Kilimanjaro. Arne, his wife, and their children made the climb in 2010. They spent a challenging night in a crater at 19,000 feet, some 500 feet below the peak. "We were all suffering from altitude sickness," recalls Sorenson. As they made the final ascent, "the guide kept saying '*Poli, poli!*'"—meaning "Slowly, slowly" in Swahili. When they finally got to the summit, Sorenson and his family stood together and soaked in the triumph.

Now he's taken Marriott to the top of the hotel world. The challenge will be keeping it there. ■



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# THE LISTS

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F-1

THE 500  
LARGEST U.S.  
CORPORATIONS

F-23

THE 500  
RANKED WITHIN  
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NOTES

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COMPANY  
PERFORMANCE

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INDEX



# LARGEST U.S. CORPORATIONS

## BERKSHIRE HATHAWAY

leaped over Apple to reach the No. 2 spot, its highest ranking ever.

**APPLE** held steady in third place, despite a 7.7% drop in sales. It once again led the way in profits.

## EXXON MOBIL

was hit hard by sagging oil and gas prices and slid to its lowest ranking since 1999.

## NO. 1 WALMART

The world's largest retailer has topped the list for five straight years and eight of the past 10. Seeking more scale online, Walmart paid \$3 billion last year to acquire startup Jet.com. At right, a Jet fulfillment center. —Laura Entis

DANIEL ACKER—BLOOMBERG/GETTY IMAGES

1-20 / 500

RANK 2016	2015	CORPORATION	REVENUES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
			\$ millions	% change from 2015	\$ millions	Rank	% change from 2015	\$ millions	Rank	\$ millions	Rank
1	1	WAL-MART STORES Bentonville, Ark. <sup>1</sup>	485,873.0	0.8	13,643.0	11	(7.2)	198,825.0	39	77,798.0	13
2	4	BERKSHIRE HATHAWAY Omaha, Neb.	223,604.0	6.1	24,074.0	3	(0.0)	620,854.0	11	283,001.0	1
3	3	APPLE Cupertino, Calif. <sup>2</sup>	215,639.0	(7.7)	45,687.0	1	(14.4)	321,686.0	21	128,249.0	9
4	2	EXXON MOBIL Irving, Texas	205,004.0 <sup>3</sup>	(16.7)	7,840.0	27	(51.5)	330,314.0	20	167,325.0	6
5	5	MCKESSON San Francisco, Calif. <sup>3</sup>	192,487.0 <sup>4</sup>	6.2	2,258.0	102	53.0	56,563.0	110	8,924.0	173
6	6	UNITEDHEALTH GROUP Minnetonka, Minn.	184,840.0	17.7	7,017.0	33	20.7	122,810.0	61	38,274.0	38
7	7	CVS HEALTH Woonsocket, R.I.	177,526.0	15.8	5,317.0	44	1.5	94,462.0	74	36,830.0	39
8	8	GENERAL MOTORS Detroit, Mich.	166,380.0	9.2	9,427.0	21	(2.7)	221,690.0	34	43,836.0	32
9	10	AT&T Dallas, Texas	163,786.0	11.6	12,976.0	14	(2.8)	403,821.0	15	123,135.0	10
10	9	FORD MOTOR Dearborn, Mich.	151,800.0	1.5	4,596.0	52	(37.7)	237,951.0	30	29,170.0	50
11	12	AMERISOURCEBERGEN Chesterbrook, Pa. <sup>2</sup>	146,849.7	8.0	1,427.9	148	—	33,656.2	168	2,129.4	366
12	18	AMAZON.COM Seattle, Wash.	135,987.0	27.1	2,371.0	96	297.8	83,402.0	84	19,285.0	83
13	11	GENERAL ELECTRIC Boston, Mass.	126,661.0 <sup>5</sup>	(9.8)	8,831.0	24	—	365,183.0	17	75,828.0	16
14	13	VERIZON COMMUNICATIONS New York, N.Y.	125,980.0	(4.3)	13,127.0	13	(26.6)	244,180.0	28	22,524.0	65
15	21	CARDINAL HEALTH Dublin, Ohio <sup>6</sup>	121,546.0	18.5	1,427.0	149	17.4	34,122.0	164	6,554.0	211
16	15	COSTCO WHOLESALE Issaquah, Wash. <sup>3</sup>	118,719.0	2.2	2,350.0	97	(1.1)	33,163.0	172	12,079.0	132
17	17	WALGREENS BOOTS ALLIANCE Deerfield, Ill. <sup>3</sup>	117,351.0	13.4	4,173.0	58	(1.1)	72,688.0	94	29,880.0	48
18	17	KROGER Cincinnati, Ohio <sup>1</sup>	115,337.0	5.0	1,975.0	117	(3.1)	36,505.0	158	6,698.0	207
19	14	CHEVRON San Ramon, Calif.	107,567.0 <sup>4</sup>	(18.0)	(497.0)	472	(110.8)	260,078.0	25	145,556.0	7
20	16	FANNIE MAE Washington, D.C. <sup>6</sup>	107,162.0	(2.9)	12,313.0	15	12.4	3,287,968.0	1	6,071.0	222

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.





MARKET VALUE 3/31/17		PROFITS AS % OF...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016
\$millions	Rank	Revenues		Assets		Stockholders' equity		2016	% change from 2015	2006-2016 annual growth rate		2016		2006-2016 annual rate			
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%	Rank	%	Rank		
218,619.3	15	2.8	351	6.9	136	17.5	174	4.38	(4.2)	4.9	176	16.1	224	6.5	248	25	1
411,034.5	5	10.8	133	3.9	249	8.5	329	14,645.00	(0.1)	7.4	125	23.4	168	8.3	192	38	2
753,717.9	1	21.2	40	14.2	33	35.6	55	8.31	(9.9)	38.3	7	12.5	253	26.5	5	12	3
340,055.6	7	3.8	311	2.4	327	4.7	393	1.88	(51.2)	(11.8)	331	19.8	191	4.3	290	48	4
31,438.9	151	1.2	410	4.0	242	25.3	108	9.70	54.7	15.1	44	(28.3)	456	11.6	100	69	5
157,793.4	32	3.8	312	5.7	168	18.3	163	7.25	20.6	9.3	96	38.3	72	12.7	84	26	6
81,309.6	58	3.0	343	5.6	176	14.4	210	4.90	5.8	11.8	68	(17.8)	441	11.2	108	28	7
52,968.0	92	5.7	257	4.3	230	21.5	133	6.00	1.5	—	—	7.4	303	—	—	44	8
255,678.6	12	7.9	191	3.2	274	10.5	286	2.10	(11.4)	1.1	240	29.9	120	7.3	228	59	9
46,349.3	105	3.0	342	1.9	348	15.8	191	1.15	(37.5)	—	—	(8.1)	408	6.8	245	44	10
19,229.3	220	1.0	416	4.2	231	67.1	25	6.32	—	18.8	26	(23.3)	450	15.0	51	68	11
423,030.8	4	1.7	385	2.8	296	12.3	249	4.90	292.0	27.0	11	10.9	265	34.2	3	39	12
259,519.7	11	7.0	219	2.4	324	11.6	261	0.89	—	(7.8)	315	4.6	326	2.0	324	33	13
198,900.0	19	10.4	139	5.4	187	58.3	32	3.21	(26.5)	4.2	192	20.7	184	9.6	151	59	14
25,725.3	177	1.2	409	4.2	234	21.8	126	4.32	19.3	6.4	148	(17.7)	439	6.4	251	69	15
73,606.1	65	2.0	378	7.1	131	19.5	150	5.33	(0.7)	8.8	104	0.3	371	14.1	61	25	16
89,645.0	50	3.6	325	5.7	167	14.0	214	3.82	(4.5)	8.3	112	(1.1)	381	8.0	202	21	17
26,960.9	170	1.7	386	5.4	186	29.5	84	2.05	(0.5)	10.3	84	(16.4)	436	13.3	73	21	18
203,262.5	18	(0.5)	444	(0.2)	442	(0.3)	424	(0.27)	(111.0)	—	—	36.4	79	8.6	184	48	18
3,011.0	418	11.5	117	0.4	427	202.8	6	0.01	—	(44.6)	338	137.8	7	(23.3)	403	14	20



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**DELL TECHNOLOGIES** After falling off the 500 when it went private in 2013, Dell is back, thanks to its \$67 billion takeover of EMC last fall [and the deal disclosures that allowed us to see its numbers]. —L.E.

## 21-68 / 500

RANK 2016	2015		REVENUES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
			\$ millions	% change from 2015	\$ millions	Rank	% change from 2015	\$ millions	Rank	\$ millions	Rank
21	23	JPMORGAN CHASE & CO. New York, N.Y.	105,486.0	4.4	24,793.0	2	1.2	2,490,972.0	2	254,190.0	3
22	22	EXPRESS SCRIPTS HOLDING St. Louis, Mo.	100,287.5	[1.4]	3,404.4	72	37.5	51,744.9	118	16,236.0	96
23	28	HOME DEPOT Atlanta, Ga. <sup>1</sup>	94,595.0	6.9	7,957.0	26	13.5	42,966.0	144	4,333.0	283
24	24	BOEING Chicago, Ill.	94,571.0	[1.6]	4,895.0	49	[5.4]	89,997.0	78	817.0	439
25	27	WELLS FARGO San Francisco, Calif.	94,178.0	4.6	21,938.0	4	[4.2]	1,930,115.0	5	199,581.0	5
26	26	BANK OF AMERICA CORP. Charlotte, N.C.	93,662.0	0.7	17,906.0	6	12.7	2,187,702.0	3	266,840.0	2
27	36	ALPHABET Mountain View, Calif.	90,272.0	20.4	19,478.0	5	19.1	167,497.0	44	139,036.0	8
28	25	MICROSOFT Redmond, Wash. <sup>4,7</sup>	85,320.0	[8.8]	16,798.0	7	37.8	193,694.0	41	71,997.0	17
29	33	ANHEIM Indianapolis, Ind.	84,863.0	7.2	2,469.8	91	[3.5]	65,083.1	101	25,100.4	57
30	29	CITIGROUP New York, N.Y.	82,386.0	[6.7]	14,912.0	9	[13.5]	1,792,077.0	6	225,120.0	4
31	37	COMCAST Philadelphia, Pa.	80,403.0	7.9	8,695.0	25	6.5	180,500.0	42	53,943.0	26
32	31	INTERNATIONAL BUSINESS MACHINES Armonk, N.Y.	79,919.0	[3.1]	11,872.0	16	[10.0]	117,470.0	65	18,246.0	85
33	35	STATE FARM INSURANCE COS. Bloomington, Ill.	76,131.8	0.6	350.3	339	[94.4]	256,029.9	26	87,591.7	11
34	30	PHILLIPS 66 Houston, Texas	72,396.0 <sup>2</sup>	[16.9]	1,555.0	140	[63.2]	51,653.0	119	22,390.0	66
35	39	JOHNSON & JOHNSON New Brunswick, N.J.	71,890.0	2.6	16,540.0	8	7.3	141,208.0	52	70,418.0	18
36	34	PROCTER & GAMBLE Cincinnati, Ohio <sup>4</sup>	71,728.0 <sup>4</sup>	[8.9]	10,508.0	18	49.3	127,136.0	57	57,341.0	25
37	32	VALERO ENERGY San Antonio, Texas	70,166.0 <sup>5</sup>	[14.2]	2,289.0	99	[42.6]	46,173.0	131	20,024.0	79
38	38	TARGET Minneapolis, Minn. <sup>1</sup>	69,495.0	[5.8]	2,737.0	83	[18.6]	37,431.0	155	10,953.0	145
39	43	FREDDIE MAC McLean, Va. <sup>6</sup>	65,665.0	3.4	7,815.0	28	22.6	2,023,376.0	4	5,075.0	248
40	47	LOWE'S Mooresville, N.C. <sup>1</sup>	65,017.0	10.1	3,093.0	75	21.5	34,408.0	163	6,434.0	213
41	*	DELL TECHNOLOGIES Round Rock, Texas <sup>1,8</sup>	64,806.0 <sup>4</sup>	18.1	[1,672.0]	488	—	118,206.0	64	13,243.0	118
42	40	METLIFE New York, N.Y.	63,476.0	[9.3]	800.0	228	[84.9]	898,764.0	7	67,309.0	19
43	46	AETNA Hartford, Conn.	63,155.0	4.7	2,271.0	100	[5.0]	69,146.0	97	17,881.0	89
44	44	PEPSICO Purchase, N.Y.	62,799.0	[0.4]	6,329.0	36	16.1	74,129.0	93	11,095.0	141
45	41	ARCHER DANIELS MIDLAND Chicago, Ill.	62,346.0	[7.9]	1,279.0	161	[30.8]	39,769.0	151	17,173.0	91
46	48	UNITED PARCEL SERVICE Atlanta, Ga.	60,906.0	4.4	3,431.0	71	[29.2]	40,377.0	146	405.0	464
47	51	INTEL Santa Clara, Calif.	59,387.0	7.3	10,316.0	19	[9.7]	113,327.0	67	66,226.0	20
48	50	PRUDENTIAL FINANCIAL Newark, N.J.	58,779.0	2.9	4,368.0	55	[22.6]	783,962.0	10	45,863.0	30
49	*	ALBERTSONS COS. Boise, Idaho <sup>9</sup>	58,734.0	115.9	[502.2]	473	—	23,770.0	213	1,613.2	403
50	45	UNITED TECHNOLOGIES Farmington, Conn.	57,244.0	[6.2]	5,055.0	46	[33.6]	89,706.0	81	27,579.0	53
51	42	MARATHON PETROLEUM Findlay, Ohio	55,858.0 <sup>5</sup>	[13.5]	1,174.0	174	[58.8]	44,413.0	139	13,557.0	114
52	53	WALT DISNEY Burbank, Calif. <sup>3</sup>	55,632.0	6.0	9,391.0	22	12.0	92,033.0	76	43,265.0	33
53	52	HUMANA Louisville, Ky.	54,379.0	0.2	614.0	266	[51.9]	25,396.0	206	10,685.0	150
54	55	PFIZER New York, N.Y.	52,824.0	8.1	7,215.0	32	3.7	171,615.0	43	59,544.0	22
55	49	AMERICAN INTERNATIONAL GROUP New York, N.Y.	52,367.0	[10.2]	[849.0]	481	[138.7]	498,264.0	13	76,300.0	14
56	60	LOCKHEED MARTIN Bethesda, Md.	50,658.0 <sup>4</sup>	9.8	5,302.0	45	47.1	47,806.0	127	1,511.0	409
57	57	SYSCO Houston, Texas <sup>4</sup>	50,366.9	3.5	949.6	201	38.3	16,721.8	273	3,479.6	309
58	58	FEDEX Memphis, Tenn. <sup>10</sup>	50,365.0	6.1	1,820.0	124	73.3	46,064.0	132	13,784.0	111
59	*	HEWLETT PACKARD ENTERPRISE Palo Alto, Calif. <sup>11,12</sup>	50,123.0	—	3,161.0	74	—	79,679.0	87	31,448.0	45
60	54	CISCO SYSTEMS San Jose, Calif. <sup>13</sup>	49,247.0	0.2	10,739.0	17	19.6	121,652.0	62	63,586.0	21
61	20	HP Palo Alto, Calif. <sup>11,14</sup>	48,238.0	[53.3]	2,496.0	89	[45.2]	29,010.0	190	[3,889.0]	495
62	56	DOW CHEMICAL Midland, Mich.	48,158.0	[1.3]	4,318.0	56	[43.8]	79,511.0	88	25,987.0	54
63	63	HCA HOLDINGS Nashville, Tenn.	44,747.0	2.7	2,890.0	79	35.7	33,758.0	166	[7,302.0]	498
64	62	COCA-COLA Atlanta, Ga.	41,863.0	[5.5]	6,527.0	35	[11.2]	87,270.0	83	23,062.0	63
65	61	NEW YORK LIFE INSURANCE New York, N.Y.	40,786.6	[11.1]	1,088.1	185	324.1	287,196.0	22	20,107.6	78
66	124	CENTENE St. Louis, Mo.	40,721.0	78.6	562.0	283	58.3	20,197.0	244	5,895.0	227
67	67	AMERICAN AIRLINES GROUP Fort Worth, Texas	40,180.0	[2.0]	2,676.0	84	[64.8]	51,274.0	121	3,785.0	299
68	69	NATIONWIDE Columbus, Ohio	40,074.1	[0.4]	334.3	346	[42.4]	197,789.7	40	15,537.2	100

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



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MARKET VALUE 3/31/17		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2016	% change from 2015	2006-2016 annual growth rate		2016	Rank	2006-2016 annual rate			
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%	Rank	%	Rank		
313,761.2	9	23.4	28	1.0	387	9.7	304	6.19	3.2	4.4	188	34.5	95	8.6	180	9	21
39,566.6	121	3.4	330	6.6	144	21.0	138	5.39	51.4	20.5	19	(21.3)	448	14.4	59	28	22
176,367.6	24	8.4	182	18.5	15	183.6	8	6.45	18.1	8.7	106	3.6	340	15.7	43	58	23
107,545.9	38	5.2	268	5.4	184	599.1	2	7.61	2.3	10.3	83	11.3	263	8.5	186	2	24
278,515.5	10	23.3	29	1.1	378	11.0	273	3.99	(3.2)	4.8	179	4.4	330	7.5	221	9	25
236,181.7	13	19.1	49	0.8	403	6.7	363	1.50	14.5	(10.6)	327	33.4	100	(6.7)	387	9	26
579,426.1	2	21.6	38	11.6	48	14.0	213	27.85	21.9	18.8	27	1.9	354	13.2	77	39	27
508,935.1	3	19.7	46	8.7	89	23.3	119	2.10	41.9	5.8	158	15.0	235	10.2	137	11	28
43,813.2	114	2.9	347	3.8	254	9.8	301	9.21	(1.8)	6.7	140	5.1	322	7.3	225	26	29
165,394.2	29	18.1	53	0.8	402	6.6	364	4.72	(12.6)	(19.8)	333	15.8	226	(18.9)	398	9	30
178,257.8	23	10.8	132	4.8	209	16.1	184	1.79	10.2	16.3	35	24.5	157	11.0	115	59	31
164,251.0	30	14.9	74	10.1	63	65.1	26	12.38	(7.7)	7.3	128	25.0	152	7.8	213	34	32
—	—	0.5	428	0.1	433	0.4	420	—	—	—	—	—	—	—	—	37	33
40,954.4	120	2.1	370	3.0	283	6.9	358	2.92	(62.2)	—	—	8.8	289	—	—	48	34
337,641.6	8	23.0	31	11.7	47	23.5	116	5.93	8.2	4.7	180	15.3	230	9.0	168	49	35
229,699.5	14	14.7	75	8.3	101	18.3	165	3.69	51.2	3.4	199	9.3	284	5.8	264	32	36
29,746.4	157	3.3	334	5.0	205	11.4	265	4.94	(38.2)	(5.4)	303	0.6	366	6.1	258	48	37
30,502.2	153	3.9	305	7.3	125	25.0	110	4.70	(11.5)	3.9	196	2.7	348	4.6	286	25	38
1,612.1	446	11.9	107	0.4	424	154.0	9	0.03	—	(36.6)	337	130.9	9	(24.7)	405	14	39
70,481.3	67	4.8	278	9.0	83	48.1	38	3.47	27.1	5.7	159	(4.8)	389	10.4	131	58	40
—	—	(2.6)	457	(1.4)	459	(12.6)	450	—	—	—	—	—	—	—	—	12	41
57,428.9	85	1.3	406	0.1	435	1.2	419	0.63	(86.2)	(22.4)	335	15.6	228	1.4	336	36	42
44,859.3	111	3.6	321	3.3	268	12.7	243	6.41	(5.5)	7.9	120	15.8	227	12.0	94	26	43
159,763.2	31	10.1	146	8.5	94	57.0	33	4.36	18.8	2.7	215	7.7	301	8.3	194	22	44
26,273.5	172	2.1	374	3.2	273	7.4	351	2.16	(27.5)	0.8	244	28.1	130	5.8	263	23	45
93,275.6	44	5.6	258	8.5	96	847.2	1	3.87	(27.7)	0.0	257	22.7	174	7.4	222	40	46
170,539.0	27	17.4	57	9.1	78	15.6	196	2.12	(9.0)	9.4	93	8.7	292	9.4	156	56	47
45,911.9	107	7.4	207	0.6	417	9.5	308	9.71	(20.2)	4.1	194	32.3	106	4.4	288	36	48
—	—	(0.9)	446	(2.1)	463	(31.1)	460	—	—	—	—	—	—	—	—	21	49
89,957.3	48	8.8	170	5.8	175	18.3	164	6.12	(28.9)	5.1	169	17.0	217	8.3	193	2	50
26,678.8	171	2.1	373	2.6	309	8.7	324	2.21	(58.0)	—	—	0.4	370	—	—	48	51
179,297.7	22	16.9	59	10.2	62	21.7	129	5.73	16.9	13.3	50	0.6	365	13.4	70	19	52
29,742.8	158	1.1	411	2.4	325	5.7	378	4.07	(51.8)	3.4	198	15.1	234	14.6	56	26	53
203,724.9	17	13.7	85	4.2	233	12.1	251	1.17	5.4	(7.9)	317	4.4	331	6.8	246	49	54
61,153.9	76	(1.6)	451	(0.2)	441	(1.1)	429	(0.78)	(147.3)	—	—	7.8	300	(24.2)	404	38	55
77,556.7	61	10.5	137	11.1	51	350.9	3	17.49	52.6	11.7	70	18.4	200	14.1	66	2	56
28,047.8	165	1.9	381	5.7	171	27.3	97	1.64	42.6	1.9	230	38.7	70	7.6	215	68	57
52,178.2	93	3.6	320	4.0	244	13.2	225	6.51	78.4	1.1	237	26.0	139	6.2	256	40	58
39,287.6	122	6.3	242	4.0	243	10.1	296	1.82	—	—	—	54.1	34	—	—	34	59
169,265.5	28	21.8	37	8.8	87	16.9	179	2.11	20.6	9.0	98	15.3	232	2.6	319	45	60
30,231.2	155	5.2	269	8.6	91	—	—	1.43	(42.3)	(4.1)	297	30.3	118	(1.3)	359	12	61
77,459.9	62	9.0	167	5.4	185	16.6	181	3.52	(42.8)	(0.8)	266	15.3	231	7.5	219	8	62
32,965.5	146	6.5	237	8.6	93	—	—	7.30	46.3	—	—	9.4	283	—	—	27	63
182,153.1	21	15.6	69	7.5	121	28.3	91	1.49	(10.8)	3.3	202	(0.4)	375	8.7	175	6	64
—	—	2.7	352	0.4	425	5.4	381	—	—	—	—	—	—	—	—	35	65
12,270.8	277	1.4	402	2.8	297	9.5	307	3.43	19.1	—	—	(14.1)	432	16.5	36	26	66
21,325.7	205	6.7	231	5.2	192	70.7	22	4.81	(56.5)	—	—	11.4	261	—	—	3	67
—	—	0.8	419	0.2	432	2.2	414	—	—	—	—	—	—	—	—	37	68



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**FACEBOOK** Like that annoyingly accomplished friend in your feed whom you love to hate, the social media powerhouse had another amazing year. Profits shot up 177%, to \$10.2 billion. —L.E.

69-115 / 500			REVENUES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
RANK	2016	2015	\$ millions	% change from 2015	\$ millions	Rank	% change from 2015	\$ millions	Rank	\$ millions	Rank
69	72	MERCK Kenilworth, N.J.	39,807.0	0.8	3,920.0	61	[11.8]	95,377.0	73	40,088.0	36
70	79	CIGNA Bloomfield, Conn.	39,668.0	4.7	1,867.0	122	[10.8]	59,360.0	107	13,723.0	112
71	68	DELTA AIR LINES Atlanta, Ga.	39,639.0	(2.6)	4,373.0	54	[3.4]	51,261.0	122	12,287.0	127
72	71	BEST BUY Richfield, Minn. <sup>1</sup>	39,403.0	[0.9]	1,228.0	170	36.9	13,856.0	304	4,709.0	260
73	75	HONEYWELL INTERNATIONAL Morris Plains, N.J.	39,302.0	1.9	4,809.0	50	0.9	54,146.0	113	19,369.0	82
74	59	CATERPILLAR Peoria, Ill.	38,537.0	[18.0]	[67.0]	444	[103.2]	74,704.0	92	13,137.0	119
75	73	LIBERTY MUTUAL INSURANCE GROUP Boston, Mass. <sup>15</sup>	38,308.0	[2.9]	1,006.0	193	95.7	125,592.0	59	20,366.0	76
76	78	MORGAN STANLEY New York, N.Y.	37,949.0	0.1	5,979.0	39	[2.4]	814,949.0	9	76,050.0	15
77	76	MASSACHUSETTS MUTUAL LIFE INSURANCE Springfield, Mass.	37,788.0	[1.2]	1,273.5	162	[10.6]	271,039.8	23	15,423.5	101
78	74	GOLDMAN SACHS GROUP New York, N.Y.	37,712.0	[3.8]	7,398.0	30	21.6	860,165.0	8	86,893.0	12
79	65	ENERGY TRANSFER EQUITY Dallas, Texas <sup>9</sup>	37,504.0	[11.0]	995.0	194	[16.3]	79,011.0	89	[1,694.0]	490
80	82	TIAA New York, N.Y. <sup>16</sup>	37,105.4	5.5	1,492.3	145	22.9	523,194.0	12	35,583.1	40
81	77	ORACLE Redwood City, Calif. <sup>10</sup>	37,047.0	[3.1]	8,901.0	23	[10.4]	112,180.0	68	47,289.0	29
82	66	TYSON FOODS Springdale, Ark. <sup>2</sup>	36,881.0	[10.9]	1,768.0	126	44.9	22,373.0	225	9,608.0	164
83	80	UNITED CONTINENTAL HOLDINGS Chicago, Ill.	36,556.0	[3.5]	2,263.0	101	[69.2]	40,140.0	148	8,659.0	174
84	81	ALLSTATE Northbrook, Ill.	36,534.0	2.5	1,877.0	121	[13.5]	108,610.0	70	20,573.0	72
85	87	PUBLIX SUPER MARKETS Lakeland, Fla.	34,274.1	5.1	2,025.7	114	3.1	17,464.0	267	13,473.3	115
86	85	AMERICAN EXPRESS New York, N.Y.	33,823.0	[1.8]	5,408.0	43	4.7	158,893.0	46	20,501.0	74
87	89	TJX Framingham, Mass. <sup>1</sup>	33,183.7	7.2	2,298.2	98	0.9	12,883.8	310	4,510.6	276
88	91	NIKE Beaverton, Ore. <sup>10</sup>	32,376.0	5.8	3,760.0	63	14.9	21,396.0	232	12,258.0	128
89	95	EXELON Chicago, Ill.	31,360.0	6.5	1,134.0	179	[50.0]	114,904.0	66	25,837.0	55
90	88	GENERAL DYNAMICS Falls Church, Va.	31,353.0	[0.4]	2,955.0	77	[0.3]	32,872.0	175	10,976.0	144
91	107	RITE AID Camp Hill, Pa. <sup>9</sup>	30,796.7	15.9	165.5	400	[92.2]	11,277.0	329	581.4	456
92	86	GILEAD SCIENCES Foster City, Calif.	30,390.0	[6.9]	13,501.0	12	[25.4]	56,977.0	109	18,887.0	84
93	84	CHS Inver Grove Heights, Minn. <sup>15</sup>	30,347.2	[12.2]	424.2	321	[45.7]	17,317.7	269	7,852.0	184
94	93	3M St. Paul, Minn.	30,109.0	[0.5]	5,050.0	47	4.5	32,906.0	174	10,298.0	153
95	99	TIME WARNER New York, N.Y.	29,318.0	4.3	3,926.0	60	2.4	65,966.0	100	24,335.0	60
96	292	CHARTER COMMUNICATIONS Stamford, Conn. <sup>17</sup>	29,003.0	197.3	3,522.0	70	—	149,067.0	48	40,139.0	35
97	100	NORTHWESTERN MUTUAL Milwaukee, Wis.	28,799.0	2.4	818.0	225	0.4	250,441.0	27	20,226.0	77
98	157	FACEBOOK Menlo Park, Calif.	27,638.0	54.2	10,217.0	20	177.0	64,961.0	102	59,194.0	23
99	105	TRAVELERS COS. New York, N.Y.	27,625.0	3.1	3,014.0	76	[12.4]	100,245.0	72	23,221.0	62
100	112	CAPITAL ONE FINANCIAL McLean, Va.	27,519.0	9.6	3,751.0	64	[7.4]	357,033.0	18	47,514.0	27
101	96	TWENTY-FIRST CENTURY FOX New York, N.Y. <sup>4</sup>	27,326.0	[5.7]	2,755.0	81	[66.8]	48,365.0	124	13,661.0	113
102	114	UNITED SERVICES AUTOMOBILE ASSN. San Antonio, Texas <sup>15</sup>	27,131.1	11.4	1,779.1	125	[21.7]	147,289.7	49	28,839.7	52
103	92	WORLD FUEL SERVICES Miami, Fla.	27,015.8	[11.1]	126.5	407	[27.5]	5,412.6	437	1,925.0	382
104	106	PHILIP MORRIS INTERNATIONAL New York, N.Y.	26,685.0 <sup>6</sup>	[0.4]	6,967.0	34	1.4	36,851.0	157	[12,688.0]	500
105	97	DEERE Moline, Ill. <sup>11</sup>	26,644.0	[7.7]	1,523.9	142	[21.4]	57,981.4	108	6,520.0	212
106	153	KRAFT HEINZ Pittsburgh, Pa.	26,487.0	44.4	3,632.0	67	472.9	120,480.0	63	57,358.0	24
107	108	TECH DATA Clearwater, Fla. <sup>1</sup>	26,234.9	[0.5]	195.1	389	[26.6]	7,931.9	383	2,169.9	361
108	102	AVNET Phoenix, Ariz. <sup>4</sup>	26,219.3	[6.1]	506.5	299	[11.4]	11,239.8	330	4,691.3	261
109	94	MONDELEZ INTERNATIONAL Deerfield, Ill.	25,923.0	[12.5]	1,659.0	135	[77.2]	61,538.0	106	25,161.0	56
110	103	MACY'S Cincinnati, Ohio <sup>1</sup>	25,778.0	[4.8]	619.0	265	[42.3]	19,851.0	246	4,323.0	284
111	123	ABBVIE North Chicago, Ill.	25,638.0	12.2	5,953.0	40	15.7	66,099.0	99	4,636.0	267
112	109	MCDONALD'S Oak Brook, Ill.	24,621.9	[3.1]	4,686.5	51	3.5	31,023.9	182	[2,204.3]	493
113	101	DUPONT Wilmington, Del. <sup>16</sup>	24,594.0	[12.0]	2,513.0	88	28.7	39,964.0	150	9,998.0	157
114	118	NORTHROP GRUMMAN Falls Church, Va.	24,508.0	4.2	2,200.0	106	10.6	25,614.0	203	5,259.0	243
115	90	CONOCOPHILLIPS Houston, Texas	24,360.0	[21.3]	[3,615.0]	495	—	89,772.0	80	34,974.0	41

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



MARKET VALUE 3/31/17		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank	2016 \$	% change from 2015	2006-2016 annual growth rate % Rank	2016 %	Rank	2006-2016 annual rate %	Rank	2016 %	Rank	2016 %	Rank		
174,453.6	26	9.8	150	4.1	236	9.8	303	1.41	(9.6)	(3.6)	291	15.1	233	7.0	236	49	89
37,604.4	126	4.7	279	3.1	275	13.6	217	7.19	[10.6]	7.7	122	(8.8)	411	11.9	98	26	70
33,586.2	142	11.0	124	8.5	95	35.6	56	5.79	2.8	—	—	(1.4)	382	—	—	3	71
15,192.8	246	3.1	338	8.9	86	26.1	104	3.81	48.8	3.2	205	46.9	46	1.1	339	58	72
94,990.9	43	12.2	103	8.9	85	24.8	111	6.20	2.6	9.4	94	14.9	237	12.6	88	16	73
54,402.4	90	(0.2)	442	(0.1)	439	(0.5)	426	(0.11)	(103.1)	—	—	42.0	59	7.2	230	13	74
—	—	2.6	355	0.8	404	4.9	390	—	—	—	—	—	—	—	—	38	75
79,946.5	60	15.8	68	0.7	406	7.9	344	2.92	0.7	(8.5)	320	36.0	83	(3.2)	370	9	76
—	—	3.4	332	0.5	421	8.3	334	—	—	—	—	—	—	—	—	35	77
91,380.4	47	19.6	47	0.9	398	8.5	327	16.29	34.2	(1.9)	280	34.9	92	3.1	312	9	78
21,292.3	207	2.7	353	1.3	373	—	—	0.92	(17.1)	16.6	34	54.5	32	16.1	41	50	79
—	—	4.0	301	0.3	431	4.2	399	—	—	—	—	—	—	—	—	35	80
183,556.1	20	24.0	25	7.9	108	18.8	158	2.07	(6.3)	12.5	59	6.9	306	9.3	160	11	81
22,027.9	201	4.8	277	7.9	109	18.4	162	4.53	53.6	—	—	16.9	218	15.3	47	23	82
22,224.9	200	6.2	243	5.6	174	26.1	103	6.85	(64.8)	—	—	27.2	133	5.8	265	3	83
29,754.4	156	5.1	270	1.7	358	9.1	314	4.67	(7.5)	(5.0)	302	21.8	176	3.9	300	38	84
—	—	5.9	248	11.6	49	15.0	201	2.63	3.5	7.4	126	—	—	—	—	21	85
71,192.5	66	16.0	66	3.4	265	26.4	101	5.65	11.9	6.6	145	8.6	294	3.7	304	14	86
51,053.2	96	6.9	221	17.8	16	51.0	36	3.46	3.9	16.1	36	7.3	305	19.6	16	57	87
92,204.0	46	11.6	112	17.6	18	30.7	77	2.16	16.8	12.6	57	(17.8)	440	16.7	33	4	88
33,309.0	143	3.6	319	1.0	388	4.4	396	1.22	(52.0)	(6.3)	310	32.6	104	(1.4)	360	64	89
56,791.0	87	9.4	158	9.0	82	26.9	99	9.52	4.8	7.6	124	28.2	128	11.3	106	2	90
4,472.6	394	0.5	423	1.5	364	28.5	89	0.16	(92.3)	(21.9)	334	5.1	323	4.2	292	21	91
88,787.5	52	44.4	6	23.7	6	71.5	21	9.94	(16.5)	—	—	(27.6)	455	16.4	37	49	92
—	—	1.4	399	2.4	323	5.4	382	—	—	—	—	—	—	—	—	23	93
114,338.2	36	16.8	61	15.3	27	49.0	37	8.16	7.7	4.9	177	21.6	177	11.5	101	70	94
75,660.2	64	13.4	88	6.0	160	16.1	183	4.96	7.4	0.6	247	52.4	36	9.5	155	19	95
100,595.2	41	12.1	105	2.4	328	8.8	321	15.94	—	—	—	42.2	57	—	—	59	96
—	—	2.8	350	0.3	429	4.0	400	—	—	—	—	—	—	—	—	35	97
410,521.8	6	37.0	11	15.7	25	17.3	176	3.49	170.5	—	—	9.9	276	—	—	39	98
33,688.9	141	10.9	129	3.0	284	13.0	231	10.28	(5.5)	5.7	160	10.9	266	11.3	103	38	99
41,831.4	118	13.6	86	1.1	384	7.9	343	6.89	(2.5)	(1.0)	269	23.6	166	3.0	313	9	100
59,948.5	79	10.1	145	5.7	170	20.2	145	1.42	(63.6)	7.0	132	4.5	328	4.9	277	19	101
—	—	6.6	234	1.2	374	6.2	370	—	—	—	—	—	—	—	—	38	102
2,535.1	425	0.5	426	2.3	330	6.6	366	1.81	(26.7)	5.1	171	20.0	188	8.0	204	17	103
175,349.4	25	26.1	17	18.9	14	—	—	4.48	1.4	—	—	8.6	293	—	—	61	104
34,648.3	134	5.7	255	2.6	310	23.4	117	4.81	(16.6)	3.0	209	39.1	68	10.5	128	13	105
110,528.1	37	13.7	84	3.0	282	6.3	368	2.81	—	—	—	24.4	162	—	—	22	106
3,569.4	411	0.7	420	2.5	322	9.0	318	5.51	(25.1)	—	—	27.6	131	8.4	190	67	107
5,898.2	371	1.9	379	4.5	219	10.8	279	3.80	(7.8)	10.6	81	12.9	248	7.0	238	67	108
65,675.7	69	6.4	240	2.7	304	6.6	365	1.05	(76.4)	—	—	0.5	367	—	—	22	109
9,045.7	322	2.4	360	3.1	276	14.3	211	1.99	(38.2)	1.0	241	6.5	308	1.4	335	25	110
103,837.5	40	23.2	30	9.0	81	128.4	11	3.63	16.0	—	—	9.7	280	—	—	49	111
106,149.7	39	19.0	50	15.1	28	—	—	5.44	13.3	6.8	137	6.1	314	14.1	64	24	112
69,451.2	68	10.2	143	6.3	150	25.1	109	2.85	31.9	(1.7)	275	12.7	249	8.5	188	8	113
41,577.2	119	9.0	166	8.6	92	41.8	44	12.19	17.3	10.8	78	25.2	148	17.3	31	2	114
61,691.7	75	(14.8)	490	(4.0)	480	(10.3)	447	(2.91)	—	—	—	10.0	274	2.7	316	43	115



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**SEARS HOLDINGS** The owner of Sears and Kmart epitomizes the department-store decline: Since 2012, sales are down 47%, and the chains have closed a third of their stores. —Matt Heimer

RANK		REVENUES	% change from 2015	PROFITS		% change from 2015	ASSETS		STOCKHOLDERS' EQUITY			
2016	2015			\$ millions	Rank		\$ millions	Rank	\$ millions	Rank	\$ millions	Rank
116	120	RAYTHEON	Waltham, Mass.	24,069.0	3.5	2,211.0	105	6.6	30,052.0	186	10,066.0	156
117	98	TESORO	San Antonio, Texas	24,005.0 <sup>6</sup>	[14.7]	734.0	236	[52.3]	20,398.0	241	5,465.0	237
118	119	ARROW ELECTRONICS	Centennial, Colo.	23,825.3	2.3	522.8	292	5.0	14,206.4	303	4,413.4	281
119	110	QUALCOMM	San Diego, Calif. <sup>2</sup>	23,554.0	[6.8]	5,705.0	42	8.2	52,359.0	116	31,778.0	44
120	137	PROGRESSIVE	Mayfield Village, Ohio	23,441.4	12.4	1,031.0	191	[18.7]	33,427.5	169	7,957.1	181
121	115	DUKE ENERGY	Charlotte, N.C.	23,369.0 <sup>15</sup>	[1.0]	2,152.0	108	[23.6]	132,761.0	55	41,033.0	34
122	104	ENTERPRISE PRODUCTS PARTNERS	Houston, Texas <sup>9</sup>	23,022.3	[14.8]	2,513.1	87	[0.3]	52,194.0	117	22,047.0	67
123	130	AMGEN	Thousand Oaks, Calif.	22,991.0	6.1	7,722.0	29	11.3	77,626.0	90	29,875.0	49
124	122	US FOODS HOLDING	Rosemont, Ill. <sup>19</sup>	22,918.8	[0.9]	209.8	384	25.2	8,944.5	365	2,537.7	348
125	131	U.S. BANCORP	Minneapolis, Minn.	22,744.0	5.8	5,888.0	41	0.2	445,964.0	14	47,298.0	28
126	135	AFLAC	Columbus, Ga.	22,559.0	8.1	2,659.0	85	5.0	129,819.0	56	20,482.0	75
127	111	SEARS HOLDINGS	Hoffman Estates, Ill. <sup>1</sup>	22,138.0	[12.0]	[2,221.0]	490	—	9,362.0	357	[3,824.0]	494
128	139	DOLLAR GENERAL	Goodlettsville, Tenn. <sup>1</sup>	21,986.6	7.9	1,251.1	165	7.4	11,672.3	325	5,406.3	239
129	136	AUTONATION	Fort Lauderdale, Fla.	21,609.0	3.6	430.5	318	[2.7]	10,060.0	342	2,310.3	356
130	125	COMMUNITY HEALTH SYSTEMS	Franklin, Tenn.	21,374.0 <sup>4</sup>	[5.8]	[1,721.0]	489	[1,189.2]	21,944.0	226	1,615.0	402
131	146	STARBUCKS	Seattle, Wash. <sup>2</sup>	21,315.9	11.2	2,817.7	80	2.2	14,329.5	300	5,884.0	229
132	141	ELI LILLY	Indianapolis, Ind.	21,222.1	6.3	2,737.6	82	13.7	38,805.9	152	14,007.7	108
133	127	INTERNATIONAL PAPER	Memphis, Tenn.	21,079.0	[5.8]	904.0	209	[3.6]	33,345.0	170	4,341.0	282
134	140	TENET HEALTHCARE	Dallas, Texas	21,070.0	4.8	[192.0]	452	—	24,701.0	208	417.0	462
135	138	ABBOTT LABORATORIES	Abbott Park, Ill. <sup>20</sup>	20,853.0	0.9	1,400.0	152	[68.3]	52,666.0	115	20,538.0	73
136	180	DOLLAR TREE	Chesapeake, Va. <sup>1</sup>	20,719.2	33.7	896.2	211	217.4	15,701.6	284	5,389.5	240
137	134	WHIRLPOOL	Benton Harbor, Mich.	20,718.0	[0.8]	888.0	214	13.4	19,153.0	254	4,773.0	258
138	142	SOUTHWEST AIRLINES	Dallas, Texas	20,425.0	3.1	2,244.0	104	2.9	23,286.0	216	8,441.0	178
139	128	EMERSON ELECTRIC	St. Louis, Mo. <sup>2</sup>	20,268.0 <sup>4</sup>	[9.1]	1,635.0	137	[39.7]	21,743.0	228	7,568.0	189
140	132	STAPLES	Framingham, Mass. <sup>1</sup>	20,217.0 <sup>4</sup>	[4.0]	[1,497.0]	487	[494.8]	8,271.0	380	3,688.0	303
141	121	PLAINS GP HOLDINGS	Houston, Texas <sup>9</sup>	20,182.0	[12.8]	94.0	419	[20.3]	26,103.0	199	1,737.0	393
142	143	PENSKO AUTOMOTIVE GROUP	Bloomfield Hills, Mich.	20,143.3 <sup>9</sup>	4.0	342.9	344	5.2	8,861.1	366	1,750.9	392
143	129	UNION PACIFIC	Omaha, Neb.	19,941.0	[8.6]	4,233.0	57	[11.3]	55,718.0	111	19,932.0	80
144	133	DANAHER	Washington, D.C.	19,912.2 <sup>4</sup>	[4.8]	2,553.7	86	[23.9]	45,295.3	137	23,002.8	64
145	162	SOUTHERN	Atlanta, Ga.	19,896.0	13.8	2,448.0	92	3.4	109,697.0	69	24,758.0	58
146	144	MANPOWERGROUP	Milwaukee, Wis.	19,654.1	1.7	443.7	313	5.8	7,574.2	394	2,361.9	355
147	168	BRISTOL-MYERS SQUIBB	New York, N.Y.	19,427.0	17.3	4,457.0	53	184.8	33,707.0	167	16,177.0	98
148	149	ALTRIA GROUP	Richmond, Va.	19,337.0 <sup>6</sup>	2.6	14,239.0	10	171.7	45,932.0	133	12,770.0	123
148	155	FLUOR	Irving, Texas	19,036.5	5.1	281.4	362	[31.8]	9,216.4	360	3,125.2	323
150	145	KOHL'S	Menomonee Falls, Wis. <sup>1</sup>	18,686.0	[2.7]	556.0	285	[17.4]	13,574.0	307	5,177.0	244
151	154	LEAR	Southfield, Mich.	18,557.6	1.9	975.1	196	30.8	9,900.6	345	3,057.2	324
152	158	JABIL CIRCUIT	St. Petersburg, Fla. <sup>5</sup>	18,353.1	2.5	254.1	367	[10.5]	10,322.7	336	2,438.2	352
153	152	HARTFORD FINANCIAL SERVICES GROUP	Hartford, Conn.	18,300.0	[0.4]	896.0	212	[46.7]	223,432.0	32	16,903.0	92
154	164	THERMO FISHER SCIENTIFIC	Waltham, Mass.	18,274.1	7.7	2,021.8	115	2.3	45,907.5	134	21,539.3	69
155	151	KIMBERLY-CLARK	Irving, Texas	18,202.0	[2.1]	2,166.0	107	113.8	14,802.0	296	[102.0]	478
156	201	MOLINA HEALTHCARE	Long Beach, Calif.	17,782.0	25.4	52.0	431	[63.6]	7,449.0	395	1,649.0	399
157	166	PG&E CORP.	San Francisco, Calif.	17,666.0	4.9	1,393.0	154	59.4	68,598.0	98	17,940.0	87
158	160	SUPERVALU	Eden Prairie, Minn. <sup>8</sup>	17,529.0	[1.6]	178.0	396	[7.3]	4,370.0	454	[441.0]	483
159	148	CUMMINS	Columbus, Ind.	17,509.0	[8.4]	1,394.0	153	[0.4]	15,011.0	295	6,875.0	201
160	159	CENTURYLINK	Monroe, La.	17,470.0	[2.4]	626.0	263	[28.7]	47,017.0	129	13,399.0	116
161	156	ACCOM	Los Angeles, Calif. <sup>2</sup>	17,410.8	[3.2]	96.1	418	—	13,726.7	305	3,366.9	313
162	150	XEROX	Norwalk, Conn.	17,126.0 <sup>4</sup>	[8.2]	[477.0]	469	[200.6]	18,145.0	262	4,803.0	257
163	195	MARRIOTT INTERNATIONAL	Bethesda, Md. <sup>21</sup>	17,072.0	17.9	780.0	231	[9.2]	24,140.0	211	5,357.0	241

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



MARKET VALUE 3/31/17		PROFITS AS % OF...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2016	% change from 2015	2006-2016 annual growth rate		2016		2006-2016 annual rate			
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%	Rank	%	Rank		
44,664.2	112	9.2	164	7.4	124	22.0	125	7.44	9.4	10.1	89	16.4	221	13.3	72	2	116
9,514.8	311	3.1	340	3.6	259	13.4	220	6.12	[50.5]	0.7	246	[14.9]	433	11.9	97	48	117
6,546.3	362	2.2	367	3.7	256	11.8	258	5.68	9.2	6.0	153	31.6	113	8.5	185	67	118
84,693.5	57	24.2	23	10.9	53	18.0	170	3.81	18.3	10.2	86	35.1	88	7.8	214	56	119
22,759.7	196	4.4	287	3.1	279	13.0	233	1.76	[18.1]	[1.8]	277	14.8	238	7.9	209	38	120
57,397.4	86	9.2	163	1.6	361	5.2	386	3.11	[23.2]	[4.1]	295	13.4	245	8.1	199	64	121
58,522.2	82	10.9	127	4.8	210	11.4	269	1.20	[4.8]	—	—	12.6	250	—	—	50	122
120,829.8	35	33.6	13	9.9	64	25.8	105	10.24	13.0	15.2	43	[7.5]	403	9.1	167	49	123
6,206.5	368	0.9	418	2.3	329	8.3	333	1.03	—	—	—	—	—	—	—	68	124
87,201.0	54	25.9	19	1.3	372	12.4	247	3.24	2.5	2.2	225	23.5	167	6.5	250	9	125
29,053.3	161	11.8	109	2.0	343	13.0	230	6.42	9.7	8.1	117	19.0	196	6.9	243	36	126
1,231.2	454	[10.0]	488	[23.7]	498	—	—	[20.78]	—	—	—	[54.8]	464	[22.7]	402	25	127
19,182.4	221	5.7	256	10.7	58	23.1	121	4.43	12.2	—	—	4.3	332	—	—	58	128
4,267.9	401	2.0	377	4.3	229	18.6	160	4.15	6.7	11.6	71	[18.5]	442	8.6	181	5	129
1,009.8	457	[8.1]	485	[7.8]	488	[106.6]	474	[15.54]	[1,234.3]	—	—	[74.4]	466	[15.4]	396	27	130
85,092.1	56	13.2	90	19.7	12	47.9	39	1.90	4.4	18.3	29	[6.1]	394	13.2	75	24	131
92,803.1	45	12.9	95	7.1	133	19.5	149	2.58	14.2	0.5	252	[10.2]	416	7.8	212	49	132
20,883.5	209	4.3	293	2.7	301	20.8	141	2.18	[2.2]	0.0	258	46.4	47	8.2	196	47	133
1,777.0	443	[0.9]	447	[0.8]	450	[46.0]	466	[1.93]	—	—	—	[51.0]	463	[6.1]	382	27	134
76,740.4	63	8.7	225	2.7	307	8.8	361	0.94	[67.8]	[1.7]	276	[12.2]	426	8.0	205	41	135
18,539.9	229	4.3	291	5.7	169	16.6	180	3.78	200.0	19.9	21	[0.1]	372	22.6	11	58	138
12,762.3	271	4.3	294	4.6	216	18.6	161	11.50	17.0	7.3	127	26.6	137	10.8	120	16	137
33,076.1	144	11.0	125	9.6	69	26.6	100	3.55	8.6	19.3	24	16.7	219	13.0	78	3	138
38,613.6	124	8.1	189	7.5	120	21.6	131	2.52	[36.8]	1.2	236	20.8	183	5.5	272	16	139
5,722.7	376	[7.4]	481	[18.1]	496	[40.6]	464	[2.31]	[491.5]	—	—	0.7	364	[7.9]	391	58	140
9,127.3	318	0.5	427	0.4	428	5.4	380	0.94	[33.4]	—	—	51.9	40	—	—	50	141
4,001.1	404	1.7	387	3.9	250	19.6	148	3.99	9.9	11.7	69	25.6	144	9.9	143	5	142
85,910.8	55	21.2	39	7.6	117	21.2	135	5.07	[7.7]	13.1	51	35.9	84	18.5	24	52	143
59,359.3	80	12.8	97	5.6	173	11.1	272	3.65	[23.0]	7.7	123	9.9	277	11.2	111	54	144
49,334.5	98	12.3	102	2.2	337	9.9	298	2.55	[1.5]	2.0	227	9.9	275	7.9	208	64	145
6,938.0	354	2.3	366	5.9	165	18.8	159	6.27	16.1	3.3	201	7.7	302	3.4	307	60	146
89,591.1	51	22.9	33	13.2	40	27.6	96	2.65	184.9	12.6	58	[13.0]	429	12.7	85	49	147
138,513.4	33	73.6	2	31.0	2	111.5	12	7.28	172.7	2.5	219	20.4	186	19.5	17	61	148
7,352.9	349	1.5	397	3.1	281	9.0	317	2.00	[28.8]	3.1	206	13.1	247	3.7	302	18	149
6,861.5	358	3.0	345	4.1	238	10.7	281	3.11	[10.1]	[0.6]	265	8.4	295	[1.5]	362	25	150
9,726.3	307	5.3	266	9.8	65	31.9	71	13.33	39.0	—	—	8.9	288	—	—	44	151
5,270.1	387	1.4	401	2.5	321	10.4	289	1.32	[9.0]	5.5	163	3.2	343	1.5	332	56	152
17,795.0	235	4.9	275	0.4	423	5.3	384	2.27	[42.7]	[12.6]	332	11.7	258	[4.6]	374	38	153
59,964.1	78	11.1	122	4.4	225	9.4	310	5.09	3.5	19.7	22	[0.1]	374	12.4	89	54	154
46,827.5	104	11.9	108	14.8	29	—	—	5.99	116.2	6.3	149	[7.8]	404	9.6	154	32	155
2,600.5	424	0.3	431	0.7	409	3.2	406	0.92	[64.3]	[1.6]	274	[9.8]	414	9.6	153	26	156
33,696.4	140	7.9	193	2.0	344	7.8	346	2.78	55.3	0.1	256	18.0	207	6.5	247	64	157
1,033.2	456	1.0	415	4.1	239	—	—	0.66	[9.6]	[7.6]	314	[31.1]	459	[16.7]	397	21	158
25,397.3	182	8.0	190	9.3	76	20.3	144	8.23	5.0	8.8	105	60.6	28	18.8	22	33	159
12,882.8	268	3.6	323	1.3	369	4.7	394	1.16	[26.6]	[9.3]	325	2.3	350	0.5	343	59	160
5,527.7	378	0.6	422	0.7	407	2.9	408	0.62	—	—	—	21.1	180	—	—	18	161
7,461.7	346	[2.8]	459	[2.6]	468	[9.9]	446	[0.48]	[216.7]	—	—	[15.3]	435	[4.6]	373	10	162
36,123.8	132	4.6	283	3.2	272	14.6	206	2.64	[16.2]	6.6	143	25.3	146	7.6	216	31	163



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**HALLIBURTON** A tough 2016 got worse for the oilfield services provider when it had to pay rival Baker Hughes \$3.5 billion after calling off a \$35 billion merger in May. —L.E.

164-211 / 500			REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
RANK 2016	2015		\$ millions	% change from 2015	\$ millions	Rank	% change from 2015	\$ millions	Rank	\$ millions	Rank
184	147	PACCAR Bellevue, Wash.	17,033.3	(10.9)	521.7	293	(67.5)	20,638.9	237	6,777.6	203
185	161	GENERAL MILLS Minneapolis, Minn. <sup>10</sup>	16,563.1	(6.1)	1,697.4	131	39.0	21,712.3	229	4,930.2	252
186	171	PNC FINANCIAL SERVICES GROUP Pittsburgh, Pa.	16,423.0	0.9	3,903.0	62	(4.9)	366,380.0	16	45,699.0	31
187	165	AMERICAN ELECTRIC POWER Columbus, Ohio	16,380.1	(3.1)	610.9	269	(70.2)	63,467.7	104	17,397.0	90
188	184	ICAHN ENTERPRISES New York, N.Y. <sup>9</sup>	16,348.0 <sup>8</sup>	7.0	(1,128.0)	484	—	33,335.0	171	2,154.0	364
189	170	NUCOR Charlotte, N.C.	16,208.1	(1.4)	796.3	229	122.6	15,223.5	291	7,879.9	183
170	163	NEXTERA ENERGY Juno Beach, Fla.	16,155.0	(7.6)	2,912.0	78	5.8	89,993.0	79	24,341.0	59
171	185	PERFORMANCE FOOD GROUP Richmond, Va. <sup>4</sup>	16,104.8	5.5	68.3	425	20.9	3,455.4	471	802.8	442
172	127	PBF ENERGY Parsippany, N.J.	15,920.4 <sup>8</sup>	21.3	170.8	397	16.7	7,621.9	392	2,025.0	371
173	117	HALLIBURTON Houston, Texas	15,887.0	(32.8)	(5,763.0)	498	—	27,000.0	196	9,409.0	167
174	191	CARMAX Richmond, Va. <sup>21</sup>	15,832.6	6.4	623.4	264	4.4	14,481.6	298	2,904.8	331
175	175	FREEPORT-MCMORAN Phoenix, Ariz.	15,789.0 <sup>4</sup>	(0.6)	(4,154.0)	496	—	37,317.0	156	6,051.0	223
176	181	WHOLE FOODS MARKET Austin, Texas <sup>2</sup>	15,724.0	2.2	507.0	297	(5.4)	6,341.0	415	3,224.0	318
177	179	BANK OF NEW YORK MELLON CORP. New York, N.Y.	15,683.0	1.0	3,547.0	69	12.3	333,469.0	19	38,811.0	37
178	177	GAP San Francisco, Calif. <sup>1</sup>	15,516.0	(1.8)	676.0	253	(26.5)	7,610.0	393	2,904.0	332
179	186	OMNICOM GROUP New York, N.Y.	15,416.9	1.9	1,148.6	178	5.0	23,165.4	217	2,162.0	362
180	183	GENUINE PARTS Atlanta, Ga.	15,339.7	0.4	687.2	250	(2.6)	8,859.4	367	3,193.7	320
181	200	DAVITA Denver, Colo. <sup>22</sup>	15,196.5	6.9	879.9	217	226.2	18,741.3	256	4,648.0	264
182	174	COLGATE-PALMOLIVE New York, N.Y.	15,195.0	(5.2)	2,441.0	93	76.4	12,123.0	317	(243.0)	480
183	182	PPG INDUSTRIES Pittsburgh, Pa.	15,178.0 <sup>4</sup>	(1.0)	877.0	218	(37.6)	15,769.0	282	4,826.0	255
184	169	GOODYEAR TIRE & RUBBER Akron, Ohio	15,158.0	(7.8)	1,264.0	163	311.7	16,511.0	274	4,507.0	277
185	•	SYNCHRONY FINANCIAL Stamford, Conn.	15,122.0	11.0	2,251.0	103	1.7	90,207.0	77	14,196.0	107
186	187	DISH NETWORK Englewood, Colo.	15,094.6	0.2	1,449.9	146	94.1	28,091.8	192	4,637.1	266
187	204	VISA Foster City, Calif. <sup>2</sup>	15,082.0	8.7	5,991.0	38	(5.3)	64,035.0	103	32,912.0	43
188	197	NORDSTROM Seattle, Wash. <sup>1</sup>	14,757.0	2.2	354.0	336	(41.0)	7,858.0	384	870.0	437
189	83	INTL FCSTONE New York, N.Y. <sup>2, 23</sup>	14,754.9	(57.5)	54.7	429	(1.8)	5,951.3	424	433.8	461
190	251	WESTROCK Richmond, Va. <sup>2</sup>	14,705.5 <sup>1</sup>	29.2	(396.3)	464	(178.2)	23,038.2	218	9,728.8	161
191	353	XPO LOGISTICS Greenwich, Conn.	14,619.4	91.8	69.0	424	—	11,698.4	324	2,700.0	341
192	199	ARAMARK Philadelphia, Pa. <sup>2</sup>	14,415.8	0.6	287.8	359	22.0	10,582.1	335	2,161.0	363
193	203	CBS New York, N.Y.	14,386.0 <sup>4</sup>	3.6	1,261.0	164	(10.8)	24,238.0	210	3,689.0	302
194	190	AES Arlington, Va.	14,287.0 <sup>4</sup>	(4.5)	(1,130.0)	485	(469.3)	36,119.0	159	2,794.0	335
185	202	WELLCARE HEALTH PLANS Tampa, Fla.	14,237.1	2.5	242.1	372	104.1	6,152.8	419	2,000.1	375
186	188	FIRSTENERGY Akron, Ohio	14,156.0 <sup>5</sup>	(3.1)	(6,177.0)	499	(1,168.7)	43,148.0	142	6,241.0	216
197	176	CONAGRA BRANDS Chicago, Ill. <sup>10, 24</sup>	14,133.5 <sup>1</sup>	(10.8)	(677.0)	479	—	13,390.6	308	3,713.6	301
198	212	SYNNEX Fremont, Calif. <sup>25</sup>	14,061.8	5.4	234.9	376	12.7	5,223.3	442	1,975.8	378
199	220	CDW Lincolnshire, Ill.	13,981.9	7.6	424.4	320	5.3	8,948.4	403	1,045.5	427
200	209	TEXTRON Providence, R.I.	13,788.0	2.7	962.0	199	38.0	15,358.0	290	5,574.0	235
201	221	WASTE MANAGEMENT Houston, Texas	13,609.0	5.0	1,182.0	173	57.0	20,859.0	236	5,297.0	242
202	211	ILLINOIS TOOL WORKS Glenview, Ill.	13,599.0	1.4	2,035.0	113	7.2	15,201.0	292	4,254.0	288
203	196	OFFICE DEPOT Boca Raton, Fla.	13,585.0 <sup>1</sup>	(6.2)	529.0	290	6,512.5	5,540.0	433	1,852.0	388
204	189	MONSANTO St. Louis, Mo. <sup>5</sup>	13,502.0	(10.0)	1,336.0	156	(42.3)	19,736.0	248	4,534.0	272
205	230	COGNIZANT TECHNOLOGY SOLUTIONS Teaneck, N.J.	13,487.0	8.6	1,553.0	141	(4.3)	14,262.0	301	10,728.0	147
206	219	TEXAS INSTRUMENTS Dallas, Texas	13,370.0	2.8	3,595.0	68	20.4	16,431.0	275	10,473.0	152
207	205	LINCOLN NATIONAL Radnor, Pa.	13,330.0	(1.8)	1,192.0	172	3.3	261,627.0	24	14,478.0	105
208	434	NEWELL BRANDS Hoboken, N.J.	13,264.0	122.1	527.8	291	50.8	33,837.5	165	11,348.8	138
209	215	LAND O'LAKES Arden Hills, Minn. <sup>2</sup>	13,233.4	0.6	244.9	370	(20.4)	8,305.0	378	1,904.1	385
210	222	MARSH & MCLENNAN New York, N.Y.	13,211.0	2.5	1,768.0	126	10.6	18,190.0	261	6,192.0	219
211	206	ECOLAB St. Paul, Minn.	13,152.8	(2.9)	1,229.6	169	22.7	18,330.2	260	6,901.1	200

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



MARKET VALUE 3/31/17		PROFITS AS % OF ...					EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016	
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank	2016 \$	% change from 2015	2006-2016 annual growth rate % Rank	2016 %	Rank	2006-2016 annual rate % Rank	Rank	2016 %	Rank				
23,604.3	192	3.1	339	2.5	317	7.7	347	1.48	[67.2]	[9.4]	326	41.1	62	7.2	231	13	184
33,997.8	137	10.2	142	7.8	110	34.4	61	2.77	40.6	6.7	141	10.3	272	11.2	109	22	165
58,455.4	83	23.8	27	1.1	381	8.5	326	7.30	[1.2]	[1.8]	278	25.7	142	7.3	228	9	188
33,008.6	145	3.7	313	1.0	389	3.5	404	1.24	[70.3]	[6.9]	313	11.9	256	8.6	182	64	187
7,988.9	339	[6.9]	478	[3.4]	475	[52.4]	468	[8.07]	-	-	-	8.7	290	0.7	341	14	188
19,050.5	224	4.9	274	5.2	191	10.1	294	2.48	123.4	[8.0]	318	52.3	38	4.4	289	42	169
60,098.8	77	18.0	55	3.2	271	12.0	253	6.25	3.1	6.8	135	18.4	201	11.8	99	64	170
2,464.3	428	0.4	429	2.0	347	8.5	328	0.70	-	-	-	3.7	337	-	-	68	171
2,431.3	429	1.1	414	2.2	335	8.4	330	1.74	5.5	-	-	[20.7]	445	-	-	48	172
42,661.8	116	[36.3]	496	[21.3]	497	[61.2]	470	[6.69]	-	-	-	61.6	26	7.1	235	46	173
11,081.0	290	3.9	306	4.3	228	21.5	134	3.03	11.0	15.9	38	19.3	193	9.2	165	5	174
19,310.3	217	[26.3]	492	[11.1]	490	[68.6]	471	[3.16]	-	-	-	94.8	13	[4.6]	375	43	175
9,467.7	313	3.2	335	8.0	107	15.7	193	1.55	4.7	8.2	116	[6.5]	395	4.0	297	21	176
48,913.1	100	22.6	36	1.1	383	9.1	313	3.15	16.2	[2.2]	284	17.1	216	3.8	301	9	177
9,712.2	308	4.4	290	8.9	84	23.3	120	1.69	[24.2]	6.2	151	[5.8]	392	3.7	303	57	178
20,218.9	213	7.5	205	5.0	204	53.1	35	4.78	8.4	6.7	139	15.5	229	7.3	227	1	179
13,711.7	256	4.5	285	7.8	114	21.5	132	4.59	[0.9]	5.2	167	14.3	243	10.8	122	66	180
13,227.0	264	5.8	252	4.7	214	18.9	154	4.29	243.2	12.1	64	[7.9]	405	8.5	187	27	181
64,714.6	70	16.1	65	20.1	11	-	-	2.72	78.9	8.3	114	0.4	368	9.7	147	32	182
26,969.7	169	5.8	253	5.6	179	18.2	168	3.28	[36.2]	4.4	185	[2.7]	383	14.2	60	8	183
9,069.5	321	8.3	183	7.7	116	28.0	93	4.74	323.2	-	-	[4.5]	388	4.2	293	44	184
27,810.0	166	14.9	73	2.5	320	15.9	188	2.71	2.3	-	-	20.3	187	-	-	14	185
29,547.3	159	9.6	154	5.2	186	31.3	74	3.05	89.4	8.3	111	1.3	360	7.6	217	59	186
206,242.4	16	39.7	7	9.4	75	18.2	167	-	-	-	-	1.4	359	-	-	20	187
7,770.3	341	2.4	361	4.5	220	40.7	46	2.02	[35.9]	[2.3]	286	[0.8]	378	2.7	317	25	188
707.6	464	0.4	430	0.9	394	12.6	244	2.90	1.0	21.6	15	18.4	202	3.3	310	14	189
13,028.5	266	[2.7]	458	[1.7]	462	[4.1]	436	[1.54]	[152.6]	-	-	28.5	127	17.3	32	47	190
5,337.7	384	0.5	424	0.6	412	2.6	411	0.53	-	[1.2]	271	58.4	29	23.9	10	62	191
9,081.3	320	2.0	376	2.7	300	13.3	222	1.16	20.8	-	-	12.0	255	-	-	15	192
28,405.4	163	8.8	173	5.2	193	34.2	65	2.81	[2.8]	2.7	214	36.6	77	9.8	145	19	193
7,371.1	347	[7.9]	484	[3.1]	472	[40.4]	463	[1.71]	[488.6]	-	-	26.4	138	[5.2]	380	64	194
6,211.5	367	1.7	388	3.9	245	12.1	252	5.43	103.4	4.7	183	75.3	19	7.1	233	26	195
14,118.4	252	[43.6]	498	[14.3]	494	[99.0]	473	[14.49]	[1,157.7]	-	-	2.0	352	[2.0]	365	64	196
17,556.5	237	[4.8]	472	[5.1]	483	[18.2]	454	[1.56]	-	-	-	25.7	140	10.3	135	22	197
4,469.1	395	1.7	391	4.5	221	11.9	256	5.88	12.2	13.8	49	35.8	86	18.8	20	67	198
9,197.1	317	3.0	341	6.1	155	40.6	48	2.56	8.9	-	-	25.2	149	-	-	34	199
12,851.4	270	7.0	218	6.3	151	17.3	177	3.53	41.2	4.3	189	15.8	225	1.1	338	2	200
32,216.0	148	8.7	175	5.7	172	22.3	124	2.65	60.6	2.4	220	36.3	80	10.5	127	65	201
45,790.7	108	15.0	72	13.4	38	47.8	40	5.70	11.1	6.6	142	35.1	89	13.0	80	33	202
2,401.6	432	3.9	308	9.5	71	28.6	87	0.96	9,500.0	[5.8]	306	[18.9]	443	[19.1]	400	58	203
49,644.4	97	9.9	149	6.8	138	29.5	85	2.99	[37.8]	9.1	97	9.2	286	8.8	172	8	204
36,226.1	130	11.5	116	10.9	54	14.5	208	2.55	[3.8]	20.7	18	[6.6]	396	11.3	107	34	205
80,531.0	59	26.9	16	21.9	7	34.3	64	3.48	23.4	2.3	223	36.7	76	12.1	92	56	206
14,760.3	248	8.9	168	0.5	422	8.2	335	5.03	11.5	[0.2]	260	34.9	93	1.7	330	36	207
22,787.4	194	4.0	303	1.6	362	4.7	395	1.25	[3.1]	[1.1]	270	3.0	345	6.9	240	29	208
-	-	1.9	384	2.9	288	12.9	237	-	-	-	-	-	-	-	-	22	209
38,078.0	125	13.4	89	9.7	67	28.6	88	3.38	13.4	6.7	138	24.4	161	11.2	110	14	210
36,355.8	128	9.3	159	6.7	139	17.8	171	4.14	24.7	11.2	73	3.8	336	11.3	102	8	211



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**ARCONIC** Formed when Alcoa split in two last year, specialty metals maker Arconic in May settled a bruising battle with activist hedge fund Elliott Management by offering three board seats. — L.E.

212-259 / 500			REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
RANK				%		%					
2016	2015		\$ millions	change from 2015	\$ millions	Rank	change from 2015	\$ millions	Rank	\$ millions	Rank
212	208	C.H. ROBINSON WORLDWIDE Eden Prairie, Minn.	13,144.4	[2.5]	513.4	295	0.7	3,687.8	467	1,257.8	418
213	210	LOEWS New York, N.Y.	13,105.0	[2.3]	654.0	255	151.5	76,594.0	91	18,183.0	86
214	259	CBRE GROUP Los Angeles, Calif.	13,071.6	20.4	572.0	277	4.5	10,779.6	334	3,014.5	326
215	198	KINDER MORGAN Houston, Texas	13,058.0	[9.3]	708.0	243	179.8	80,305.0	86	34,431.0	42
216	207	KELLOGG Battle Creek, Mich.	13,014.0	[3.8]	694.0	247	13.0	15,111.0	294	1,910.0	384
217	194	WESTERN DIGITAL Irvine, Calif. <sup>2,26</sup>	12,994.0	[10.8]	242.0	373	[83.5]	32,862.0	176	11,145.0	140
218	226	GUARDIAN LIFE INS. CO. OF AMERICA New York, N.Y.	12,919.4	2.3	263.9	364	[35.7]	70,338.8	96	6,172.5	221
219	237	ROSS STORES Dublin, Calif. <sup>1</sup>	12,866.8	7.8	1,117.7	182	9.5	5,309.4	441	2,748.0	339
220	234	L BRANDS Columbus, Ohio <sup>1</sup>	12,574.0	3.5	1,158.1	177	[7.6]	8,170.0	382	[729.0]	485
221	228	J.C. PENNEY Plano, Texas <sup>1</sup>	12,547.0	[0.6]	1.0	437	—	9,314.0	358	1,354.0	414
222	227	FARMERS INSURANCE EXCHANGE Woodland Hills, Calif.	12,513.1	[0.9]	[147.9]	448	—	16,057.2	279	4,218.8	291
223	266	REYNOLDS AMERICAN Winston-Salem, N.C.	12,503.0 <sup>f</sup>	17.1	6,073.0	37	86.7	51,095.0	123	21,711.0	68
224	213	VIACOM New York, N.Y. <sup>2</sup>	12,488.0	[5.9]	1,438.0	147	[25.2]	22,508.0	224	4,277.0	286
225	278	BECTON DICKINSON Franklin Lakes, N.J. <sup>2</sup>	12,483.0	21.4	976.0	195	40.4	25,586.0	204	7,633.0	188
226	173	MICRON TECHNOLOGY Boise, Idaho <sup>5</sup>	12,399.0	[23.4]	[276.0]	459	[109.5]	27,540.0	195	12,080.0	131
227	236	PRINCIPAL FINANCIAL Des Moines, Iowa	12,394.1	3.6	1,316.5	157	6.7	228,014.3	31	10,227.3	154
228	126	ARCONIC New York, N.Y. <sup>27</sup>	12,394.0	[45.0]	[941.0]	482	—	20,038.0	245	5,115.0	246
229	193	NRG ENERGY Princeton, N.J.	12,351.0	[15.8]	[774.0]	480	—	30,355.0	184	2,041.0	370
230	231	VF Greensboro, N.C.	12,206.8 <sup>g</sup>	[1.4]	1,074.1	186	[12.8]	9,739.3	351	4,940.9	251
231	216	DEVON ENERGY Oklahoma City, Okla.	12,197.0	[7.2]	[3,302.0]	494	—	25,913.0	201	5,927.0	225
232	260	D.R. HORTON Fort Worth, Texas <sup>2</sup>	12,157.4	12.3	886.3	216	18.1	11,558.9	326	6,792.5	202
233	238	BEA BATH & BEYOND Union, N.J. <sup>3</sup>	12,103.9	1.9	841.5	222	[12.1]	6,498.9	410	2,559.5	346
234	229	CONSOLIDATED EDISON New York, N.Y.	12,075.0	[3.8]	1,245.0	166	4.4	48,255.0	125	14,298.0	106
235	246	EDISON INTERNATIONAL Rosemead, Calif.	11,869.0	3.0	1,311.0	160	28.5	51,319.0	120	11,996.0	133
236	253	SHERWIN-WILLIAMS Cleveland, Ohio	11,855.6	4.6	1,132.7	180	7.5	6,752.5	407	1,878.4	386
237	167	NGL ENERGY PARTNERS Tulsa, Okla. <sup>2,3</sup>	11,742.1	[30.1]	[198.9]	454	[833.2]	5,560.2	432	1,656.4	397
238	243	DOMINION ENERGY Richmond, Va. <sup>51</sup>	11,737.0	0.5	2,123.0	111	11.8	71,610.0	95	14,605.0	104
239	232	AMERIPRISE FINANCIAL Minneapolis, Minn.	11,735.0	[3.8]	1,314.0	159	[15.9]	139,821.0	53	6,292.0	215
240	248	AUTOMATIC DATA PROCESSING Roseland, N.J. <sup>4</sup>	11,667.8	1.7	1,492.5	144	2.8	43,670.0	141	4,481.6	278
241	254	HILTON WORLDWIDE HOLDINGS McLean, Va.	11,663.0	3.5	348.0	340	[75.2]	26,211.0	198	5,899.0	226
242	249	FIRST DATA Atlanta, Ga.	11,584.0	1.2	420.0	322	—	40,292.0	147	1,220.0	421
243	268	HENRY SCHEIN Melville, N.Y.	11,571.7	8.9	506.8	298	5.8	6,730.4	408	2,793.1	336
244	240	TOYS "R" US Wayne, N.J. <sup>1</sup>	11,540.0	[2.2]	[36.0]	442	—	6,908.0	404	[1,292.0]	488
245	273	BBBT CORP. Winston-Salem, N.C.	11,538.0	11.5	2,426.0	94	16.4	219,276.0	36	29,881.0	47
246	271	REINSURANCE GROUP OF AMERICA Chesterfield, Mo.	11,521.5	10.6	701.4	246	39.7	53,097.9	114	7,093.1	194
247	317	CORE-MARK HOLDING South San Francisco, Calif.	11,507.4 <sup>f</sup>	29.9	54.2	430	5.2	1,497.0	499	529.8	460
248	263	BIDGEN Cambridge, Mass.	11,448.8	6.4	3,702.8	65	4.4	22,876.8	219	12,140.1	130
249	241	LAS VEGAS SANDS Las Vegas, Nev.	11,410.0	[2.4]	1,670.0	192	[15.1]	20,469.0	239	6,177.0	220
250	256	STANLEY BLACK & DECKER New Britain, Conn.	11,406.9	1.7	965.3	198	9.2	15,634.9	285	6,367.0	214
251	224	PARKER-HANNIFIN Cleveland, Ohio <sup>4</sup>	11,360.8	[10.6]	806.8	227	[20.3]	12,056.7	318	4,575.3	270
252	287	STRYKER Kalamazoo, Mich.	11,325.0	13.9	1,647.0	136	14.5	20,435.0	240	9,550.0	166
253	261	ESTÉE LAUDER New York, N.Y. <sup>4</sup>	11,262.3	4.5	1,114.6	183	2.4	9,223.3	359	3,571.9	308
254	305	CELGENE Summit, N.J.	11,229.2	21.3	1,999.2	116	24.8	28,085.6	193	6,599.3	208
255	250	BLACKROCK New York, N.Y.	11,155.0	[2.2]	3,172.0	73	[5.2]	220,177.0	35	29,098.0	51
256	257	XCEL ENERGY Minneapolis, Minn.	11,106.9	0.7	1,123.4	181	14.1	41,155.3	145	11,020.8	143
257	239	CSX Jacksonville, Fla.	11,069.0	[6.3]	1,714.0	130	[12.9]	35,414.0	161	11,679.0	136
258	265	UNUM GROUP Chattanooga, Tenn.	11,046.5	2.9	931.4	204	7.4	61,941.5	105	8,968.0	171
259	235	JACOBS ENGINEERING GROUP Dallas, Texas <sup>2</sup>	10,964.2	[9.5]	210.5	383	[30.5]	7,360.0	399	4,265.3	287

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



MARKET VALUE 3/31/17		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2016	% change from 2015	2006-2016 annual growth rate		2016	Rank	2006-2016 annual rate			
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%	Rank	%	Rank		
10,958.3	291	3.9	307	13.9	36	40.8	45	3.59	2.3	8.9	101	21.0	181	8.2	197	62	212
15,746.7	243	5.0	272	0.9	399	3.6	403	1.93	168.1	(6.4)	311	22.7	173	1.9	326	38	213
11,753.1	283	4.4	289	5.3	190	19.0	153	1.69	3.7	2.3	222	[8.9]	412	[0.5]	352	53	214
48,533.3	102	5.4	261	0.9	397	2.1	415	0.25	150.0	—		42.6	56	—		50	215
25,417.2	181	5.3	264	4.6	218	36.3	53	1.96	14.0	(2.4)	287	4.8	325	7.0	237	22	216
23,774.5	190	1.9	383	0.7	405	2.2	413	1.00	(83.8)	(5.5)	304	18.0	206	13.9	68	10	217
—		2.0	375	0.4	426	4.3	397	—	—	—		—	—	—		35	218
25,814.1	176	8.7	174	21.1	10	40.7	47	2.83	12.7	20.9	17	23.0	171	25.9	6	57	219
13,425.8	262	9.2	162	14.2	34	—		3.98	(5.7)	9.0	99	[27.4]	454	15.6	45	57	220
1,901.1	441	0.0	437	0.0	437	0.1	422	0.00	—	(62.1)	339	24.8	155	[19.0]	399	25	221
—		[1.2]	449	[0.9]	452	[3.5]	435	—	—	—		—	—	—		37	222
89,862.4	49	48.6	4	11.9	45	28.0	84	4.25	65.4	15.3	42	25.6	143	19.3	18	61	223
18,503.3	230	11.5	115	6.4	147	33.6	67	3.61	(23.7)	5.0	172	[11.7]	422	[0.1]	347	19	224
39,040.6	123	7.8	196	3.8	253	12.8	242	4.49	34.0	4.4	187	9.2	285	11.0	116	41	225
31,972.3	149	[2.2]	454	[1.0]	453	[2.3]	431	[0.27]	[110.9]	—		54.8	31	4.6	284	56	226
18,142.7	233	10.6	135	0.6	414	12.9	236	4.50	10.8	1.9	232	33.2	101	2.3	322	36	227
11,603.7	286	[7.6]	483	[4.7]	481	[18.4]	455	[2.31]	—	—		—	—	—		2	228
5,910.7	370	[6.3]	477	[2.5]	466	[37.9]	462	[2.22]	—	—		6.5	311	[7.1]	389	17	229
22,786.3	195	8.8	172	11.0	52	21.7	128	2.54	[10.9]	8.0	119	[12.1]	425	12.8	83	4	230
21,886.3	203	[27.1]	493	[12.7]	493	[55.7]	469	[6.52]	—	—		44.6	51	[2.6]	368	43	231
12,438.4	276	7.3	210	7.7	115	13.0	228	2.36	16.3	[4.9]	299	[13.7]	430	1.8	328	30	232
5,931.4	369	7.0	220	12.9	43	32.9	69	5.10	0.6	10.3	85	[15.3]	434	0.7	342	58	233
23,707.6	191	10.3	141	2.6	312	8.7	322	4.12	1.7	3.4	200	18.8	198	9.3	159	64	234
25,937.8	175	11.0	123	2.6	315	10.9	275	3.97	28.1	1.1	239	24.9	153	7.8	211	64	235
28,890.9	162	9.6	156	16.8	21	60.3	29	11.99	7.4	11.1	76	4.8	324	17.4	29	8	236
2,686.2	421	[1.7]	452	[3.6]	478	[12.0]	449	[2.35]	—	—		121.4	10	—		17	237
48,731.9	101	18.1	54	3.0	286	14.5	207	3.44	7.5	5.8	157	17.5	211	10.5	129	64	238
19,953.0	215	11.2	121	0.9	390	20.9	139	7.81	[7.9]	11.9	66	7.4	304	9.7	149	14	239
45,963.1	106	12.8	98	3.4	264	33.3	68	3.25	6.6	1.9	229	24.3	163	13.2	74	15	240
19,276.1	218	3.0	344	1.3	370	5.9	372	1.05	[75.4]	—		28.6	126	—		31	241
14,224.3	250	3.6	318	1.0	385	34.4	62	0.46	—	—		[11.4]	421	—		20	242
13,461.1	261	4.4	288	7.5	119	18.1	169	6.19	8.8	13.0	52	[4.1]	386	12.0	95	69	243
—		[0.3]	443	[0.5]	448	—		—	—	—		—	—	—		58	244
36,140.7	131	21.0	41	1.1	379	8.1	337	2.77	8.2	[0.1]	259	28.1	129	4.2	295	9	245
8,169.2	337	6.1	246	1.3	371	9.9	297	10.79	44.6	—		49.3	41	—		36	246
1,444.6	451	0.5	425	3.6	257	10.2	291	1.17	5.9	9.6	92	6.0	316	18.5	23	68	247
59,045.6	81	32.3	14	16.2	23	30.5	79	16.93	10.4	39.0	5	[7.4]	401	19.1	19	49	248
45,313.3	110	14.6	76	8.2	104	27.0	98	2.10	[15.0]	5.4	165	28.9	124	[2.7]	369	31	249
20,279.7	212	8.5	180	6.2	154	15.2	200	6.51	12.4	6.5	146	9.6	281	11.3	105	29	250
21,369.6	204	7.1	215	6.7	140	17.6	173	5.89	[15.5]	4.7	182	47.4	44	12.6	87	33	251
49,114.6	99	14.5	79	8.1	105	17.2	178	4.35	15.1	8.7	107	30.7	117	9.4	157	41	252
31,067.5	152	9.9	148	12.1	44	31.2	75	2.96	5.0	18.1	30	[11.9]	423	15.5	46	32	253
96,802.4	42	17.8	56	7.1	129	30.3	80	2.49	28.4	39.4	4	[3.3]	385	14.9	52	49	254
62,224.9	74	28.4	15	1.4	365	10.9	276	19.04	[3.8]	17.3	32	14.6	240	12.2	90	55	255
22,546.1	198	10.1	144	2.7	298	10.2	293	2.21	13.9	5.0	173	17.2	214	10.3	136	64	256
43,126.1	115	15.5	71	4.8	208	14.7	204	1.81	[9.5]	6.8	136	41.9	60	14.4	57	52	257
10,748.6	295	8.4	181	1.5	363	10.4	290	3.95	12.9	12.4	60	34.9	91	9.8	144	36	258
6,692.8	361	1.9	380	2.9	295	4.9	391	1.73	[27.9]	0.6	249	35.9	85	3.4	306	18	259



# 260

**LENNAR** The No. 2 U.S. homebuilder (behind D.R. Horton) surged as continued low mortgage rates and widening credit availability increased demand for new construction. —L.E.

260-306 / 500			REVENUES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY		
RANK	2016	2015	\$ millions	% change from 2015	\$ millions	Rank	% change from 2015	\$ millions	Rank	\$ millions	Rank	
260	301	LENNAR	Miami, Fla. <sup>29</sup>	10,950.0	15.6	911.8	208	13.6	15,361.8	289	7,026.0	197
261	267	GROUP 1 AUTOMOTIVE	Houston, Texas	10,887.6	2.4	147.1	404	56.5	4,461.9	452	930.2	433
262	242	LEUCADIA NATIONAL	New York, N.Y.	10,875.3	(6.9)	130.0	406	[54.2]	45,071.3	138	10,128.1	155
263	247	ENTERGY	New Orleans, La.	10,845.6	[5.8]	[583.6]	475	—	45,904.4	135	8,081.8	180
264	307	PAYPAL HOLDINGS	San Jose, Calif.	10,842.0	17.2	1,401.0	151	14.1	33,103.0	173	14,712.0	103
265	295	APPLIED MATERIALS	Santa Clara, Calif. <sup>31</sup>	10,825.0	12.1	1,721.0	129	25.0	14,588.0	297	7,217.0	192
266	252	VOYA FINANCIAL	New York, N.Y.	10,782.2	(4.9)	[428.0]	467	[204.8]	214,235.1	37	12,993.9	121
267	294	MASTERCARD	Purchase, N.Y.	10,776.0	11.5	4,059.0	59	6.6	18,675.0	257	5,656.0	232
268	308	PRICELINE GROUP	Norwalk, Conn.	10,743.0	16.5	2,135.0	110	[16.3]	19,839.0	247	9,820.1	159
269	284	LIBERTY INTERACTIVE	Englewood, Colo. <sup>28</sup>	10,647.0	6.6	1,235.0	168	42.1	20,355.0	243	6,772.0	204
270	280	AUTOZONE	Memphis, Tenn. <sup>5</sup>	10,635.7	4.4	1,241.0	167	7.0	8,599.8	373	[1,787.5]	492
271	264	STATE STREET CORP.	Boston, Mass.	10,635.0	[1.2]	2,143.0	109	8.2	242,698.0	29	21,219.0	71
272	274	DTE ENERGY	Detroit, Mich.	10,630.0	2.8	868.0	219	19.4	32,041.0	178	9,011.0	170
273	245	L3 TECHNOLOGIES	New York, N.Y. <sup>29</sup>	10,597.0*	[8.3]	710.0	242	—	11,865.0	321	4,553.0	271
274	214	HOLLYFRONTIER	Dallas, Texas	10,535.7*	[20.4]	[260.5]	458	[135.2]	9,435.7	355	4,681.4	262
275	262	PRAXAIR	Danbury, Conn.	10,534.0	[2.2]	1,500.0	143	[3.0]	19,332.0	250	5,021.0	250
276	290	UNIVERSAL HEALTH SERVICES	King of Prussia, Pa.	10,507.8	7.4	702.4	245	3.2	10,317.8	337	4,533.2	273
277	283	DISCOVER FINANCIAL SERVICES	Riverwoods, Ill.	10,497.0	4.9	2,393.0	95	4.2	92,308.0	75	11,323.0	139
278	225	OCCIDENTAL PETROLEUM	Houston, Texas	10,398.0	[18.1]	[574.0]	474	—	43,109.0	143	21,497.0	70
279	244	UNITED STATES STEEL	Pittsburgh, Pa.	10,261.0	[11.3]	[440.0]	468	—	9,160.0	362	2,274.0	357
280	279	SEMPRA ENERGY	San Diego, Calif.	10,183.0	[0.5]	1,370.0	155	1.6	47,786.0	128	12,951.0	122
281	286	BAXTER INTERNATIONAL	Deerfield, Ill.	10,163.0	2.0	4,965.0	48	412.9	15,546.0	286	8,290.0	179
282	285	W.W. GRAINGER	Lake Forest, Ill.	10,137.2	1.6	605.9	271	[21.2]	5,694.3	429	1,797.9	390
283	310	AUTOLIV	Auburn Hills, Mich. <sup>30</sup>	10,073.8	9.9	567.1	279	24.1	8,234.4	381	3,677.2	304
284	270	NORFOLK SOUTHERN	Norfolk, Va.	9,888.0	[5.9]	1,668.0	133	7.2	34,892.0	162	12,409.0	126
285	178	BAKER HUGHES	Houston, Texas	9,841.0	[37.5]	[2,738.0]	492	—	19,034.0	255	12,656.0	124
286	298	ALLY FINANCIAL	Detroit, Mich.	9,835.0	3.1	1,067.0	187	[17.2]	163,728.0	45	13,317.0	117
287	297	SONIC AUTOMOTIVE	Charlotte, N.C.	9,731.8	1.1	93.2	420	8.0	3,639.3	468	725.2	446
288	291	OWENS & MINOR	Mechanicsville, Va.	9,723.4	[0.5]	108.8	416	5.2	2,717.8	479	960.0	431
289	277	HUNTSMAN	The Woodlands, Texas	9,657.0	[6.2]	326.0	347	250.5	9,189.0	361	1,287.0	417
290	325	LABORATORY CORP. OF AMERICA	Burlington, N.C.	9,641.8	11.1	732.1	238	67.6	14,247.0	302	5,505.8	236
291	258	MURPHY USA	El Dorado, Ark.	9,633.1*	[11.5]	221.5	379	25.6	2,088.7	493	697.1	449
292	293	ADVANCE AUTO PARTS	Raanoke, Va.	9,567.7	[1.7]	459.6	309	[2.9]	8,315.0	377	2,916.2	330
293	311	FIDELITY NATIONAL FINANCIAL	Jacksonville, Fla.	9,554.0	4.6	650.0	257	23.3	14,463.0	299	5,996.0	224
294	288	AIR PRODUCTS & CHEMICALS	Allentown, Pa. <sup>2</sup>	9,524.4	[3.7]	631.1	262	[50.6]	18,055.3	264	7,079.6	195
295	304	HORMEL FOODS	Austin, Minn. <sup>11</sup>	9,523.2	2.8	890.1	213	29.7	6,370.1	413	4,448.0	280
296	269	HERTZ GLOBAL HOLDINGS	Estero, Fla. <sup>31</sup>	9,480.0*	[10.0]	[491.0]	470	[279.9]	19,155.0	253	1,075.0	426
297	309	MGM RESORTS INTERNATIONAL	Las Vegas, Nev.	9,455.1	2.9	1,101.4	184	—	28,173.3	191	6,220.2	218
298	313	CORNING	Corning, N.Y.	9,390.0	3.1	3,695.0	66	176.0	27,899.0	194	17,893.0	88
299	312	REPUBLIC SERVICES	Phoenix, Ariz.	9,387.7	3.0	612.6	267	[18.3]	20,629.6	238	7,691.3	187
300	•	ALCOA	New York, N.Y. <sup>32</sup>	9,318.0	—	[400.0]	465	—	16,741.0	272	5,654.0	233
301	392	FIDELITY NATIONAL INFORMATION SERVICES	Jacksonville, Fla.	9,241.0	40.1	568.0	278	[10.1]	26,031.0	200	9,741.0	160
302	326	PACIFIC LIFE	Newport Beach, Calif. <sup>15</sup>	9,169.0	6.1	824.0	223	24.7	143,298.0	50	11,022.0	142
303	329	SUNTRUST BANKS	Atlanta, Ga.	9,161.0	7.4	1,878.0	120	[2.8]	204,875.0	38	23,515.0	61
304	369	LKQ	Chicago, Ill.	9,082.3*	26.3	464.0	308	9.6	8,303.2	379	3,442.9	311
305	339	BORGWARNER	Auburn Hills, Mich.	9,071.0	13.1	118.5	414	[80.6]	8,834.7	368	3,218.3	319
306	341	BALL	Broomfield, Colo.	9,061.0	13.3	263.0	365	[6.4]	16,173.0	276	3,435.0	312
306	299	CST BRANDS	San Antonio, Texas	9,061.0*	[4.6]	324.0	349	117.4	4,360.0	455	1,229.0	419

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



MARKET VALUE 3/31/17		PROFITS AS % OF ...				EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016		
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank	2016 \$	% change from 2015	2006-2016 annual growth rate %	2006-2016 annual rate Rank	2016 %	Rank	2006-2016 annual rate %	2006-2016 annual rate Rank					
12,002.2	279	8.3	184	5.9	162	13.0	232	3.93	13.6	0.6	248	[11.9]	424	[0.9]	357	30	260
1,584.1	447	1.4	404	3.3	267	15.8	189	6.67	71.0	6.3	150	4.5	329	5.3	276	5	261
9,355.0	315	1.2	407	0.3	430	1.3	418	0.34	[54.1]	[8.8]	322	35.5	87	[0.9]	356	14	262
13,684.6	257	[5.4]	474	[1.3]	456	[7.2]	440	[3.26]	-	-	-	12.6	251	2.0	325	64	263
51,649.5	95	12.9	94	4.2	232	9.5	309	1.15	15.0	-	-	9.0	287	-	-	20	264
42,005.4	117	15.9	67	11.8	46	23.8	114	1.54	37.5	4.7	181	75.5	18	8.0	206	56	265
7,191.2	350	[4.0]	466	[0.2]	444	[3.3]	433	[2.13]	[218.3]	-	-	6.4	312	-	-	14	266
121,233.6	34	37.7	9	21.7	8	71.8	20	3.69	10.1	58.4	2	6.9	307	27.0	4	20	267
87,521.9	53	19.9	45	10.8	56	21.7	127	42.65	[13.8]	38.2	8	15.0	236	42.1	1	39	268
9,100.5	319	11.6	113	6.1	156	18.2	166	-	-	-	-	[26.9]	453	-	-	39	269
20,539.8	211	11.7	110	14.4	30	-	-	40.70	13.0	18.4	28	6.5	310	21.2	14	58	270
30,406.2	154	20.2	43	0.9	396	10.1	295	4.97	11.2	4.2	193	19.9	190	2.9	314	9	271
18,317.3	231	8.2	186	2.7	302	9.6	306	4.83	19.3	7.1	130	27.0	134	12.1	91	64	272
12,859.4	269	6.7	226	6.0	157	15.6	195	9.01	-	7.9	121	29.8	121	9.0	170	2	273
5,047.8	389	[2.5]	456	[2.8]	469	[5.6]	437	[1.48]	[137.9]	-	-	[14.0]	431	6.9	241	48	274
33,833.9	138	14.2	80	7.8	113	29.9	83	5.21	[2.6]	5.7	161	17.4	212	9.3	161	8	275
12,021.5	278	6.7	229	8.8	137	15.5	198	7.14	5.6	12.1	63	[10.7]	419	15.0	50	27	276
26,255.0	173	22.8	34	2.6	311	21.1	136	5.77	12.5	-	-	37.3	74	-	-	9	277
48,443.8	103	[5.5]	475	[1.3]	458	[2.7]	432	[0.75]	-	-	-	10.4	271	7.0	239	43	278
5,892.8	372	[4.3]	469	[4.8]	482	[19.3]	456	[2.81]	-	-	-	318.1	2	[6.7]	386	42	279
27,691.9	167	13.5	87	2.9	294	10.6	284	5.46	1.7	0.1	254	10.2	273	9.2	164	64	280
28,105.9	164	48.9	3	31.9	1	59.9	30	9.01	411.9	15.5	40	17.6	210	8.0	201	41	281
13,667.6	258	6.0	248	10.6	59	33.7	66	9.87	[14.8]	8.8	103	17.1	215	14.8	54	66	282
9,032.1	323	5.6	259	6.9	135	15.4	199	6.42	24.2	2.8	213	[7.4]	400	9.1	166	44	283
32,515.3	147	16.9	60	4.8	212	13.4	219	5.62	10.2	4.6	184	31.2	114	10.7	123	52	284
25,444.4	180	[27.8]	494	[14.4]	495	[21.6]	457	[6.31]	-	-	-	42.7	55	[0.2]	349	46	285
9,437.2	314	10.8	130	0.7	411	8.0	338	2.15	-	-	-	2.9	346	-	-	14	286
899.9	458	1.0	417	2.6	314	12.9	238	2.03	19.4	0.9	242	1.7	355	[0.8]	355	5	287
2,114.3	438	1.1	412	4.0	241	11.3	270	1.76	6.7	8.2	115	0.8	363	8.1	200	69	288
5,880.4	373	3.4	331	3.5	260	25.3	107	1.36	257.9	3.2	204	73.4	20	3.6	305	8	289
14,695.6	249	7.6	199	5.1	187	13.3	223	7.02	61.8	8.0	118	3.8	335	5.7	266	28	290
2,705.6	420	2.3	362	10.6	60	31.8	72	5.59	39.1	-	-	1.2	361	-	-	58	291
10,944.4	293	4.8	276	5.5	181	15.8	190	6.20	[3.1]	11.1	75	12.5	252	17.3	30	58	292
10,600.0	297	6.8	224	4.5	222	10.8	278	-	-	-	-	0.4	369	-	-	38	293
29,437.7	160	6.6	232	3.5	262	8.9	319	2.89	[50.9]	[1.0]	267	24.5	158	11.1	112	8	294
18,316.3	232	9.3	160	14.0	35	20.0	146	1.64	29.1	12.3	61	[10.6]	418	16.1	40	22	295
1,456.4	450	[5.2]	473	[2.6]	467	[45.7]	465	[5.85]	[295.0]	-	-	[61.7]	465	[10.9]	392	5	296
15,733.0	244	11.6	111	3.9	247	17.7	172	1.92	-	[1.4]	272	26.9	135	[6.6]	385	31	297
25,030.2	183	39.4	8	13.2	39	20.7	142	3.23	223.0	10.8	79	36.0	82	4.4	287	16	298
21,312.2	206	6.5	236	3.0	285	8.0	341	1.78	[16.4]	2.6	218	33.0	102	10.7	124	65	299
6,336.6	363	[4.3]	470	[2.4]	465	[7.1]	439	[2.19]	-	-	-	-	-	-	-	42	300
26,177.5	174	6.1	245	2.2	339	5.8	374	1.72	[21.5]	2.3	221	26.6	136	14.6	55	20	301
-	-	9.0	165	0.6	415	7.5	350	-	-	-	-	-	-	-	-	36	302
27,175.1	168	20.5	42	0.9	395	8.0	339	3.60	0.6	[4.7]	298	31.0	116	[2.2]	367	9	303
9,021.4	324	5.1	271	5.6	177	13.5	218	1.50	8.7	22.3	14	3.4	341	18.2	27	66	304
8,895.3	326	1.3	405	1.3	368	3.7	402	0.55	[79.6]	[4.9]	300	[7.4]	399	11.1	114	44	305
13,000.4	267	2.9	348	1.6	360	7.7	348	0.82	[18.1]	0.4	253	3.9	334	14.1	62	47	306
3,644.6	410	3.6	324	7.4	123	26.4	102	4.24	117.4	-	-	23.6	165	-	-	58	306



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**NETFLIX** The streaming video service, now with 100 million subscribers in 190 countries, binged on growth again in 2016. Revenues have increased 57-fold since its IPO in 2002. —L.E.

306-355 / 500			REVENUES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
RANK	2016	2015	\$ millions	% change from 2015	\$ millions	Rank	% change from 2015	\$ millions	Rank	\$ millions	Rank
306	272	<b>PUBLIC SERVICE ENTERPRISE GROUP</b> Newark, N.J.	9,061.0	(13.0)	887.0	215	(47.2)	40,070.0	149	13,130.0	120
309	296	<b>EASTMAN CHEMICAL</b> Kingsport, Tenn.	9,008.0	[6.6]	854.0	220	0.7	15,457.0	288	4,532.0	274
310	300	<b>EBAY</b> San Jose, Calif.	8,979.0	[5.4]	7,266.0	31	321.2	23,847.0	212	10,539.0	151
311	338	<b>MOHAWK INDUSTRIES</b> Colhoun, Ga.	8,959.1	11.0	930.4	205	51.2	10,230.6	338	5,776.5	230
312	348	<b>ONEOK</b> Tulsa, Okla.	8,920.9	14.9	352.0	338	43.7	16,138.8	277	188.7	473
313	461	<b>FRONTIER COMMUNICATIONS</b> Norwalk, Conn.	8,896.0	59.5	[373.0]	462	—	29,013.0	189	4,519.0	275
314	379	<b>NETFLIX</b> Los Gatos, Calif.	8,830.7	30.3	186.7	392	52.2	13,586.6	306	2,679.8	342
315	332	<b>AMERICAN FAMILY INSURANCE GROUP</b> Madison, Wis. <sup>15</sup>	8,828.8	6.6	325.6	348	[53.1]	22,661.6	221	7,760.0	185
316	318	<b>THRIVENT FINANCIAL FOR LUTHERANS</b> Minneapolis, Minn. <sup>16</sup>	8,777.1	[0.1]	587.8	275	[23.6]	88,561.4	82	7,725.6	186
317	385	<b>EXPEDIA</b> Bellevue, Wash.	8,773.6	31.5	281.8	361	[63.1]	15,777.5	281	4,132.3	294
318	346	<b>LITHIA MOTORS</b> Medford, Ore.	8,678.2	10.3	197.1	387	7.7	3,844.2	463	910.8	435
319	330	<b>AVIS BUDGET GROUP</b> Parsippany, N.J.	8,659.0	1.8	163.0	401	[47.9]	17,643.0	265	221.0	471
320	303	<b>RELIANCE STEEL &amp; ALUMINUM</b> Los Angeles, Calif.	8,613.4	[7.9]	304.3	356	[2.3]	7,411.3	397	4,148.8	293
321	302	<b>GAMESTOP</b> Grapevine, Texas <sup>1</sup>	8,607.9	[8.1]	353.2	337	[12.3]	4,975.9	445	2,254.1	359
322	334	<b>TENNECO</b> Lake Forest, Ill.	8,599.0	4.8	363.0	333	47.0	4,342.0	456	588.0	455
323	342	<b>O'REILLY AUTOMOTIVE</b> Springfield, Mo.	8,593.1	7.9	1,037.7	190	11.4	7,204.2	400	1,627.1	401
324	314	<b>PETER KIEWIT SONS</b> Omaha, Neb.	8,573.0	[4.7]	396.0	325	57.8	6,179.0	418	3,268.0	316
325	335	<b>UNITED NATURAL FOODS</b> Providence, R.I. <sup>13</sup>	8,470.3	3.5	125.8	408	[9.3]	2,852.2	476	1,519.5	408
326	386	<b>SALESFORCE.COM</b> San Francisco, Calif. <sup>1</sup>	8,392.0	25.9	179.6	394	—	17,584.9	266	7,500.1	190
327	359	<b>BOSTON SCIENTIFIC</b> Marlborough, Mass.	8,386.0	12.2	347.0	341	—	18,096.0	263	6,733.0	206
328	349	<b>NEWMONT MINING</b> Greenwood Village, Colo.	8,379.0*	8.4	[627.0]	476	[385.0]	21,031.0	235	10,721.0	148
329	306	<b>GENWORTH FINANCIAL</b> Richmond, Va.	8,369.0	[9.5]	[277.0]	460	—	104,658.0	71	12,644.0	125
330	366	<b>LIVE NATION ENTERTAINMENT</b> Beverly Hills, Calif.	8,354.9	15.3	2.9	436	—	6,764.3	406	1,126.0	423
331	323	<b>VERITIV</b> Atlanta, Ga.	8,326.6	[4.5]	21.0	432	[21.3]	2,483.7	486	541.8	459
332	327	<b>NEWS CORP.</b> New York, N.Y. <sup>9</sup>	8,319.0*	[3.6]	179.0	395	—	15,483.0	287	11,564.0	137
333	321	<b>CROWN HOLDINGS</b> Philadelphia, Pa.	8,284.0	[5.5]	496.0	301	26.2	9,599.0	353	366.0	466
334	276	<b>GLOBAL PARTNERS</b> Waltham, Mass. <sup>9</sup>	8,239.6	[20.1]	[199.4]	455	[557.8]	2,564.0	485	392.7	465
335	340	<b>PVH</b> New York, N.Y. <sup>3</sup>	8,203.1	2.3	549.0	287	[4.1]	11,067.9	331	4,804.5	256
336	333	<b>LEVEL 3 COMMUNICATIONS</b> Broomfield, Colo.	8,172.0	[0.7]	677.0	252	[80.3]	24,888.0	207	10,917.0	146
337	281	<b>NAVISTAR INTERNATIONAL</b> Lisle, Ill. <sup>11</sup>	8,111.0	[20.0]	[97.0]	446	—	5,653.0	430	[5,298.0]	496
338	315	<b>UNIVAR</b> Downers Grove, Ill.	8,073.7	[10.1]	[68.4]	445	[514.5]	5,389.9	439	809.9	441
339	337	<b>CAMPBELL SOUP</b> Camden, N.J. <sup>13</sup>	7,961.0	[1.5]	563.0	282	[18.5]	7,837.0	385	1,525.0	407
340	365	<b>DICK'S SPORTING GOODS</b> Coraopolis, Pa. <sup>1</sup>	7,922.0	9.0	287.4	360	[13.0]	4,058.3	459	1,929.5	380
341	373	<b>WEYERHAEUSER</b> Seattle, Wash. <sup>8</sup>	7,902.0*	11.6	1,027.0	192	103.0	19,243.0	252	1,180.0	168
342	367	<b>MUTUAL OF OMAHA INSURANCE</b> Omaha, Neb. <sup>15</sup>	7,898.5	9.2	356.6	335	7.1	38,464.9	153	5,617.9	234
343	223	<b>CHESAPEAKE ENERGY</b> Oklahoma City, Okla.	7,872.0	[38.3]	[4,401.0]	497	—	13,028.0	309	[1,460.0]	489
344	324	<b>ANADARKO PETROLEUM</b> The Woodlands, Texas	7,869.0	[9.5]	[3,071.0]	493	—	45,564.0	136	12,212.0	129
345	355	<b>INTERPUBLIC GROUP</b> New York, N.Y.	7,846.6	3.1	608.5	270	33.9	12,485.2	315	2,017.1	373
346	452	<b>J.M. SMUCKER</b> Orrville, Ohio <sup>23</sup>	7,811.2	37.2	688.7	249	99.7	15,984.1	280	7,008.5	198
347	356	<b>STEEL DYNAMICS</b> Fort Wayne, Ind.	7,777.1	2.4	382.1	328	—	6,423.7	412	2,927.0	329
348	361	<b>FOOT LOCKER</b> New York, N.Y. <sup>1</sup>	7,766.0	4.8	664.0	254	22.7	3,840.0	464	2,710.0	340
349	289	<b>WESTERN REFINING</b> El Paso, Texas	7,743.2 <sup>2</sup>	[20.9]	124.9	409	[69.3]	5,560.4	431	1,696.9	395
350	351	<b>SPARTANASH</b> Byron Center, Mich.	7,734.6	1.1	56.8	428	[9.4]	1,930.3	495	825.4	438
351	336	<b>DEAN FOODS</b> Dallas, Texas	7,710.2	[5.1]	119.9	413	—	2,606.2	483	610.6	453
352	431	<b>ZIMMER BIOMET HOLDINGS</b> Warsaw, Ind.	7,683.9	28.1	305.9	355	108.1	26,684.4	197	9,668.9	163
353	433	<b>PULTEGROUP</b> Atlanta, Ga.	7,668.5	28.2	602.7	272	22.0	10,178.2	339	4,659.4	263
354	368	<b>W.R. BERKLEY</b> Greenwich, Conn.	7,654.2	6.2	601.9	273	19.5	23,364.8	215	5,047.2	249
355	352	<b>QUANTA SERVICES</b> Houston, Texas	7,651.3	0.2	198.4	386	[36.2]	5,354.1	440	3,339.4	314

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



MARKET VALUE 3/31/17		PROFITS AS % OF...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2016	% change from 2015	2006-2016 annual growth rate		2016	Rank	2006-2016 annual rate			
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%		%	Rank		
22,450.7	199	9.8	152	2.2	338	6.8	362	1.75	[47.0]	1.8	233	17.6	208	6.9	242	64	306
11,782.7	282	9.5	157	5.5	182	18.8	157	5.75	1.6	8.9	102	14.4	242	12.6	86	8	309
36,231.6	129	80.9	1	30.5	3	68.9	23	6.35	347.2	23.2	13	8.0	299	8.8	173	39	310
17,024.6	242	10.4	140	9.1	79	16.1	185	12.48	50.2	6.4	147	5.4	318	10.3	134	29	311
11,684.4	285	3.9	304	2.2	340	186.5	7	1.66	43.1	2.2	226	149.9	6	16.6	34	50	312
2,520.9	427	[4.2]	468	[1.3]	457	[8.3]	442	[0.51]	-	-	-	[20.4]	444	[4.9]	378	59	313
63,619.1	73	2.1	372	1.4	367	7.0	357	0.43	53.6	15.5	39	8.2	297	42.1	2	39	314
-	-	3.7	314	1.4	366	4.2	398	-	-	-	-	-	-	-	-	38	315
-	-	6.7	227	0.7	410	7.6	349	-	-	-	-	-	-	-	-	35	316
18,901.3	227	3.2	336	1.8	354	6.8	360	1.82	[68.1]	2.7	216	[8.0]	407	19.7	15	39	317
2,156.1	437	2.3	364	5.1	198	21.6	130	7.72	11.7	15.9	37	[8.2]	409	14.9	53	5	318
2,527.6	426	1.9	382	0.9	392	73.8	18	1.75	[41.3]	-	-	1.1	362	5.4	274	5	319
5,830.0	375	3.5	326	4.1	237	7.3	353	4.16	0.0	[1.5]	273	40.4	64	8.9	171	42	320
2,282.3	433	4.1	300	7.1	130	15.7	194	3.40	[10.1]	13.0	53	[5.0]	390	1.0	340	58	321
3,390.1	412	4.2	295	8.4	99	61.7	28	6.44	56.7	19.9	20	36.1	81	9.7	148	44	322
24,729.8	185	12.1	106	14.4	31	63.8	27	10.73	17.0	21.3	16	9.9	278	24.1	9	58	323
-	-	4.6	282	6.4	146	12.1	250	-	-	-	-	-	-	-	-	18	324
2,187.1	435	1.5	396	4.4	224	8.3	332	2.50	[9.4]	9.4	95	21.2	179	2.9	315	68	325
58,361.7	84	2.1	371	1.0	386	2.4	412	0.26	-	74.4	1	[12.7]	427	22.3	12	11	326
34,046.3	136	4.1	297	1.9	351	5.2	388	0.25	-	-	-	17.3	213	2.3	323	41	327
17,518.2	238	[7.5]	482	[3.0]	471	[5.8]	438	[1.18]	[374.4]	-	-	90.1	14	[1.4]	361	43	328
2,055.6	439	[3.3]	464	[0.3]	446	[2.2]	430	[0.56]	-	-	-	2.1	351	[19.3]	401	36	329
6,218.7	366	0.0	436	0.0	436	0.3	421	[0.23]	-	-	-	8.3	296	1.7	329	19	330
812.6	462	0.3	433	0.8	401	3.9	401	1.30	[22.2]	-	-	48.4	42	-	-	66	331
7,559.4	344	2.2	369	1.2	376	1.5	416	0.30	-	-	-	[12.9]	428	-	-	51	332
7,366.6	348	6.0	247	5.2	195	135.5	10	3.56	26.2	6.9	133	3.7	338	9.7	150	47	333
662.9	465	[2.4]	455	[7.8]	487	[50.8]	467	[5.91]	[632.4]	-	-	25.2	150	6.2	255	66	334
8,091.7	338	6.7	228	5.0	203	11.4	266	6.79	[1.5]	9.9	90	22.7	172	6.3	253	4	335
20,638.0	210	8.3	185	2.7	299	6.2	369	1.87	[80.5]	-	-	3.7	339	[3.9]	371	59	336
2,415.5	431	[1.2]	450	[1.7]	461	-	-	[1.19]	-	-	-	254.9	4	[0.6]	354	13	337
4,293.2	399	[0.8]	445	[1.3]	455	[8.4]	443	[0.50]	[457.1]	-	-	66.8	24	-	-	66	338
17,422.7	240	7.1	216	7.2	127	36.9	50	1.81	[18.1]	[0.2]	261	17.6	209	7.6	218	22	339
5,488.7	379	3.6	317	7.1	132	14.9	202	2.56	[9.5]	9.7	91	52.0	39	9.2	163	58	340
25,451.0	178	13.0	93	5.3	188	11.2	271	1.39	56.2	[2.8]	288	4.6	327	4.2	296	70	341
-	-	4.5	284	0.9	391	6.3	367	-	-	-	-	-	-	-	-	36	342
5,393.7	381	[55.9]	499	[33.8]	499	-	-	[6.45]	-	-	-	56.0	30	[11.8]	393	43	343
34,639.5	135	[39.0]	497	[6.7]	486	[25.1]	459	[5.90]	-	-	-	44.0	52	5.6	271	43	344
9,648.3	310	7.8	198	4.9	207	30.2	81	1.49	36.7	-	-	3.2	342	8.2	198	1	345
15,263.1	245	8.8	171	4.3	227	9.8	302	5.76	73.0	8.9	100	6.1	315	14.1	63	22	346
8,425.2	334	4.9	273	5.9	161	13.1	227	1.56	-	[1.9]	279	104.2	11	10.8	118	42	347
9,817.5	305	8.6	178	17.3	19	24.5	112	4.91	27.9	11.9	67	10.8	268	15.8	42	57	348
3,812.1	408	1.6	392	2.2	334	7.4	352	1.24	[71.0]	[8.8]	323	12.5	254	7.1	232	48	349
1,312.8	452	0.7	424	2.9	289	6.9	359	1.51	[9.0]	5.8	156	86.2	15	8.2	195	68	350
1,786.4	442	1.6	394	4.6	217	19.6	147	1.31	-	[8.6]	321	29.5	122	[1.9]	364	22	351
24,571.4	186	4.0	302	1.1	377	3.2	405	1.51	96.1	[7.8]	316	1.4	358	3.2	311	41	352
7,466.1	345	7.9	195	5.9	163	12.9	235	1.75	28.7	[4.1]	296	5.1	321	[5.0]	379	30	353
8,561.3	331	7.9	194	2.6	313	11.9	255	4.68	20.9	3.1	207	24.6	156	8.4	189	38	354
5,385.9	382	2.6	357	3.7	255	5.9	371	1.26	[20.8]	23.7	12	72.1	22	5.9	261	18	355



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**YUM CHINA HOLDINGS** Spun off from Yum Brands [No. 422]  
last fall, the operator of KFC, Pizza Hut, and Taco Bell in mainland  
China plans to open at least 500 new restaurants this year. —L.E.

## 356-403 / 500

RANK 2016	2015		REVENUES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
			\$ millions	% change from 2015	\$ millions	Rank	% change from 2015	\$ millions	Rank	\$ millions	Rank
356	322	EOG RESOURCES Houston, Texas	7,650.6	[12.6]	[1,096.7]	483	—	29,459.4	188	13,981.6	109
357	401	CHARLES SCHWAB San Francisco, Calif.	7,644.0	17.6	1,889.0	119	30.5	223,383.0	33	16,421.0	95
358	343	EVERSOURCE ENERGY Springfield, Mass.	7,639.1	[4.0]	942.3	202	7.3	32,053.2	177	10,711.7	149
359	391	ANIXTER INTERNATIONAL Glenview, Ill.	7,624.5*	15.6	120.5	412	[5.6]	4,093.6	458	1,292.2	416
360	381	EMCOR GROUP Norwalk, Conn.	7,551.9*	12.3	181.9	393	5.6	3,894.2	461	1,537.1	406
361	275	ASSURANT New York, N.Y.	7,531.8	[27.1]	565.4	281	299.4	29,709.1	187	4,098.1	295
362	363	CENTERPOINT ENERGY Houston, Texas	7,528.0	1.9	432.0	316	—	21,829.0	227	3,460.0	310
363	*	HARRIS Melbourne, Fla. <sup>35</sup>	7,527.0*	48.1	324.0	349	[3.0]	11,996.0	319	3,056.0	325
364	320	HD SUPPLY HOLDINGS Atlanta, Ga. <sup>1</sup>	7,524.0*	[14.3]	196.0	388	[86.7]	5,707.0	428	960.0	432
365	350	PPL Allentown, Pa.	7,517.0	[2.0]	1,902.0	118	178.9	38,315.0	154	9,899.0	158
366	358	QUEST DIAGNOSTICS Madison, N.J.	7,515.0	0.3	645.0	260	[9.0]	10,100.0	341	4,628.0	268
367	364	WILLIAMS Tulsa, Okla.	7,499.0	1.9	[424.0]	466	—	46,835.0	130	4,643.0	265
368	437	WEC ENERGY GROUP Milwaukee, Wis.	7,472.3	26.1	939.0	203	47.1	30,123.2	185	8,929.8	172
369	362	HERSHEY Hershey, Pa.	7,440.2	0.7	720.0	241	40.4	5,524.3	434	785.9	443
370	360	AGCO Duluth, Ga.	7,410.5	[0.8]	160.1	402	[39.9]	7,168.4	401	2,776.1	338
371	354	RALPH LAUREN New York, N.Y. <sup>3</sup>	7,405.0	[2.8]	396.0	325	[43.6]	6,213.0	417	3,744.0	300
372	345	MASCO Taylor, Mich.	7,357.0	[6.9]	491.0	302	38.3	5,137.0	443	[298.0]	482
373	357	WESCO INTERNATIONAL Pittsburgh, Pa.	7,336.0	[2.4]	101.6	417	[51.8]	4,491.0	451	2,013.3	374
374	430	LIFEPOINT HEALTH Brentwood, Tenn.	7,273.6	20.9	121.9	410	[33.0]	6,319.0	416	2,180.4	360
375	192	NATIONAL OILWELLVARCO Houston, Texas	7,251.0	[50.9]	[2,412.0]	491	—	21,140.0	234	13,940.0	110
376	372	KINDRED HEALTHCARE Louisville, Ky.	7,226.8*	1.8	[664.2]	477	—	6,112.7	421	812.6	440
377	316	MOSAIC Plymouth, Minn.	7,162.8	[19.5]	297.8	357	[70.2]	16,840.7	271	9,584.6	165
378	404	ALLIANCE DATA SYSTEMS Plano, Texas	7,138.1	10.8	515.8	294	[13.5]	25,514.1	205	1,658.2	396
379	233	COMPUTER SCIENCES Tysons, Va. <sup>3,34</sup>	7,106.0	[41.7]	251.0	369	12,450.0	7,736.0	387	2,025.0	372
380	378	HUNTINGTON INGALLS INDUSTRIES Newport News, Va.	7,068.0	0.7	573.0	276	41.8	6,352.0	414	1,653.0	398
381	*	LEIDOS HOLDINGS Reston, Va.	7,043.0	38.5	244.0	371	[3.9]	9,132.0	364	3,135.0	322
382	411	ERIE INSURANCE GROUP Erie, Pa. <sup>35</sup>	7,018.2	5.7	741.9	235	10.7	18,417.4	259	8,527.5	176
383	*	TESLA Palo Alto, Calif. <sup>36</sup>	7,000.1	73.0	[674.9]	478	—	22,664.1	220	4,752.9	259
384	*	ASCENA RETAIL GROUP Mahwah, N.J. <sup>13</sup>	6,995.4	45.6	[11.9]	441	—	5,506.3	435	1,863.3	387
385	371	DARDEN RESTAURANTS Orlando, Fla. <sup>10</sup>	6,933.5	[3.2]	375.0	331	[47.1]	4,582.6	448	1,952.0	379
386	419	HARMAN INTERNATIONAL INDUSTRIES Stamford, Conn. <sup>10,37</sup>	6,911.7	12.3	361.7	334	5.6	6,054.0	423	2,452.5	351
387	*	NVIDIA Santa Clara, Calif. <sup>1</sup>	6,910.0	37.9	1,666.0	134	171.3	9,841.0	347	5,762.0	231
388	255	R.R. DONNELLEY & SONS Chicago, Ill. <sup>38</sup>	6,895.7	[38.7]	[495.9]	471	[428.2]	4,284.7	457	[105.7]	479
389	376	FIFTH THIRD BANCORP Cincinnati, Ohio	6,889.0	[2.0]	1,564.0	139	[8.6]	142,177.0	51	16,205.0	97
390	447	QUINTILES IMS HOLDINGS Durham, N.C. <sup>38</sup>	6,878.0	19.9	115.0	415	[70.3]	21,208.0	233	8,633.0	175
391	436	JONES LANG LASALLE Chicago, Ill.	6,803.8	14.0	318.2	352	[27.5]	7,629.4	391	2,789.7	337
392	377	DOVER Downers Grove, Ill.	6,794.3	[3.3]	508.9	296	[41.5]	10,116.0	340	3,799.7	298
393	389	SPIRIT AEROSYSTEMS HOLDINGS Wichita, Kans.	6,792.9	2.2	469.7	306	[40.4]	5,405.2	438	1,928.3	381
394	395	RYDER SYSTEM Miami, Fla.	6,787.0	3.3	262.5	366	[13.9]	10,902.5	332	2,052.3	368
395	426	A-MARK PRECIOUS METALS Santa Monica, Calif. <sup>4</sup>	6,784.0	11.8	9.3	434	31.5	437.1	500	63.3	476
396	415	TRACTOR SUPPLY Brentwood, Tenn.	6,779.6	8.9	437.1	314	6.5	2,674.9	480	1,453.2	411
397	375	SEALED AIR Charlotte, N.C.	6,778.3	[3.6]	486.4	303	45.0	7,389.1	398	609.7	454
398	398	AUTO-OWNERS INSURANCE Lansing, Mich.	6,774.9	4.0	706.3	244	[13.4]	21,571.4	231	9,690.4	162
399	*	YUM CHINA HOLDINGS Plano, Texas <sup>40</sup>	6,752.0	—	502.0	300	—	3,727.0	466	2,377.0	354
400	402	CALPINE Houston, Texas	6,716.0	3.8	92.0	422	[60.9]	19,317.0	251	3,268.0	316
401	418	OWENS-ILLINOIS Perrysburg, Ohio	6,702.0	8.9	209.0	385	54.8	9,135.0	363	254.0	470
402	387	TARGA RESOURCES Houston, Texas	6,690.9	0.5	[187.3]	451	[421.3]	12,871.2	311	5,439.4	238
403	405	JETBLUE AIRWAYS Long Island City, N.Y.	6,632.0	3.4	759.0	233	12.1	9,487.0	354	4,013.0	296

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



MARKET VALUE 3/31/17		PROFITS AS % OF ...					EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016	
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank	2016 \$	% change from 2015	2006-2016 annual growth rate % Rank	2016 %	Rank	2006-2016 annual rate % Rank	2016 %	Rank	Industry table number	RANK 2016			
56,301.9	88	[14.3]	489	[3.7]	479	[7.8]	441	[1.98]	—	—	44.0	53	13.2	76	43	356	
54,554.5	89	24.7	22	0.8	400	11.5	264	1.31	27.2	3.3	203	20.9	182	9.3	162	55	357
18,626.5	228	12.3	101	2.9	291	8.8	320	2.96	7.2	[0.3]	263	11.6	259	10.6	125	64	358
2,626.1	422	1.6	393	2.9	290	9.3	311	3.59	[5.8]	[3.0]	290	34.2	98	6.1	259	67	359
3,755.6	409	2.4	359	4.7	215	11.8	259	2.97	9.2	8.4	108	48.2	43	10.0	140	18	360
5,297.7	386	7.5	201	1.9	352	13.8	216	9.13	345.4	5.1	170	18.1	205	7.2	229	38	361
11,881.5	281	5.7	254	2.0	346	12.5	246	1.00	—	[2.8]	289	40.5	63	9.0	169	64	362
13,848.8	254	4.3	292	2.7	303	10.6	282	2.59	[16.7]	4.2	191	20.7	185	11.3	104	45	363
8,296.1	336	2.6	356	3.4	263	20.4	143	0.97	[86.7]	—	—	41.6	61	—	—	66	364
25,447.7	179	25.3	21	5.0	201	19.2	151	2.79	176.2	2.2	224	4.1	333	4.7	282	64	365
13,500.7	260	8.6	177	6.4	148	13.9	215	4.51	[7.4]	4.4	186	31.9	111	7.1	234	28	366
24,436.1	187	[5.7]	476	[0.9]	451	[9.1]	445	[0.57]	—	—	—	32.0	110	7.9	210	17	367
19,133.6	222	12.6	99	3.1	277	10.5	287	2.96	26.5	8.3	113	18.3	203	12.9	81	64	368
23,236.3	193	9.7	153	13.0	42	91.6	14	3.34	44.0	3.6	197	18.8	199	10.3	132	22	369
4,782.7	393	2.2	368	2.2	336	5.8	376	1.96	[35.9]	—	—	28.8	125	6.8	244	13	370
6,710.2	360	5.3	263	6.4	149	10.6	285	4.62	[41.4]	4.9	178	[17.3]	438	2.4	321	4	371
10,887.7	294	6.7	230	9.6	70	—	—	1.47	44.1	1.9	231	13.2	246	4.7	283	29	372
3,388.5	413	1.4	400	2.3	333	5.0	389	2.10	[49.8]	[6.6]	312	52.4	37	1.2	337	66	373
2,616.3	423	1.7	389	1.9	349	5.6	378	2.82	[28.6]	0.8	243	[22.6]	449	5.4	275	27	374
15,183.2	247	[33.3]	495	[11.4]	491	[17.3]	453	[6.41]	—	—	—	13.9	244	4.6	285	46	375
710.8	463	[9.2]	486	[10.9]	489	[81.7]	472	[7.65]	—	—	—	[31.0]	458	[7.7]	390	27	376
10,242.4	301	4.2	296	1.8	355	3.1	407	0.85	[69.4]	—	—	10.6	269	4.8	278	8	377
13,925.4	253	7.2	213	2.0	345	31.1	76	7.34	[17.1]	12.2	62	[17.2]	437	13.9	69	20	378
9,745.5	306	3.5	327	3.2	270	12.4	248	1.78	17,700.0	[6.2]	308	84.5	16	10.0	141	34	379
9,265.4	316	8.1	188	9.0	80	34.7	59	12.14	45.2	—	—	47.1	45	—	—	2	380
7,696.1	343	3.5	328	2.7	306	7.8	345	2.35	[31.5]	[5.8]	305	24.9	154	5.7	269	34	381
—	—	10.6	136	4.0	240	8.7	323	—	—	—	—	—	—	—	—	37	382
45,389.9	109	[9.6]	487	[3.0]	470	[14.2]	451	[4.68]	—	—	—	[11.0]	420	—	—	44	383
830.4	461	[0.2]	441	[0.2]	445	[0.6]	427	[0.06]	—	—	—	[37.2]	462	[6.1]	383	57	384
10,388.9	300	5.4	262	8.2	102	19.2	152	2.90	[47.0]	3.0	208	18.1	204	10.8	119	24	385
—	—	5.2	267	6.0	158	14.7	203	4.99	3.1	2.9	212	20.0	189	1.8	327	16	386
64,159.8	72	24.1	24	16.9	20	28.9	86	2.57	138.0	12.9	54	226.8	5	16.6	35	56	387
846.3	459	[7.2]	480	[11.6]	492	—	—	[7.09]	[424.2]	—	—	[20.8]	446	[5.3]	381	51	388
19,065.8	223	22.7	35	1.1	380	9.7	305	1.93	[4.0]	[1.0]	268	38.1	73	[1.5]	363	9	389
18,999.0	225	1.7	390	0.5	419	1.3	417	0.76	[75.3]	—	—	10.8	267	—	—	28	390
5,042.9	390	4.7	280	4.2	235	11.4	267	6.98	[27.7]	2.9	211	[36.4]	461	1.5	333	53	391
12,501.9	275	7.5	202	5.0	200	13.4	221	3.25	[40.5]	1.8	234	25.3	147	8.6	178	33	392
6,899.8	356	6.9	223	8.7	88	24.4	113	3.70	[34.6]	38.7	6	16.5	220	5.7	267	2	393
3,992.3	405	3.9	309	2.4	326	12.8	241	4.90	[14.2]	1.9	228	34.3	96	6.1	257	63	394
120.1	470	0.1	434	2.1	342	14.6	205	1.30	30.0	—	—	5.2	320	—	—	70	395
8,959.9	325	6.4	238	16.3	22	30.1	82	3.27	9.0	19.4	23	[10.4]	417	21.8	13	58	396
8,431.7	333	7.2	214	6.6	143	79.8	17	2.46	51.9	5.3	166	3.0	344	5.5	273	47	397
—	—	10.4	138	3.3	269	7.3	354	—	—	—	—	—	—	—	—	37	398
10,453.3	299	7.4	206	13.5	37	21.1	137	1.36	—	—	—	—	—	—	—	24	399
3,989.1	406	1.4	403	0.5	420	2.8	409	0.26	[59.4]	—	—	[21.0]	447	—	—	17	400
3,316.0	414	3.1	337	2.3	331	82.3	16	1.28	56.1	—	—	[0.1]	373	[0.6]	353	47	401
11,742.7	284	[2.8]	460	[1.5]	460	[3.4]	434	[1.80]	[265.1]	—	—	131.3	8	—	—	50	402
6,874.8	357	11.4	118	8.0	106	18.9	155	2.22	12.1	—	—	[1.0]	380	4.7	280	3	403



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**ADOBE SYSTEMS** The software purveyor, which is working to become the go-to company for online marketers, makes its 500 debut. As a bonus: Profits jumped 86% last year. —L.E.

403-451 / 500			REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
RANK				%		%					
2016	2015		\$ millions	change from 2015	\$ millions	Rank	change from 2015	\$ millions	Rank	\$ millions	Rank
403	382	JONES FINANCIAL (EDWARD JONES) Des Peres, Mo. <sup>2,41</sup>	6,632.0	[0.9]	746.0	234	[11.0]	19,424.0	249	2,634.0	343
405	344	FRANKLIN RESOURCES San Mateo, Calif. <sup>2</sup>	6,618.0	[16.7]	1,726.7	128	[15.2]	16,098.8	278	11,935.8	134
406	*	ACTIVISION BLIZZARD Santa Monica, Calif.	6,608.0	41.7	966.0	197	8.3	17,452.0	268	9,119.0	169
407	416	J.B. HUNT TRANSPORT SERVICES Lowell, Ark.	6,555.5	5.9	432.1	315	1.1	3,829.0	465	1,414.1	413
408	429	CONSTELLATION BRANDS Victor, N.Y. <sup>3</sup>	6,548.4 <sup>F</sup>	8.6	1,054.9	188	25.7	16,965.0	270	6,559.6	210
409	409	NCR Duluth, Ga.	6,543.0	2.7	270.0	363	—	7,673.0	389	1,542.0	405
410	393	ASBURY AUTOMOTIVE GROUP Duluth, Ga.	6,527.8	[0.9]	167.2	399	[1.2]	2,336.1	487	279.7	469
411	421	AMERICAN FINANCIAL GROUP Cincinnati, Ohio	6,498.0	5.7	649.0	258	84.4	55,072.0	112	4,916.0	253
412	406	DISCOVERY COMMUNICATIONS Silver Spring, Md.	6,497.0	1.6	1,194.0	171	15.5	15,758.0	283	5,167.0	245
413	*	BERRY GLOBAL GROUP Evansville, Ind. <sup>2,50</sup>	6,489.0	32.9	236.0	375	174.4	7,653.0	390	218.0	472
414	408	SANMINA San Jose, Calif. <sup>2</sup>	6,481.2	1.7	187.8	390	[50.2]	3,625.2	469	1,609.8	404
415	*	CALATLANTIC GROUP Arlington, Va.	6,476.7	83.0	484.7	305	127.0	8,709.0	371	4,207.6	292
416	413	DR PEPPER SNAPPLE GROUP Plano, Texas	6,440.0	2.5	847.0	221	10.9	9,791.0	349	2,134.0	365
417	380	DILLARD'S Little Rock, Ark. <sup>1</sup>	6,418.0	[5.0]	169.2	398	[37.2]	3,888.1	462	1,717.4	394
418	441	HRG GROUP New York, N.Y. <sup>2</sup>	6,402.6 <sup>F</sup>	10.1	[198.8]	453	—	35,792.8	160	638.1	452
419	403	CMS ENERGY Jackson, Mich.	6,399.0	[0.9]	551.0	286	5.4	21,622.0	230	4,253.0	289
420	423	GRAYBAR ELECTRIC St. Louis, Mo.	6,385.0	4.5	93.1	421	2.2	2,099.2	492	727.6	445
421	*	BUILDERS FIRSTSOURCE Dallas, Texas	6,367.3	78.6	144.3	405	—	2,909.9	475	309.6	467
422	218	YUM BRANDS Louisville, Ky. <sup>42</sup>	6,366.0	[51.4]	1,619.0	138	25.2	5,478.0	436	(5,656.0)	497
423	374	CASEY'S GENERAL STORES Ankeny, Iowa <sup>33</sup>	6,304.1 <sup>F</sup>	[10.6]	226.0	378	25.1	2,726.1	478	1,083.5	425
424	462	AMPHENOL Wallingford, Conn.	6,286.4	12.9	822.9	224	7.8	8,498.7	374	3,674.9	306
425	424	OSHKOSH Oshkosh, Wis. <sup>3</sup>	6,279.2	3.0	216.4	380	[5.7]	4,513.8	450	1,976.5	377
426	414	IHEARTMEDIA San Antonio, Texas	6,273.6	0.5	[296.3]	461	—	12,862.2	312	[11,020.7]	499
427	*	TREEHOUSE FOODS Oak Brook, Ill.	6,175.1	92.6	[228.6]	457	[298.9]	6,545.8	409	2,503.3	349
428	*	ALLEGHANY New York, N.Y.	6,131.0	22.6	456.9	310	[18.5]	23,756.6	214	7,939.9	182
429	390	EXPEDITORS INTERNATIONAL OF WASHINGTON Seattle, Wash.	6,098.0	[7.8]	430.8	317	[5.8]	2,790.9	477	1,844.6	389
430	435	AVERY DENNISON Glendale, Calif.	6,086.5	2.0	320.7	351	16.9	4,396.4	453	925.5	434
431	425	AMEREN St. Louis, Mo.	6,076.0	[0.4]	653.0	256	3.7	24,699.0	209	7,103.0	193
432	448	HANES BRANDS Winston-Salem, N.C.	6,062.9 <sup>F</sup>	5.8	539.4	288	25.8	6,907.7	405	1,223.9	420
433	451	MOTOROLA SOLUTIONS Chicago, Ill.	6,038.0	6.0	560.0	284	[8.2]	8,463.0	375	[964.0]	487
434	465	ST. JUDE MEDICAL St. Paul, Minn. <sup>43</sup>	6,004.0	8.4	734.0	236	[16.6]	12,578.0	314	4,578.0	269
435	432	HARLEY-DAVIDSON Milwaukee, Wis.	5,996.5	0.0	692.2	248	[8.0]	9,890.2	346	1,920.2	383
436	453	REGIONS FINANCIAL Birmingham, Ala.	5,967.0	5.2	1,163.0	176	9.5	125,968.0	58	18,664.0	93
437	*	INTERCONTINENTAL EXCHANGE Atlanta, Ga.	5,958.0	27.3	1,422.0	150	11.6	82,003.0	85	15,717.0	99
438	459	ALASKA AIR GROUP Seattle, Wash.	5,931.0	5.9	814.0	226	[4.0]	9,962.0	344	2,931.0	328
439	442	OLD REPUBLIC INTERNATIONAL Chicago, Ill.	5,900.5	2.3	466.9	307	10.6	18,591.6	258	4,471.6	279
440	491	LAM RESEARCH Fremont, Calif. <sup>4</sup>	5,885.9	11.9	914.0	207	39.4	12,271.5	316	5,894.5	228
441	383	AK STEEL HOLDING West Chester, Ohio	5,882.5	[12.1]	[7.8]	440	—	4,036.0	460	[272.2]	481
442	412	ROCKWELL AUTOMATION Milwaukee, Wis. <sup>2</sup>	5,879.5	[6.8]	729.7	239	[11.8]	7,101.2	402	1,990.1	376
443	*	ADOBE SYSTEMS San Jose, Calif. <sup>25</sup>	5,854.4	22.1	1,168.8	175	85.7	12,707.1	313	7,424.8	191
444	370	AVON PRODUCTS Rye, N.Y. <sup>44</sup>	5,852.9 <sup>F</sup>	[18.4]	[107.6]	447	—	3,418.9	472	[848.0]	486
445	396	TEREX Westport, Conn.	5,841.3 <sup>F</sup>	[10.7]	[176.1]	450	[220.7]	5,006.8	444	1,484.7	410
446	498	NVR Reston, Va.	5,834.6	12.9	425.3	319	11.1	2,643.9	482	1,304.4	415
447	428	DANA Maumee, Ohio	5,826.0	[3.9]	640.0	261	302.5	4,860.0	446	1,157.0	422
448	449	REALOGY HOLDINGS Madison, N.J.	5,810.0	1.8	213.0	382	15.8	7,421.0	396	2,464.0	350
449	*	AMERICAN TOWER Boston, Mass. <sup>6</sup>	5,785.7	21.3	956.4	200	39.6	30,879.2	183	6,763.9	205
450	446	PACKAGING CORP. OF AMERICA Lake Forest, Ill.	5,779.0	0.6	449.6	312	2.9	5,777.0	427	1,759.8	391
451	486	CITIZENS FINANCIAL GROUP Providence, R.I.	5,763.0	9.2	1,045.0	189	24.4	149,520.0	47	19,747.0	81

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



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MARKET VALUE 3/31/17		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016	
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2016	% change from 2015	2006-2016 annual growth rate		2016	Rank	2006-2016 annual rate		Rank		
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%	Rank	%	Rank			
—		11.2	119	3.8	251	28.3	90	—	—	—	—	—	—	—	—	55	403	
23,822.6	188	26.1	18	10.7	57	14.5	209	2.94	[10.6]	6.1	152	9.7	279	2.6	320	55	405	
37,487.1	127	14.6	77	5.5	180	10.6	283	1.28	7.6	33.7	10	[6.1]	393	16.3	39	11	406	
10,211.7	302	6.6	233	11.3	50	30.6	78	3.81	4.1	10.2	86	33.7	99	18.0	28	63	407	
31,775.4	150	16.1	64	6.2	153	16.1	186	—	—	—	—	8.7	291	18.3	26	6	408	
5,620.1	377	4.1	299	3.5	261	17.5	175	1.71	—	[2.0]	282	65.8	25	7.5	220	12	409	
1,270.9	453	2.6	358	7.2	128	59.8	31	7.40	15.4	15.3	41	[8.5]	410	11.1	113	5	410	
8,302.9	335	10.0	147	1.2	375	13.2	226	7.33	86.0	6.9	134	25.7	141	12.1	93	38	411	
11,306.0	289	18.4	51	7.6	118	23.1	122	1.96	24.1	—	—	2.7	347	14.1	65	19	412	
6,255.8	364	3.6	316	3.1	280	108.3	13	1.89	170.0	—	—	34.7	94	—	—	47	413	
3,016.3	417	2.9	349	5.2	194	11.7	260	2.38	[46.0]	—	—	78.1	17	5.9	262	56	414	
4,290.9	400	7.5	203	5.6	178	11.5	263	3.60	59.3	[9.0]	324	[9.9]	415	[12.7]	394	30	415	
17,997.2	234	13.2	91	8.7	90	39.7	49	4.54	14.4	—	—	[0.5]	376	—	—	6	416	
1,645.0	445	2.6	354	4.4	226	9.9	300	4.93	[28.7]	4.9	175	[4.2]	387	7.3	224	25	417	
3,868.5	407	[3.1]	463	[0.6]	449	[31.2]	461	[0.99]	—	—	—	14.7	239	8.3	191	32	418	
12,527.9	274	8.6	176	2.5	316	13.0	234	1.98	4.8	—	—	18.9	197	13.4	71	64	419	
—		1.5	398	4.4	223	12.8	239	5.35	0.9	4.3	190	—	—	—	—	66	420	
1,669.4	444	2.3	365	5.0	202	46.6	41	1.27	—	[4.0]	294	[1.0]	379	[4.7]	377	7	421	
22,610.6	197	25.4	20	29.6	4	—	—	4.04	38.4	10.7	80	24.5	159	14.0	67	24	422	
4,400.0	396	3.6	322	8.3	100	20.9	140	5.73	24.0	17.0	33	[0.6]	377	18.8	21	58	423	
21,896.5	202	13.1	92	9.7	68	22.4	123	2.61	8.3	14.1	48	29.9	119	16.4	38	45	424	
5,117.6	388	3.4	329	4.8	211	10.9	274	2.91	0.3	0.5	251	68.2	23	3.9	299	13	425	
330.2	468	[4.7]	471	[2.3]	464	—	—	[3.50]	—	—	—	23.3	169	—	—	19	426	
4,812.9	392	[3.7]	465	[3.5]	476	[9.1]	444	[4.10]	[255.9]	—	—	[8.0]	406	8.8	174	22	427	
9,475.7	312	7.5	204	1.9	350	5.8	377	29.59	[15.8]	0.8	245	27.2	132	6.3	252	38	428	
10,207.5	303	7.1	217	15.4	26	23.4	118	2.36	[1.7]	8.3	110	19.3	194	4.0	298	62	429	
7,156.6	351	5.3	265	7.3	126	34.7	60	3.54	20.0	[0.3]	264	14.5	241	3.4	308	47	430	
13,245.4	263	10.7	134	2.6	308	9.2	312	2.68	3.5	0.1	255	25.5	145	4.8	279	64	431	
7,733.1	342	8.9	169	7.8	111	44.1	42	1.40	32.1	—	—	[25.5]	452	14.4	58	4	432	
14,130.8	251	9.3	161	6.6	142	—	—	3.24	7.3	[10.9]	329	24.0	164	1.5	334	45	433	
—		12.2	104	5.8	166	16.0	187	2.54	[17.3]	5.6	162	32.1	108	9.4	158	41	434	
10,625.5	296	11.5	114	7.0	134	36.0	54	3.83	3.8	[0.3]	262	32.2	107	0.2	346	70	435	
17,512.4	239	19.5	48	0.9	393	7.0	356	0.87	16.0	[10.6]	328	53.9	35	[6.8]	388	9	436	
35,530.1	133	23.9	26	1.7	357	9.0	315	2.37	4.0	17.3	31	11.5	260	10.5	126	55	437	
11,407.3	287	13.7	83	8.2	103	27.8	95	6.54	[0.3]	—	—	11.9	257	25.1	7	3	438	
5,382.4	383	7.9	192	2.5	318	10.4	288	1.62	9.5	[2.0]	283	6.2	313	3.3	309	38	439	
20,902.6	208	15.5	70	7.4	122	15.5	197	5.22	41.1	8.4	109	35.1	90	8.0	203	56	440	
2,263.3	434	[0.1]	440	[0.2]	443	—	—	[0.03]	—	—	—	355.8	1	[4.3]	372	42	441	
20,024.3	214	12.4	100	10.3	61	36.7	51	5.56	[8.7]	5.1	168	34.3	97	10.8	121	16	442	
64,375.1	71	20.0	44	9.2	77	15.7	192	2.32	87.1	10.8	77	9.6	282	9.6	152	11	443	
1,932.9	440	[1.8]	453	[3.1]	473	—	—	[0.29]	—	—	—	24.4	160	[14.9]	395	32	444	
3,250.3	415	[3.0]	462	[3.5]	477	[11.9]	448	[1.63]	[222.6]	—	—	72.5	21	[6.6]	384	13	445	
7,850.9	340	7.3	211	16.1	24	32.6	70	103.61	15.1	1.6	235	1.6	356	10.0	142	30	446	
2,782.5	419	11.0	126	13.2	41	55.3	34	4.36	340.4	—	—	39.9	66	—	—	44	447	
4,172.9	403	3.7	315	2.9	293	8.6	325	1.46	17.7	—	—	[29.3]	457	—	—	53	448	
51,921.3	94	16.5	63	3.1	278	14.1	212	1.98	40.4	41.9	3	11.2	264	11.9	96	59	449	
8,631.2	330	7.8	197	7.8	112	25.5	106	4.75	6.3	14.7	46	39.1	69	18.4	25	47	450	
17,597.1	236	18.1	52	0.7	408	5.3	385	1.97	27.1	—	—	38.7	71	—	—	9	451	



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**YAHOO** The embattled web portal is back on the 500—albeit briefly, as Verizon has agreed to buy Yahoo's core business for \$4.5 billion. That's a fraction of its value in its heyday. —L.E.

452-500 / 500			REVENUES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY		
RANK	2016	2015	\$ millions	% change from 2015	\$ millions	Rank	% change from 2015	\$ millions	Rank	\$ millions	Rank	
452	440	UNITED RENTALS	Stamford, Conn.	5,762.0	[0.9]	566.0	280	[3.2]	11,988.0	320	1,648.0	400
453	455	CLOROX	Oakland, Calif. <sup>4</sup>	5,761.0	1.7	648.0	259	11.7	4,518.0	449	297.0	468
454	457	GENESIS HEALTHCARE	Kennett Square, Pa.	5,732.5*	2.0	[64.0]	443	—	5,779.2	426	[490.3]	484
455	•	MGT BANK CORP.	Buffalo, N.Y.	5,721.9	14.5	1,315.1	158	21.8	123,449.2	60	16,486.6	94
456	456	INGREDION	Westchester, Ill.	5,703.6	1.5	484.9	304	20.6	5,782.0	425	2,565.0	345
457	384	UGI	King of Prussia, Pa. <sup>5</sup>	5,685.7	[15.0]	364.7	332	29.8	10,847.2	333	2,850.9	334
458	480	DWENS CORNING	Toledo, Ohio	5,677.0	6.1	393.0	327	19.1	7,741.0	386	3,849.0	297
459	481	S&P GLOBAL	New York, N.Y.	5,661.0	6.6	2,106.0	112	82.2	8,669.0	372	650.0	451
460	476	MARKEL	Glen Allen, Va.	5,612.0	4.5	455.7	311	[21.8]	25,875.3	202	8,460.9	177
461	466	WYNHAM WORLDWIDE	Parsippany, N.J.	5,599.0	1.1	611.0	268	[0.2]	9,819.0	348	714.0	447
462	471	ARTHUR J. GALLAGHER	Itasca, Ill.	5,594.8	3.8	414.4	323	16.1	11,489.6	327	3,596.6	307
463	500	BURLINGTON STORES	Burlington, N.J. <sup>1</sup>	5,591.0	9.0	215.9	381	43.5	2,574.5	484	[49.8]	477
464	497	FIRST AMERICAN FINANCIAL	Santa Ana, Calif.	5,575.8	7.7	343.0	343	19.1	8,831.8	369	3,008.2	327
465	400	SYMANTEC	Mountain View, Calif. <sup>3</sup>	5,568.0*	[14.4]	2,488.0	90	183.4	11,767.0	323	3,676.0	305
466	•	PATTERSON	St. Paul, Minn. <sup>33</sup>	5,555.2*	27.0	187.2	391	[16.2]	3,520.8	470	1,441.7	412
467	•	OLIN	Clayton, Mo.	5,550.6	94.5	[3.9]	439	—	8,762.6	370	2,273.0	358
468	422	NETAPP	Sunnyvale, Calif. <sup>33</sup>	5,546.0	[9.4]	229.0	377	[59.1]	10,037.0	343	2,881.0	333
469	482	RAYMOND JAMES FINANCIAL	St. Petersburg, Fla. <sup>2</sup>	5,520.3	4.0	529.4	289	5.4	31,593.7	179	4,914.1	254
470	439	TRAVELCENTERS OF AMERICA	Westlake, Ohio <sup>1</sup>	5,511.4*	[5.8]	[2.0]	438	[107.3]	1,659.8	497	551.7	457
471	492	FISERV	Brookfield, Wis.	5,505.0	4.8	930.0	206	30.6	9,743.0	350	2,541.0	347
472	472	HOST HOTELS & RESORTS	Bethesda, Md. <sup>9</sup>	5,488.0*	1.9	762.0	232	36.6	11,408.0	328	6,994.0	199
473	474	INSIGHT ENTERPRISES	Tempe, Ariz.	5,485.5	2.1	84.7	423	11.7	2,219.3	489	713.4	448
474	450	MATTEL	El Segundo, Calif.	5,456.7	[4.3]	318.0	353	[13.9]	6,493.8	411	2,407.8	353
475	•	AMTRUST FINANCIAL SERVICES	New York, N.Y.	5,450.5	18.1	411.0	324	[8.8]	22,614.7	222	3,269.1	315
476	499	CINCINNATI FINANCIAL	Fairfield, Ohio	5,449.0	6.0	590.7	274	[6.8]	20,386.0	242	7,060.3	196
477	488	SIMON PROPERTY GROUP	Indianapolis, Ind. <sup>8</sup>	5,435.2	3.2	1,838.9	123	0.6	31,103.6	181	4,310.4	285
478	468	WESTERN UNION	Englewood, Colo.	5,422.9	[1.1]	253.2	368	[69.8]	9,419.6	356	902.2	436
479	•	KEYCORP	Cleveland, Ohio	5,422.0*	19.4	791.0	230	[13.6]	136,453.0	54	15,240.0	102
480	445	DELEK US HOLDINGS	Brentwood, Tenn.	5,414.2*	[6.0]	[153.7]	449	[892.3]	2,985.1	474	991.9	429
481	487	BOOZ ALLEN HAMILTON HOLDING	McLean, Va. <sup>3</sup>	5,405.7	2.5	294.1	358	26.5	3,010.2	473	408.5	463
482	•	CHEMOURS	Wilmington, Del. <sup>45</sup>	5,400.0	—	7.0	435	—	6,060.0	422	100.0	475
483	479	WESTERN & SOUTHERN FINANCIAL GROUP	Cincinnati, Ohio	5,398.4	0.8	241.2	374	[47.2]	43,830.7	140	5,104.2	247
484	453	CELANESE	Irving, Texas	5,389.0	[5.0]	900.0	210	196.1	8,357.0	376	2,588.0	344
485	443	WINDSTREAM HOLDINGS	Little Rock, Ark.	5,387.0	[6.6]	[383.5]	463	[1,499.6]	11,770.0	322	170.0	474
486	460	SEABOARD	Merriam, Kans.	5,379.0	[3.8]	312.0	354	82.5	4,755.0	447	3,162.0	321
487	477	ESSENDANT	Deerfield, Ill.	5,369.0	0.1	63.9	426	—	2,163.5	490	781.1	444
488	388	APACHE	Houston, Texas	5,354.0	[19.5]	[1,405.0]	486	—	22,519.0	223	6,238.0	217
489	484	AIRGAS	Radnor, Pa. <sup>3,46</sup>	5,313.8	0.2	337.5	345	[8.3]	6,135.0	420	2,045.3	369
490	467	KELLY SERVICES	Troy, Mich.	5,276.8	[4.4]	120.8	411	124.5	2,028.1	494	1,012.0	428
491	•	LIBERTY MEDIA	Englewood, Colo. <sup>47</sup>	5,276.0	10.0	680.0	251	962.5	31,377.0	180	11,756.0	135
492	490	ROCKWELL COLLINS	Cedar Rapids, Iowa <sup>2,48</sup>	5,259.0	[0.1]	728.0	240	6.1	7,707.0	388	2,078.0	367
493	•	ROBERT HALF INTERNATIONAL	Menlo Park, Calif.	5,250.4	3.1	343.4	342	[4.0]	1,778.0	496	1,086.6	424
494	478	CH2M HILL	Englewood, Colo.	5,235.9	[2.3]	15.0	433	[81.3]	2,670.5	481	546.7	458
495	495	BIG LOTS	Columbus, Ohio <sup>1</sup>	5,200.4	0.2	152.8	403	7.0	1,607.7	498	650.0	450
496	•	MICHAELS COS.	Irving, Texas <sup>1</sup>	5,197.3	5.8	378.2	330	4.2	2,147.6	491	[1,698.4]	491
497	•	TOLL BROTHERS	Horsham, Pa. <sup>11</sup>	5,169.5	23.9	382.1	329	5.2	9,736.8	352	4,229.3	290
498	•	YAHOO	Sunnyvale, Calif.	5,169.1	4.0	[214.3]	456	—	48,083.1	126	31,049.3	46
499	•	VISTRA ENERGY	Dallas, Texas <sup>49</sup>	5,164.0	—	—	—	—	15,167.0	293	6,597.0	209
500	485	ADM INDUSTRIES	New York, N.Y. <sup>11</sup>	5,144.7	[2.8]	57.2	427	[25.0]	2,281.2	488	974.0	430
TOTALS			12,055,860.2		889,953.9			40,194,664.6		6,820,064.2		

DEFINITIONS, EXPLANATIONS, AND FOOTNOTES ARE ON PAGE F-32.



MARKET VALUE 3/31/17		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2016
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2016	% change from 2015	2006-2016 annual growth rate		2016	Rank	2006-2016 annual rate			
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%	Rank	%	Rank		
10,561.1	298	9.8	151	4.7	213	34.3	63	6.45	6.3	12.1	65	45.5	49	15.3	48	70	452
17,294.1	241	11.2	120	14.3	32	218.2	5	4.92	12.6	5.4	164	(3.0)	384	9.7	146	32	453
408.0	467	(1.1)	448	(1.1)	454	—	—	(0.82)	—	—	—	22.5	175	—	—	27	454
23,791.6	189	23.0	32	1.1	381	8.0	340	7.78	8.4	0.5	250	32.0	109	5.7	268	9	455
8,645.7	329	8.5	179	8.4	97	18.9	156	6.55	18.9	14.9	45	32.5	105	15.7	44	23	456
8,542.8	332	6.4	239	3.4	266	12.8	240	2.08	30.0	6.6	144	39.6	67	13.0	79	17	457
6,910.2	355	6.9	222	5.1	199	10.2	292	3.41	22.2	—	—	11.3	262	6.1	260	7	458
33,804.5	139	37.2	10	24.3	5	324.0	4	7.94	88.6	12.7	55	10.5	270	7.4	223	20	459
13,622.5	259	8.1	187	1.8	356	5.4	383	31.27	(25.1)	(2.3)	285	2.4	349	6.5	249	38	460
8,828.6	327	10.9	128	6.2	152	85.6	15	5.53	7.6	14.4	47	8.1	298	11.0	117	31	461
10,147.5	304	7.4	208	3.6	258	11.5	262	2.32	12.6	5.9	154	31.0	115	10.4	130	14	462
6,835.5	359	3.9	310	8.4	98	—	—	3.01	51.3	—	—	97.6	12	—	—	57	463
4,331.8	398	6.2	244	3.9	248	11.4	268	3.09	17.9	—	—	5.3	319	—	—	38	464
18,985.8	226	44.7	5	21.1	9	67.7	24	3.71	194.4	37.8	9	40.4	65	4.3	291	11	465
4,393.4	397	3.4	333	5.3	189	13.0	229	1.91	(14.7)	2.9	210	(7.3)	398	2.6	318	69	466
5,443.8	380	(0.1)	439	(0.0)	438	(0.2)	423	(0.02)	—	—	—	54.3	33	8.7	176	8	467
11,339.3	288	4.1	298	2.3	332	7.9	342	0.77	(56.0)	1.1	238	36.8	75	(0.4)	350	10	468
10,957.5	292	9.6	155	1.7	359	10.8	280	3.65	6.4	7.0	131	21.4	178	10.3	133	55	469
241.1	469	(0.0)	438	(0.1)	440	(0.4)	425	(0.05)	(106.9)	—	—	(24.5)	451	—	—	58	470
24,741.4	184	16.9	58	9.5	72	36.6	52	4.15	38.8	12.6	56	16.2	223	15.0	49	20	471
13,794.4	255	13.9	81	6.7	141	10.9	277	1.02	37.8	(3.7)	292	29.4	123	0.5	345	53	472
1,458.1	449	1.5	395	3.8	252	11.9	257	2.32	17.2	3.9	195	61.0	27	7.9	207	67	473
8,770.0	328	5.8	250	4.9	206	13.2	224	0.92	(14.8)	(5.0)	301	6.5	309	6.3	254	70	474
3,358.1	416	7.5	200	1.8	353	12.6	245	2.08	(16.5)	19.2	25	(9.1)	413	24.8	8	38	475
11,911.2	280	10.8	131	2.9	292	8.4	331	3.55	(7.3)	(3.9)	293	31.7	112	10.1	139	38	476
53,732.1	91	33.8	12	5.9	164	42.7	43	5.87	(0.2)	10.4	82	(5.5)	391	10.2	138	53	477
9,691.4	309	4.7	281	2.7	305	28.1	92	0.51	(68.5)	(8.1)	319	25.2	151	1.6	331	20	478
19,238.2	219	14.6	78	0.6	413	5.2	387	0.80	(23.8)	(11.0)	330	42.1	58	(4.7)	376	9	479
1,504.0	448	(2.8)	461	(5.1)	484	(15.5)	452	(2.49)	(878.1)	—	—	1.5	357	—	—	48	480
5,306.9	385	5.4	260	9.8	66	72.0	19	1.94	27.6	—	—	19.2	195	—	—	34	481
7,080.2	352	0.1	435	0.1	434	7.0	355	0.04	—	—	—	316.7	3	—	—	8	482
—	—	4.5	286	0.6	418	4.7	392	—	—	—	—	—	—	—	—	35	483
12,643.0	273	16.7	62	10.8	55	34.8	58	6.18	209.0	10.1	88	19.3	192	12.9	82	8	484
1,037.9	455	(7.1)	479	(3.3)	474	(225.6)	475	(4.11)	(1,812.5)	—	—	23.1	170	(2.0)	366	59	485
4,880.6	391	5.8	251	6.6	145	9.9	299	266.50	82.0	2.7	217	36.5	78	8.6	183	23	486
567.7	466	1.2	408	3.0	287	8.2	336	1.73	—	(1.9)	281	(34.4)	460	(0.2)	348	67	487
19,547.2	216	(26.2)	491	(6.2)	485	(22.5)	458	(3.71)	—	—	—	45.5	50	0.5	344	43	488
—	—	6.4	241	5.5	183	16.5	182	4.54	(6.4)	11.2	74	—	—	—	—	66	489
836.0	460	2.3	363	6.0	159	11.9	254	3.08	121.6	5.8	155	43.9	54	(1.1)	358	60	490
13,054.7	265	12.9	96	2.2	341	5.8	375	—	—	—	—	—	—	—	—	19	491
12,711.3	272	13.8	82	9.4	74	35.0	57	5.51	7.4	7.3	129	2.0	353	5.7	270	2	492
6,240.3	385	6.5	235	19.3	13	31.6	73	2.67	(0.7)	4.9	174	5.7	317	4.7	281	60	493
—	—	0.3	432	0.6	416	2.8	410	0.03	(98.9)	(30.7)	336	—	—	—	—	18	494
2,180.2	436	2.9	346	9.5	73	23.5	115	3.32	18.6	11.6	72	32.6	103	8.7	177	58	495
4,229.3	402	7.3	212	17.6	17	—	—	1.82	5.8	—	—	(7.5)	402	—	—	58	496
5,871.6	374	7.4	209	3.9	246	9.0	316	2.18	10.7	(6.3)	309	(6.9)	397	(0.4)	351	30	497
44,390.6	113	(4.1)	467	(0.4)	447	(0.7)	428	(0.23)	—	—	—	16.3	222	4.2	284	39	498
6,968.3	353	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17	499
2,427.5	430	1.1	413	2.5	319	5.9	373	1.01	(24.1)	(6.0)	307	46.2	48	8.6	179	15	500

19,421,510.0

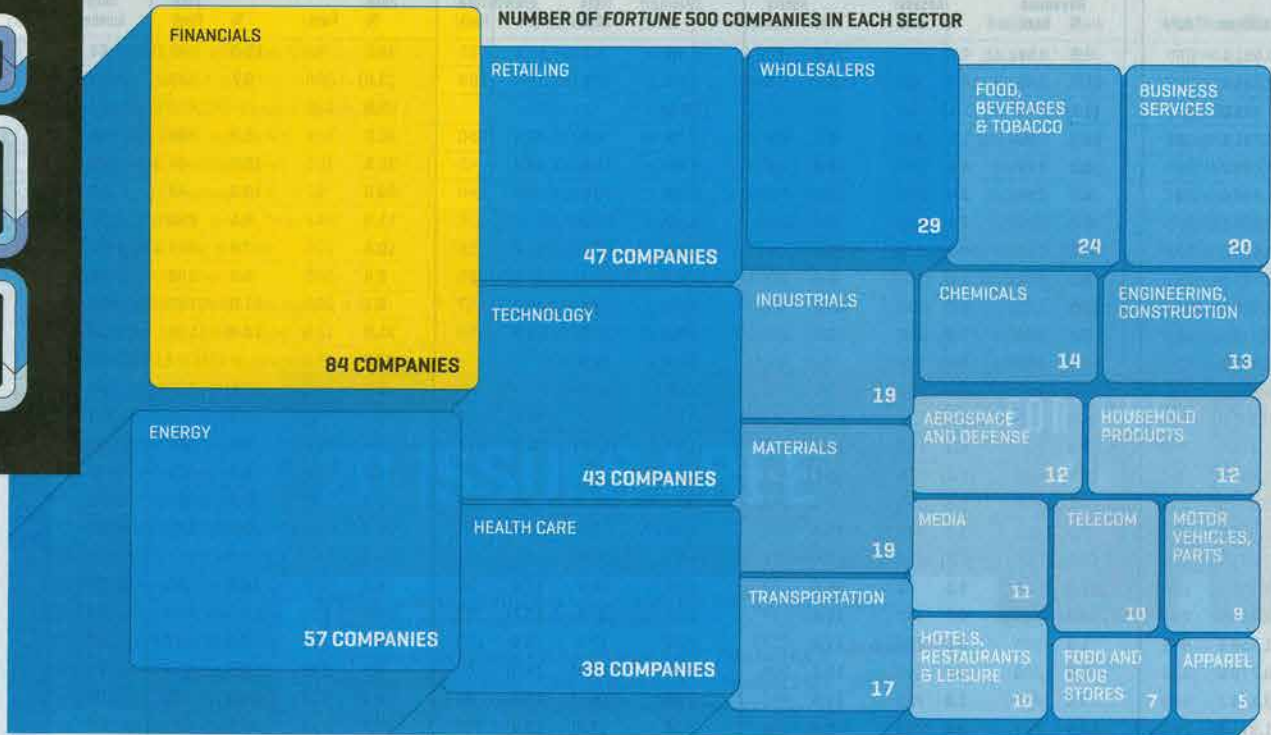


# RANKED WITHIN INDUSTRIES

WEB-CENTRIC TECHNOLOGY COMPANIES CONTINUED TO MAKE BIG STRIDES, WITH FACEBOOK CRACKING THE TOP 100 (AT NO. 98) FOR THE FIRST TIME AND AMAZON JUMPING INTO THE TOP 15 (AT NO. 12). FINANCIALS GREW FROM A TOTAL OF 79 COMPANIES TO 84, WHICH TOGETHER EARNED MORE THAN \$228 BILLION IN PROFITS LAST YEAR.



NUMBER OF FORTUNE 500 COMPANIES IN EACH SECTOR



INDUSTRY NO. RANK	INDUSTRY	500 RANK	REVENUES \$ mil.	PROFITS \$ mil.	PROFITS AS % OF REVENUES % Rank	Stockholders' equity % Rank
<b>1</b>	<b>ADVERTISING, MARKETING</b>	2 COMPANIES				
1	OMNICOM GROUP	179	15,417	1,149	1	7 2 53 1
2	INTERPUBLIC GROUP	345	7,847	609	2	8 1 30 2
	<b>TOTAL</b>		<b>23,264</b>	<b>1,757</b>		

INDUSTRY NO. RANK	INDUSTRY	500 RANK	REVENUES \$ mil.	PROFITS \$ mil.	PROFITS AS % OF REVENUES % Rank	Stockholders' equity % Rank
<b>2</b>	<b>AEROSPACE AND DEFENSE</b>	12 COMPANIES				
1	B/EING	24	94,571	4,895	3	5 11 599 1
2	UNITED TECHNOLOGIES	50	57,244	5,055	2	9 6 18 9
9	LOCKHEED MARTIN	56	50,658	5,302	1	10 2 351 2
4	GENERAL DYNAMICS	90	31,353	2,955	4	9 3 27 6
5	NORTHROP GRUMMAN	114	24,508	2,200	6	9 5 42 3
6	RAYTHEON	116	24,069	2,211	5	9 4 22 8
7	TEXTRON	200	13,788	962	7	7 8 17 10
8	ARCONIC	228	12,394	(941)	12	(8) 12 (18) 12
9	L3 TECHNOLOGIES	273	10,597	710	9	7 10 16 11
10	HUNTINGTON INBALLS INDUSTRIES	380	7,068	573	10	8 7 35 5
11	SPIRIT AEROSYSTEMS HOLDINGS	393	6,793	470	11	7 9 24 7
12	ROCKWELL COLLINS	492	5,259	728	8	14 1 35 4
	<b>TOTAL</b>		<b>338,302</b>	<b>25,120</b>		
	<b>MEDIAN</b>		<b>18,929</b>	<b>1,581</b>	<b>8</b>	<b>26</b>

INDUSTRY NO. RANK	INDUSTRY	500 RANK	REVENUES \$ mil.	PROFITS \$ mil.	PROFITS AS % OF REVENUES % Rank	Stockholders' equity % Rank
<b>3</b>	<b>AIRLINES</b>	6 COMPANIES				
1	AMERICAN AIRLINES GROUP	67	40,180	2,676	2	7 5 71 1
2	DELTA AIR LINES	71	39,639	4,373	1	11 3 36 2
3	UNITED CONTINENTAL HOLDINGS	83	36,556	2,263	3	6 6 26 5
4	SOUTHWEST AIRLINES	138	20,425	2,244	4	11 4 27 4
5	JETBLUE AIRWAYS	403	6,632	759	6	11 2 19 6
6	ALASKA AIR GROUP	438	5,931	814	5	14 1 28 3
	<b>TOTAL</b>		<b>149,363</b>	<b>13,129</b>		
	<b>MEDIAN</b>		<b>28,491</b>	<b>2,254</b>	<b>11</b>	<b>27</b>

INDUSTRY NO. RANK	INDUSTRY	500 RANK	REVENUES \$ mil.	PROFITS \$ mil.	PROFITS AS % OF REVENUES % Rank	Stockholders' equity % Rank
<b>4</b>	<b>APPAREL</b>	5 COMPANIES				
1	NIKE	88	32,376	3,760	1	12 1 31 2
2	VF	230	12,207	1,074	2	9 3 22 3
3	PVH	335	8,203	549	3	7 4 11 4
4	RALPH LAUREN	371	7,405	396	5	5 5 11 5
5	HANES BRANDS	432	6,063	539	4	9 2 44 1
	<b>TOTAL</b>		<b>66,254</b>	<b>6,318</b>		
	<b>MEDIAN</b>		<b>8,203</b>	<b>549</b>	<b>9</b>	<b>22</b>



INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...		Stock-			
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>5 AUTOMOTIVE RETAILING, SERVICES 9 COMPANIES</b>									
1	AUTONATION	129	21,609	431	2	2	4	19	6
2	PENSKE AUTOMOTIVE GROUP	142	20,143	343	3	2	6	20	5
3	CARMAX	174	15,833	623	1	4	1	21	4
4	GROUP 1 AUTOMOTIVE	261	10,888	147	7	1	7	16	7
5	SONIC AUTOMOTIVE	287	9,732	93	8	1	8	13	8
6	HERTZ GLOBAL HOLDINGS	296	9,480	(491)	9	(5)	9	(46)	9
7	LITHIA MOTORS	318	8,678	197	4	2	3	22	3
8	AVIS BUDGET GROUP	319	8,659	163	6	2	5	74	1
9	ASBURY AUTOMOTIVE GROUP	410	6,528	167	5	3	2	60	2
<b>TOTAL</b>			<b>111,549</b>	<b>1,673</b>					
<b>MEDIAN</b>			<b>9,732</b>	<b>167</b>		<b>2</b>		<b>20</b>	

<b>6 BEVERAGES 3 COMPANIES</b>									
1	COCA-COLA	64	41,863	6,527	1	16	2	28	2
2	CONSTELLATION BRANDS	408	6,548	1,055	2	16	1	16	3
3	DR PEPPER SNAPPLE GROUP	416	6,440	847	3	13	3	40	1
<b>TOTAL</b>			<b>54,851</b>	<b>8,429</b>					

<b>7 BUILDING MATERIALS, GLASS 2 COMPANIES</b>									
1	BUILDERS FIRSTSOURCE	421	6,367	144	2	2	2	47	1
2	OWENS CORNING	458	5,677	393	1	7	1	10	2
<b>TOTAL</b>			<b>12,044</b>	<b>537</b>					

<b>8 CHEMICALS 14 COMPANIES</b>									
1	DDW CHEMICAL	62	48,158	4,318	1	9	8	17	10
2	DUPONT	113	24,594	2,513	2	10	3	25	6
3	PPG INDUSTRIES	183	15,178	877	8	6	10	18	8
4	MONSANTO	204	13,502	1,336	4	10	4	29	4
5	ECOLAB	211	13,153	1,230	5	9	7	18	9
6	SHERWIN-WILLIAMS	236	11,856	1,133	6	10	5	60	1
7	PRAXAIR	275	10,534	1,500	3	14	2	30	3
8	HUNTSMAN	289	9,657	326	11	3	12	25	5
9	AIR PRODUCTS & CHEMICALS	294	9,524	631	10	7	9	9	11
10	EASTMAN CHEMICAL	309	9,008	854	9	9	6	19	7
11	MOSAIC	377	7,163	298	12	4	11	3	13
12	OLIN	467	5,551	(4)	14	(0)	14	(0)	14
13	CHEMOURS	482	5,400	7	13	0	13	7	12
14	CELANESE	484	5,389	900	7	17	1	35	2
<b>TOTAL</b>			<b>188,666</b>	<b>15,918</b>					
<b>MEDIAN</b>			<b>10,096</b>	<b>889</b>		<b>9</b>		<b>19</b>	

<b>9 COMMERCIAL BANKS 19 COMPANIES</b>									
1	JPMORGAN CHASE & CO.	21	105,486	24,733	1	23	3	10	5
2	WELLS FARGO	25	94,176	21,938	2	23	4	11	3
3	BANK OF AMERICA CORP.	26	93,662	17,906	3	19	14	7	16
4	CITIGROUP	30	82,386	14,912	4	18	16	7	17
5	MORGAN STANLEY	76	37,949	5,979	6	16	17	8	14
6	GOLDMAN SACHS GROUP	78	37,712	7,398	5	20	12	9	9
7	CAPITAL ONE FINANCIAL	100	27,519	3,751	9	14	19	8	13
8	U.S. BANCORP	125	22,744	5,888	7	26	1	12	2
9	PNC FINANCIAL SVCS. GROUP	166	16,423	3,903	8	24	2	9	8

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...		Stock-			
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
10	BANK OF N.Y. MELLON CORP.	177	15,683	3,547	10	23	8	9	7
11	BBBT CORP.	245	11,538	2,426	11	21	9	8	10
12	STATE STREET CORP.	271	10,635	2,143	13	20	11	10	4
13	DISCOVER FINANCIAL SERVICES	277	10,497	2,393	12	23	6	21	1
14	SUNTRUST BANKS	303	9,161	1,878	14	21	10	8	11
15	FIFTH THIRD BANCORP	389	6,889	1,564	15	23	7	10	6
16	REGIONS FINANCIAL	436	5,967	1,163	17	19	13	7	15
17	CITIZENS FINANCIAL GROUP	451	5,763	1,045	18	18	15	5	18
18	M&T BANK CORP.	455	5,722	1,315	16	23	5	8	12
19	KEYCORP	479	5,422	791	19	15	18	5	19
<b>TOTAL</b>			<b>605,334</b>	<b>124,873</b>					
<b>MEDIAN</b>			<b>15,683</b>	<b>3,547</b>		<b>21</b>		<b>8</b>	

<b>10 COMPUTER PERIPHERALS 3 COMPANIES</b>									
1	XEROX	162	17,126	(477)	3	(3)	3	(10)	3
2	WESTERN DIGITAL	217	12,994	242	1	2	2	2	2
3	NETAPP	468	5,546	229	2	4	1	8	1
<b>TOTAL</b>			<b>35,666</b>	<b>(6)</b>					

<b>11 COMPUTER SOFTWARE 6 COMPANIES</b>									
1	MICROSOFT	28	85,320	16,798	1	20	4	23	2
2	ORACLE	81	37,047	8,901	2	24	2	19	3
3	SALESFORCE.COM	326	8,392	180	6	2	6	2	6
4	ACTIVISION BLIZZARD	406	6,608	966	5	15	5	11	5
5	ADOBE SYSTEMS	443	5,854	1,169	4	20	3	16	4
6	SYMANTEC	465	5,568	2,488	3	45	1	68	1
<b>TOTAL</b>			<b>148,789</b>	<b>30,501</b>					
<b>MEDIAN</b>			<b>7,500</b>	<b>1,828</b>		<b>20</b>		<b>17</b>	

<b>12 COMPUTERS, OFFICE EQUIPMENT 4 COMPANIES</b>									
1	APPLE	3	215,639	45,687	1	21	1	36	1
2	DELL TECHNOLOGIES	41	64,806	(1,672)	4	(3)	4	(13)	3
3	HP	61	48,238	2,496	2	5	2	-	-
4	NCR	409	6,543	270	3	4	3	18	2
<b>TOTAL</b>			<b>335,226</b>	<b>46,781</b>					
<b>MEDIAN</b>			<b>56,522</b>	<b>1,383</b>		<b>5</b>			

<b>13 CONSTRUCTION AND FARM MACHINERY 7 COMPANIES</b>									
1	CATERPILLAR	74	38,537	(67)	5	(0)	5	(1)	5
2	DEERE	105	26,644	1,524	1	6	1	23	1
3	PACCAR	164	17,033	522	2	3	3	8	3
4	NAVISTAR INTERNATIONAL	337	8,111	(97)	6	(1)	6	-	-
5	AGCO	370	7,411	160	4	2	4	6	4
6	OSHKOSH	425	6,279	216	3	3	2	11	2
7	TEREX	445	5,841	(176)	7	(3)	7	(12)	6
<b>TOTAL</b>			<b>109,856</b>	<b>2,082</b>					
<b>MEDIAN</b>			<b>8,111</b>	<b>160</b>		<b>2</b>		<b>7</b>	

<b>14 DIVERSIFIED FINANCIALS 12 COMPANIES</b>									
1	FANNIE MAE	20	107,162	12,313	1	11	5	203	1
2	FREDDIE MAC	39	65,665	7,815	2	12	4	154	2
3	AMERICAN EXPRESS	86	33,823	5,408	3	16	1	26	4



INDUSTRY NO. RANK	500 rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders equity	
		\$mil.	\$mil. Rank	\$mil. Rank	% Rank	% Rank	% Rank	% Rank	
4	ICAHN ENTERPRISES	168	16,348	(1,128)	12	(7)	12	(52)	12
5	SYNCHRONY FINANCIAL	185	15,122	2,251	4	15	2	16	6
6	INTL FCSTONE	189	14,755	55	10	0	10	13	7
7	MARSH & MCLENNAN	210	13,211	1,768	5	13	3	29	3
8	AMERIPRISE FINANCIAL	239	11,795	1,314	6	11	6	21	5
9	LEUCADIA NATIONAL	262	10,875	130	9	1	9	1	10
10	VOYA FINANCIAL	266	10,782	(428)	11	(4)	11	(3)	11
11	ALLY FINANCIAL	286	9,835	1,067	7	11	7	8	9
12	ARTHUR J. BALLAGHER	462	5,585	414	8	7	8	12	8
TOTAL			314,908	30,979					
MEDIAN			13,983	1,191	11	11	14		

15 DIVERSIFIED OUTSOURCING SERVICES 3 COMPANIES									
INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues	Stock- holders equity				
1	ARAMARK	192	14,416	288	2	2	2	13	2
2	AUTOMATIC DATA PROCESSING	240	11,668	1,493	1	13	1	33	1
3	ABM INDUSTRIES	500	5,145	57	3	1	3	6	3
TOTAL			31,228	1,838					

16 ELECTRONICS, ELECTRICAL EQUIPMENT 6 COMPANIES									
INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues	Stock- holders equity				
1	HONEYWELL INTERNATIONAL	73	39,302	4,809	1	12	3	25	2
2	WHIRLPOOL	137	20,718	888	4	4	6	19	5
3	EMERSON ELECTRIC	139	20,268	1,635	3	8	4	22	3
4	CORNING	298	9,390	3,695	2	39	1	21	4
5	HARMAN INTL. INDUSTRIES	386	6,912	362	6	5	5	15	6
6	ROCKWELL AUTOMATION	442	5,880	730	5	12	2	37	1
TOTAL			102,469	12,118					
MEDIAN			14,829	1,262	10	21			

17 ENERGY 7 COMPANIES									
INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues	Stock- holders equity				
1	WORLD FUEL SERVICES	103	27,016	127	2	0	3	7	2
2	NRG ENERGY	229	12,351	(774)	6	(6)	6	(38)	6
3	NGL ENERGY PARTNERS	237	11,742	(199)	4	(2)	4	(12)	5
4	WILLIAMS	367	7,499	(424)	5	(6)	5	(9)	4
5	CALPINE	400	6,716	92	3	1	2	3	3
6	UGI	457	5,686	365	1	6	1	13	1
7	VISTRA ENERGY	499	5,164	-	-	-	-	-	-
TOTAL			76,174	(814)					
MEDIAN			7,499	(53)	(1)	(3)			

18 ENGINEERING, CONSTRUCTION 7 COMPANIES									
INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues	Stock- holders equity				
1	FLUOR	149	19,037	281	2	1	5	9	3
2	AECOM	161	17,411	96	6	1	6	3	6
3	JACOBS ENGINEERING GROUP	259	10,964	210	3	2	4	5	5
4	PETER KIEWIT SONS*	324	8,573	396	1	5	1	12	1
5	QUANTA SERVICES	355	7,651	198	4	3	2	6	4
6	EMCOR GROUP	360	7,552	182	5	2	3	12	2
7	CH2M HILL	494	5,236	15	7	0	7	3	7
TOTAL			76,424	1,379					
MEDIAN			8,573	198	2	6			

19 ENTERTAINMENT 9 COMPANIES									
INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues	Stock- holders equity				
1	WALT DISNEY	52	55,632	9,391	1	17	2	22	4
2	TIME WARNER	95	29,318	3,926	2	13	3	16	6
3	TWENTY-FIRST CENTURY FOX	101	27,326	2,755	3	10	6	20	5
4	CBS	193	14,386	1,261	5	9	7	34	1
5	VIACOM	224	12,488	1,438	4	12	5	34	2
6	LIVE NATION ENTERTAINMENT	330	8,355	3	8	0	8	0	8
7	DISCOVERY COMMUNICATIONS	412	6,497	1,194	6	18	1	23	3
8	IHEARTMEDIA	426	6,274	(296)	9	(5)	9	-	-
9	LIBERTY MEDIA	491	5,276	680	7	13	4	6	7
TOTAL			165,552	20,352					
MEDIAN			12,488	1,261	12	21			

20 FINANCIAL DATA SERVICES 9 COMPANIES									
INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues	Stock- holders equity				
1	VISA	187	15,082	5,991	1	40	1	18	7
2	FIRST DATA	242	11,584	420	8	4	9	34	4
3	PAYPAL HOLDINGS	264	10,842	1,401	4	13	5	10	8
4	MASTERCARD	267	10,776	4,059	2	38	2	72	2
5	FIDELITY NATL. INFO. SVCS.	301	9,241	568	6	6	7	6	9
6	ALLIANCE DATA SYSTEMS	378	7,138	516	7	7	6	31	5
7	SGP GLOBAL	459	5,661	2,106	3	37	3	324	1
8	FISERV	471	5,505	930	5	17	4	37	3
9	WESTERN UNION	478	5,423	253	9	5	8	28	6
TOTAL			81,252	16,244					
MEDIAN			9,241	930	13	31			

21 FOOD AND DRUG STORES 7 COMPANIES									
INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues	Stock- holders equity				
1	WALGREENS BOOTS ALLIANCE	17	117,351	4,173	1	4	2	14	5
2	KROGER	18	115,337	1,975	3	2	4	29	1
3	ALBERTSONS COS.	49	58,734	(502)	7	(1)	7	(31)	6
4	PUBLIX	85	34,274	2,026	2	6	1	15	4
5	RITE AID	91	30,737	165	6	1	6	28	2
6	SUPERVALU	158	17,529	178	5	1	5	-	-
7	WHOLE FOODS MARKET	176	15,724	507	4	3	3	16	3
TOTAL			389,686	8,522					
MEDIAN			34,274	507	2	15			

22 FOOD CONSUMER PRODUCTS 13 COMPANIES									
INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues	Stock- holders equity				
1	PEPSICO	44	62,799	6,329	1	10	3	57	2
2	KRAFT HEINZ	106	26,487	3,632	2	14	1	6	11
3	MONDELEZ INTERNATIONAL	109	25,923	1,659	4	6	8	7	10
4	GENERAL MILLS	165	16,563	1,697	3	10	2	34	5
5	CONAGRA BRANDS	197	14,134	(677)	13	(5)	13	(18)	13
6	LAND O'LAKES	209	13,233	245	10	2	10	13	8
7	KELLOGG	216	13,014	694	7	5	9	36	4
8	HORMEL FOODS	295	9,523	890	5	9	5	20	6
8	CAMPBELL SOUP	339	7,961	563	9	7	7	37	3
10	J.M. SMUCKER	346	7,811	689	8	9	6	10	9
11	DEAN FOODS	351	7,710	120	11	2	11	20	7
12	HERSHEY	369	7,440	720	6	10	4	92	1
13	TREEHOUSE FOODS	427	6,175	(229)	12	(4)	12	(9)	12
TOTAL			218,774	16,332					
MEDIAN			13,014	694	7	20			



INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>23</b>	<b>FOOD PRODUCTION 5 COMPANIES</b>								
1	ARCHER DANIELS MIDLAND	45	62,346	1,279	2	2	4	7	4
2	TYSON FOODS	82	36,881	1,768	1	5	3	18	2
3	CBS	93	30,347	424	4	1	5	5	5
4	INGREDION	456	5,704	485	3	9	1	19	1
5	SEABOARD	486	5,379	312	5	6	2	10	3
<b>TOTAL</b>			<b>140,657</b>	<b>4,268</b>					
<b>MEDIAN</b>			<b>30,347</b>	<b>485</b>	<b>5</b>	<b>10</b>			

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>24</b>	<b>FOOD SERVICES 5 COMPANIES</b>								
1	MCDONALD'S	112	24,622	4,687	1	19	2	-	-
2	STARBUCKS	131	21,316	2,818	2	13	3	48	1
3	DARDEN RESTAURANTS	385	6,934	375	5	5	5	19	3
4	YUM CHINA HOLDINGS	399	6,752	502	4	7	4	21	2
5	YUM BRANDS	422	6,366	1,619	3	25	1	-	-
<b>TOTAL</b>			<b>65,989</b>	<b>10,000</b>					
<b>MEDIAN</b>			<b>6,934</b>	<b>1,619</b>	<b>13</b>				

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>25</b>	<b>GENERAL MERCHANDISERS 9 COMPANIES</b>								
1	WAL-MART STORES	1	485,873	13,643	1	3	3	18	4
2	COSTCO WHOLESALE	16	118,719	2,350	3	2	7	19	3
3	TARGET	38	69,495	2,737	2	4	1	25	2
4	MACY'S	110	25,778	619	4	2	5	14	5
5	SEARS HOLDINGS	127	22,138	[2,221]	9	[10]	9	-	-
6	KOHL'S	150	18,686	556	5	3	2	11	6
7	NORDSTROM	188	14,757	354	6	2	6	41	1
8	J.C. PENNEY	221	12,547	1	8	0	8	0	8
9	DILLARD'S	417	6,418	169	7	3	4	10	7
<b>TOTAL</b>			<b>774,411</b>	<b>18,208</b>					
<b>MEDIAN</b>			<b>22,138</b>	<b>556</b>	<b>2</b>	<b>16</b>			

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>26</b>	<b>HEALTH CARE: INSURANCE AND MANAGED CARE 8 COMPANIES</b>								
1	UNITEDHEALTH GROUP	6	184,840	7,017	1	4	2	18	1
2	ANTHEM	29	84,863	2,470	2	3	4	10	5
3	AETNA	43	63,155	2,271	3	4	3	13	3
4	HUMANA	53	54,379	614	5	1	7	6	7
5	CENTENE	66	40,721	562	6	1	6	10	6
6	CIGNA	70	39,668	1,867	4	5	1	14	2
7	MOLINA HEALTHCARE	156	17,782	52	8	0	8	3	8
8	WELLCARE HEALTH PLANS	195	14,237	242	7	2	5	12	4
<b>TOTAL</b>			<b>499,645</b>	<b>15,095</b>					
<b>MEDIAN</b>			<b>47,550</b>	<b>1,241</b>	<b>2</b>	<b>11</b>			

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>27</b>	<b>HEALTH CARE: MEDICAL FACILITIES 6 COMPANIES</b>								
1	HCA HOLDINGS	63	44,747	2,890	1	6	2	-	-
2	COMMUNITY HEALTH SYSTEMS	130	21,374	[1,721]	8	[8]	7	[107]	6
3	TENET HEALTHCARE	134	21,070	[192]	6	[1]	5	[46]	4
4	DAVITA	181	15,196	880	2	6	3	19	1
5	UNIVERSAL HEALTH SERVICES	276	10,508	702	3	7	1	15	2
6	LIFEPOINT HEALTH	374	7,274	122	4	2	4	6	3
7	KINDRED HEALTHCARE	376	7,227	[664]	7	[9]	8	[82]	5
8	GENESIS HEALTHCARE	454	5,732	[64]	5	[1]	6	-	-
<b>TOTAL</b>			<b>133,128</b>	<b>1,953</b>					
<b>MEDIAN</b>			<b>12,852</b>	<b>29</b>	<b>0</b>	<b>[20]</b>			

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>28</b>	<b>HEALTH CARE: PHARMACY AND OTHER SERVICES 5 COMPANIES</b>								
1	CVS HEALTH	7	177,526	5,317	1	3	4	14	2
2	EXPRESS SCRIPTS HOLDING	22	100,288	3,404	2	3	3	21	1
3	LAB. CORP. OF AMERICA	290	9,642	732	3	8	2	13	4
4	QUEST DIAGNOSTICS	366	7,515	645	4	9	1	14	3
5	QUINTILES IMS HOLDINGS	390	6,878	115	5	2	5	1	5
<b>TOTAL</b>			<b>301,848</b>	<b>10,214</b>					
<b>MEDIAN</b>			<b>9,642</b>	<b>732</b>	<b>3</b>	<b>14</b>			

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>29</b>	<b>HOME EQUIPMENT, FURNISHINGS 4 COMPANIES</b>								
1	NEWELL BRANDS	208	13,264	528	3	4	4	5	3
2	STANLEY BLACK & DECKER	250	11,407	965	1	8	2	15	2
3	MOHAWK INDUSTRIES	311	8,959	930	2	10	1	16	1
4	MASCO	372	7,357	491	4	7	3	-	-
<b>TOTAL</b>			<b>40,987</b>	<b>2,914</b>					
<b>MEDIAN</b>			<b>10,183</b>	<b>729</b>	<b>8</b>				

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>30</b>	<b>HOMEBUILDERS 6 COMPANIES</b>								
1	D.R. HORTON	232	12,157	886	2	7	5	13	2
2	LENNAR	260	10,950	912	1	8	1	13	3
3	PULTEGROUP	353	7,668	603	3	8	2	13	4
4	CALATLANTIC GROUP	415	6,477	485	4	7	3	12	5
5	NVR	446	5,835	425	5	7	6	33	1
6	TOLL BROTHERS	497	5,170	382	6	7	4	9	6
<b>TOTAL</b>			<b>48,257</b>	<b>3,693</b>					
<b>MEDIAN</b>			<b>7,073</b>	<b>544</b>	<b>7</b>	<b>13</b>			

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>31</b>	<b>HOTELS, CASINOS, RESORTS 5 COMPANIES</b>								
1	MARRIOTT INTERNATIONAL	163	17,072	780	3	5	4	15	4
2	HILTON WORLDWIDE HOLDINGS	241	11,663	348	5	3	5	6	5
3	LAS VEGAS SANDS	249	11,410	1,670	1	15	1	27	2
4	MGM RESORTS INTERNATIONAL	297	9,455	1,101	2	12	2	18	3
5	WYNDHAM WORLDWIDE	461	5,599	611	4	11	3	86	1
<b>TOTAL</b>			<b>55,199</b>	<b>4,510</b>					
<b>MEDIAN</b>			<b>11,410</b>	<b>780</b>	<b>11</b>	<b>18</b>			

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>32</b>	<b>HOUSEHOLD AND PERSONAL PRODUCTS 7 COMPANIES</b>								
1	PROCTER & GAMBLE	36	71,726	10,508	1	15	2	18	3
2	KIMBERLY-CLARK	155	18,202	2,166	3	12	3	-	-
3	COLGATE-PALMOLIVE	182	15,195	2,441	2	16	1	-	-
4	ESTÉE LAUDER	253	11,262	1,115	4	10	5	31	2
5	HRG GROUP	418	6,403	[199]	7	[3]	7	[31]	4
6	AVON PRODUCTS	444	5,853	[108]	6	[2]	6	-	-
7	CLOROX	453	5,761	648	5	11	4	218	1
<b>TOTAL</b>			<b>194,402</b>	<b>16,571</b>					
<b>MEDIAN</b>			<b>11,262</b>	<b>1,115</b>	<b>11</b>	<b>25</b>			

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
<b>33</b>	<b>INDUSTRIAL MACHINERY 5 COMPANIES</b>								
1	GENERAL ELECTRIC	13	126,661	8,831	1	7	5	12	5
2	CUMMINS	159	17,509	1,394	3	8	2	20	2
3	ILLINOIS TOOL WORKS	202	13,599	2,035	2	15	1	48	1



INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...		Stockholders' equity			
		\$mil.	\$mil. Rank	Revenues % Rank	Rank	% Rank	% Rank		
4	PARKER-HANNIFIN	251	11,361	807	4	7	4	18	3
5	DOVER	392	6,794	509	5	7	3	13	4
<b>TOTAL</b>			<b>175,924</b>	<b>13,576</b>					
<b>MEDIAN</b>			<b>13,599</b>	<b>1,394</b>		<b>7</b>		<b>18</b>	

**34 INFORMATION TECHNOLOGY SERVICES 7 COMPANIES**

1	INTL. BUSINESS MACHINES	32	79,919	11,872	1	15	1	65	2
2	HEWLETT PACKARD ENTERPRISE	59	50,123	3,161	2	6	3	10	6
3	CDW	199	13,982	424	4	3	7	41	3
4	COGNIZANT TECHNOLOGY	205	13,487	1,553	3	12	2	14	4
5	COMPUTER SCIENCES	379	7,106	251	6	4	5	12	5
6	LEIDOS HOLDINGS	381	7,043	244	7	3	6	8	7
7	BOOZ ALLEN HAMILTON	481	5,406	294	5	5	4	72	1
<b>TOTAL</b>			<b>177,066</b>	<b>17,799</b>					
<b>MEDIAN</b>			<b>13,487</b>	<b>424</b>		<b>5</b>		<b>14</b>	

**35 INSURANCE: LIFE, HEALTH (MUTUAL) 7 COMPANIES**

1	NEW YORK LIFE INSURANCE	65	40,787	1,088	3	3	6	5	3
2	MASSACHUSETTS MUTUAL LIFE	77	37,788	1,274	2	3	4	8	1
3	TIAA*	80	37,105	1,492	1	4	3	4	6
4	NORTHWESTERN MUTUAL	97	28,799	818	4	3	5	4	7
5	GUARDIAN LIFE OF AMERICA	218	12,919	264	6	2	7	4	5
6	THRIVENT FINANCIAL*	316	8,777	588	5	7	1	8	2
7	WESTERN & SOUTHERN	483	5,398	241	7	4	2	5	4
<b>TOTAL</b>			<b>171,574</b>	<b>5,765</b>					
<b>MEDIAN</b>			<b>28,799</b>	<b>818</b>		<b>3</b>		<b>5</b>	

\*See note 16, page F-32.

**36 INSURANCE: LIFE, HEALTH (STOCK) 10 COMPANIES**

1	METLIFE	42	63,476	800	7	1	9	1	9
2	PRUDENTIAL FINANCIAL	48	58,779	4,368	1	7	6	10	5
3	AFLAC	126	22,559	2,659	2	12	1	13	1
4	LINCOLN NATIONAL	207	13,330	1,192	4	9	4	8	6
5	PRINCIPAL FINANCIAL	227	12,394	1,317	3	11	2	13	2
6	REINSURANCE GROUP	246	11,522	701	8	6	7	10	4
7	UNUM GROUP	258	11,047	931	5	8	5	10	3
8	PACIFIC LIFE*	302	9,169	824	6	9	3	7	7
9	GENWORTH FINANCIAL	329	8,369	[277]	10	(3)	10	(2)	10
10	MUTUAL OF OMAHA*	342	7,898	357	9	5	8	6	8
<b>TOTAL</b>			<b>218,543</b>	<b>12,872</b>					
<b>MEDIAN</b>			<b>11,958</b>	<b>878</b>		<b>8</b>		<b>9</b>	

\*See note 15, page F-32.

**37 INSURANCE: PROPERTY AND CASUALTY (MUTUAL) 5 COMPANIES**

1	STATE FARM INSURANCE COS.	33	76,132	350	3	0	4	0	4
2	NATIONWIDE	68	40,074	334	4	1	3	2	3
3	FARMERS INSURANCE EXCHANGE	222	12,513	[148]	5	(1)	5	(4)	5
4	ERIE INSURANCE GROUP	382	7,016	742	1	11	1	9	1
5	AUTO-OWNERS INSURANCE	398	6,775	706	2	10	2	7	2
<b>TOTAL</b>			<b>142,510</b>	<b>1,985</b>					
<b>MEDIAN</b>			<b>12,513</b>	<b>350</b>		<b>1</b>		<b>2</b>	

**38 INSURANCE: PROPERTY AND CASUALTY (STOCK) 20 COMPANIES**

1	BERKSHIRE HATHAWAY	2	223,604	24,074	1	11	3	9	11
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INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...		Stockholders' equity			
		\$mil.	\$mil. Rank	Revenues % Rank	Rank	% Rank	% Rank		
2	AMERICAN INTERNATIONAL GROUP	55	52,367	[849]	20	(2)	20	(1)	20
3	LIBERTY MUTUAL INS. GROUP*	75	38,308	1,006	6	3	19	5	17
4	ALLSTATE	84	36,534	1,877	3	5	14	9	10
5	TRAVELERS COS.	99	27,625	3,014	2	11	1	13	3
6	UNITED SVCS. AUTO. ASSN.*	102	27,131	1,779	4	7	12	6	19
7	PROGRESSIVE	120	23,441	1,031	5	4	17	13	4
8	HARTFORD FINANCIAL SERVICES	153	18,300	896	7	5	16	5	16
9	LOEWS	213	13,105	654	8	5	15	4	19
10	FIDELITY NATIONAL FINANCIAL	293	9,554	650	9	7	11	11	8
11	AMERICAN FAMILY INS. GROUP*	315	8,829	326	19	4	18	4	18
12	W.R. BERKLEY	354	7,654	602	11	8	7	12	6
13	ASSURANT	361	7,532	565	13	8	9	14	1
14	AMERICAN FINANCIAL GROUP	411	6,498	649	10	10	4	13	2
15	ALLEGHANY	428	6,131	457	15	7	10	6	14
16	OLD REPUBLIC INTERNATIONAL	439	5,901	467	14	8	6	10	9
17	MARKEL	460	5,612	456	16	8	5	5	15
18	FIRST AMERICAN FINANCIAL	464	5,576	349	18	6	13	11	7
19	AMTRUST FINANCIAL SERVICES	475	5,450	411	17	8	8	13	5
20	CINCINNATI FINANCIAL	476	5,449	591	12	11	2	8	12
<b>TOTAL</b>			<b>534,601</b>	<b>38,998</b>					
<b>MEDIAN</b>			<b>9,191</b>	<b>625</b>		<b>7</b>		<b>9</b>	

\*See note 15, page F-32.

**39 INTERNET SERVICES AND RETAILING 9 COMPANIES**

1	AMAZON.COM	12	135,987	2,371	4	2	8	12	6
2	ALPHABET	27	90,272	19,478	1	22	3	14	5
3	FACEBOOK	98	27,638	10,217	2	37	2	17	4
4	PRICELINE GROUP	268	10,743	2,135	5	20	4	22	2
5	LIBERTY INTERACTIVE	269	10,647	1,235	6	12	5	18	3
6	EBAY	310	8,979	7,266	3	81	1	69	1
7	NETFLIX	314	8,831	187	8	2	7	7	7
8	EXPEDIA	317	8,774	282	7	3	6	7	8
9	YAHOO	498	5,169	[214]	9	(4)	9	(1)	9
<b>TOTAL</b>			<b>307,039</b>	<b>42,956</b>					
<b>MEDIAN</b>			<b>10,647</b>	<b>2,135</b>		<b>12</b>		<b>14</b>	

**40 MAIL, PACKAGE, AND FREIGHT DELIVERY 2 COMPANIES**

1	UNITED PARCEL SERVICE	46	60,906	3,431	1	6	1	847	1
2	FEDEX	58	50,365	1,820	2	4	2	13	2
<b>TOTAL</b>			<b>111,271</b>	<b>5,251</b>					

**41 MEDICAL PRODUCTS AND EQUIPMENT 7 COMPANIES**

1	ABBOTT LABORATORIES	135	20,853	1,400	3	7	5	7	5
2	BECTON DICKINSON	225	12,483	976	4	8	4	13	4
3	STRYKER	252	11,325	1,847	2	15	2	17	2
4	BAXTER INTERNATIONAL	281	10,163	4,965	1	49	1	60	1
5	BOSTON SCIENTIFIC	327	8,386	347	6	4	6	5	6
6	ZIMMER BIOMET HOLDINGS	352	7,684	306	7	4	7	3	7
7	ST. JUDE MEDICAL	434	6,004	734	5	12	3	16	3
<b>TOTAL</b>			<b>76,898</b>	<b>10,375</b>					
<b>MEDIAN</b>			<b>10,163</b>	<b>976</b>		<b>8</b>		<b>13</b>	

**42 METALS 6 COMPANIES**

1	NUCOR	169	16,208	796	1	5	2	10	2
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INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
2	UNITED STATES STEEL	279	10,261	(440)	6	(4)	5	(19)	5
3	ALCOA	300	9,318	(400)	5	(4)	6	(7)	4
4	RELIANCE STEEL & ALUMINUM	320	8,613	304	3	4	3	7	3
5	STEEL DYNAMICS	347	7,777	382	2	5	1	13	1
6	AK STEEL HOLDING	441	5,883	(8)	4	(0)	4	-	-
<b>TOTAL</b>			<b>58,060</b>	<b>635</b>					
<b>MEDIAN</b>			<b>8,966</b>	<b>148</b>		<b>2</b>		<b>7</b>	

43 MINING, CRUDE-OIL PRODUCTION 9 COMPANIES									
1	CONDOPHILLIPS	115	24,360	(3,615)	7	(15)	4	(10)	4
2	FREEMONT-MCMORAN	175	15,789	(4,154)	8	(26)	6	(69)	8
3	DEVON ENERGY	231	12,197	(3,302)	6	(27)	7	(56)	7
4	OCCIDENTAL PETROLEUM	278	10,398	(574)	1	(6)	1	(3)	1
5	NEWMONT MINING	328	8,379	(627)	2	(7)	2	(6)	2
6	CHESAPEAKE ENERGY	343	7,872	(4,401)	9	(56)	9	-	-
7	ANADARKO PETROLEUM	344	7,869	(3,071)	5	(39)	8	(25)	6
8	EOG RESOURCES	356	7,651	(1,097)	3	(14)	3	(8)	3
9	APACHE	488	5,354	(1,405)	4	(26)	5	(23)	5
<b>TOTAL</b>			<b>99,869</b>	<b>(22,246)</b>					
<b>MEDIAN</b>			<b>8,379</b>	<b>(3,071)</b>		<b>(26)</b>		<b>(16)</b>	

44 MOTOR VEHICLES AND PARTS 9 COMPANIES									
1	GENERAL MOTORS	8	166,380	9,427	1	6	3	22	5
2	FORD MOTOR	10	151,800	4,596	2	3	7	16	6
3	LEAR	151	18,558	975	4	5	5	32	3
4	GOODYEAR TIRE	184	15,158	1,264	3	8	2	28	4
5	AUTOLIV	283	10,074	567	5	6	4	15	7
6	BORGWARNER	305	9,071	119	8	1	8	4	8
7	TENNECO	322	8,599	363	7	4	6	62	1
8	TESLA	383	7,000	(675)	9	(10)	9	(14)	9
9	DANA	447	5,826	640	5	11	1	55	2
<b>TOTAL</b>			<b>392,465</b>	<b>17,276</b>					
<b>MEDIAN</b>			<b>10,074</b>	<b>640</b>		<b>5</b>		<b>22</b>	

45 NETWORK AND OTHER COMMUNICATIONS EQUIPMENT 4 COMPANIES									
1	CISCO SYSTEMS	60	49,247	10,739	1	22	1	17	2
2	HARRIS	363	7,527	324	4	4	4	11	3
3	AMPHENOL	424	6,286	823	2	13	2	22	1
4	MOTOROLA SOLUTIONS	433	6,038	560	3	9	3	-	-
<b>TOTAL</b>			<b>69,098</b>	<b>12,446</b>					
<b>MEDIAN</b>			<b>6,907</b>	<b>691</b>		<b>11</b>			

46 OIL AND GAS EQUIPMENT, SERVICES 3 COMPANIES									
1	HALLIBURTON	173	15,897	(5,763)	3	(36)	3	(61)	3
2	BAKER HUGHES	285	9,841	(2,738)	2	(28)	1	(22)	2
3	NATIONAL OILWELL VARCO	375	7,251	(2,412)	1	(33)	2	(17)	1
<b>TOTAL</b>			<b>32,979</b>	<b>(10,913)</b>					

47 PACKAGING, CONTAINERS 9 COMPANIES									
1	INTERNATIONAL PAPER	133	21,079	904	1	4	5	21	7
2	WESTROCK	190	14,706	(396)	9	(3)	9	(4)	9
3	BALL	306	9,061	263	6	3	8	8	8
4	CROWN HOLDINGS	333	8,284	496	2	6	3	136	1
5	SEALED AIR	397	6,778	486	3	7	2	80	4

INDUSTRY NO. RANK	500rank	REVENUES		PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity	
		\$mil.	\$mil. Rank	% Rank	% Rank	% Rank	% Rank		
6	DWENS-ILLINOIS	401	6,702	209	8	3	7	82	3
7	BERRY GLOBAL GROUP	413	6,489	236	7	4	6	108	2
8	AVERY DENNISON	430	6,087	321	5	5	4	35	5
9	PACKAGING CORP. OF AMERICA	450	5,779	450	4	8	1	26	6
<b>TOTAL</b>			<b>84,964</b>	<b>2,868</b>					
<b>MEDIAN</b>			<b>6,778</b>	<b>321</b>		<b>4</b>		<b>35</b>	

48 PETROLEUM REFINING 10 COMPANIES									
1	EXXON MOBIL	4	205,004	7,840	1	4	1	5	7
2	CHEVRON	19	107,567	(497)	10	(0)	8	(0)	8
3	PHILLIPS 66	34	72,396	1,555	3	2	4	7	6
4	VALERO ENERGY	37	70,166	2,289	2	3	2	11	2
5	MARATHON PETROLEUM	51	55,858	1,174	4	2	5	9	3
6	TESORO	117	24,005	734	5	3	3	13	1
7	PRF ENERGY	172	15,920	171	6	1	7	8	4
8	HOLLYFRONTIER	274	10,536	(260)	9	(2)	9	(6)	9
9	WESTERN REFINING	349	7,743	125	7	2	6	7	5
10	DELEK US HOLDINGS	480	5,414	(154)	8	(3)	10	(16)	10
<b>TOTAL</b>			<b>574,610</b>	<b>12,977</b>					
<b>MEDIAN</b>			<b>39,932</b>	<b>452</b>		<b>2</b>		<b>7</b>	

49 PHARMACEUTICALS 10 COMPANIES									
1	JOHNSON & JOHNSON	35	71,890	16,540	1	23	5	23	7
2	PFIZER	54	52,824	7,215	4	14	8	12	9
3	MERCK	69	39,807	3,920	7	10	10	10	10
4	GILEAD SCIENCES	92	30,390	13,501	2	44	1	71	2
5	ABBVIE	111	25,638	5,953	5	23	4	128	1
6	AMGEN	123	22,991	7,722	3	34	2	26	6
7	ELI LILLY	132	21,222	2,738	9	13	9	20	8
8	BRISTOL-MYERS SQUIBB	147	19,427	4,457	6	23	6	28	5
9	BIOGEN	248	11,449	3,703	8	32	3	31	3
10	CELGENE	254	11,229	1,999	10	18	7	30	4
<b>TOTAL</b>			<b>306,867</b>	<b>67,748</b>					
<b>MEDIAN</b>			<b>24,315</b>	<b>5,205</b>		<b>23</b>		<b>27</b>	

50 PIPELINES 6 COMPANIES									
1	ENERGY TRANSFER EQUITY	79	37,504	995	2	3	4	-	-
2	ENTERPRISE PRODUCTS	122	23,022	2,513	1	11	1	11	2
3	PLAINS GP HOLDINGS	141	20,182	94	5	0	5	5	3
4	KINDER MORGAN	215	13,058	708	3	5	2	2	4
5	ONEOK	312	8,921	352	4	4	3	187	1
6	TARGA RESOURCES	402	6,691	(187)	6	(3)	6	(3)	5
<b>TOTAL</b>			<b>109,378</b>	<b>4,475</b>					
<b>MEDIAN</b>			<b>16,820</b>	<b>530</b>		<b>3</b>		<b>5</b>	

51 PUBLISHING, PRINTING 2 COMPANIES									
1	NEWS CORP.	332	8,319	179	1	2	1	2	1
2	R.R. DONNELLEY & SONS	388	6,896	(496)	2	(7)	2	-	-
<b>TOTAL</b>			<b>15,215</b>	<b>(317)</b>					

52 RAILROADS 3 COMPANIES									
1	UNION PACIFIC	143	19,941	4,233	1	21	1	21	1
2	CSX	257	11,069	1,714	2	15	3	15	2



INDUSTRY NO. RANK	500 rank	REVENUES		PROFITS		PROFITS AS % OF...		Stockholders' equity Rank	
		\$mil.	\$mil. Rank	% Rank	% Rank				
3	NORFOLK SOUTHERN	284	9,888	1,668	3	17	2	13	3
<b>TOTAL</b>			<b>40,898</b>	<b>7,615</b>					

53 REAL ESTATE 5 COMPANIES									
1	CORE GROUP	214	13,072	572	3	4	4	19	2
2	JONES LANG LASALLE	391	6,804	318	4	5	3	11	3
3	REALOGY HOLDINGS	448	5,810	213	5	4	5	9	5
4	HOST HOTELS & RESORTS	472	5,488	762	2	14	2	11	4
5	SIMON PROPERTY GROUP	477	5,435	1,839	1	34	1	43	1
<b>TOTAL</b>			<b>36,609</b>	<b>3,704</b>					
<b>MEDIAN</b>			<b>5,810</b>	<b>572</b>		<b>5</b>		<b>11</b>	

54 SCIENTIFIC, PHOTOGRAPHIC, AND CONTROL EQUIPMENT 2 COMPANIES									
1	DANAHER	144	19,912	2,554	1	13	1	11	1
2	THERMO FISHER SCIENTIFIC	154	18,274	2,022	2	11	2	9	2
<b>TOTAL</b>			<b>38,186</b>	<b>4,576</b>					

55 SECURITIES 6 COMPANIES									
1	BLACKROCK	255	11,155	3,172	1	28	1	11	4
2	CHARLES SCHWAB	357	7,644	1,889	2	25	3	12	3
3	JONES FINANCIAL	403	6,632	746	5	11	5	28	1
4	FRANKLIN RESOURCES	405	6,618	1,727	3	26	2	14	2
5	INTERCONTINENTAL EXCHANGE	437	5,958	1,422	4	24	4	9	6
6	RAYMOND JAMES FINANCIAL	469	5,520	529	6	10	6	11	5
<b>TOTAL</b>			<b>43,527</b>	<b>9,485</b>					
<b>MEDIAN</b>			<b>6,625</b>	<b>1,574</b>		<b>24</b>		<b>11</b>	

56 SEMICONDUCTORS AND OTHER ELECTRONIC COMPONENTS 9 COMPANIES									
1	INTEL	47	59,387	10,316	1	17	4	16	5
2	QUALCOMM	119	23,554	5,705	2	24	2	18	4
3	JABIL CIRCUIT	152	18,353	254	7	1	8	10	8
4	TEXAS INSTRUMENTS	206	13,370	3,595	3	27	1	34	1
5	MICRON TECHNOLOGY	226	12,399	[276]	9	[2]	9	[2]	9
6	APPLIED MATERIALS	285	10,825	1,721	4	16	5	24	3
7	NVIDIA	387	6,910	1,666	5	24	3	29	2
8	SANMINA	414	6,481	188	8	3	7	12	7
9	LAM RESEARCH	440	5,886	914	6	16	6	16	6
<b>TOTAL</b>			<b>157,165</b>	<b>24,083</b>					
<b>MEDIAN</b>			<b>12,399</b>	<b>1,666</b>		<b>16</b>		<b>16</b>	

57 SPECIALTY RETAILERS: APPAREL 7 COMPANIES									
1	TJX	87	33,184	2,298	1	7	4	51	1
2	GAP	178	15,516	676	4	4	5	23	4
3	ROSS STORES	219	12,867	1,118	3	9	2	41	2
4	L BRANDS	220	12,574	1,158	2	9	1	-	-
5	FOOT LOCKER	348	7,766	664	5	9	3	25	3
6	ASCENA RETAIL GROUP	384	6,995	[12]	7	[0]	7	[1]	5
7	BURLINGTON STORES	463	5,591	216	6	4	6	-	-
<b>TOTAL</b>			<b>94,493</b>	<b>6,118</b>					
<b>MEDIAN</b>			<b>12,574</b>	<b>676</b>		<b>7</b>		<b>25</b>	

INDUSTRY NO. RANK	500 rank	REVENUES		PROFITS		PROFITS AS % OF...		Stockholders' equity Rank	
		\$mil.	\$mil. Rank	% Rank	% Rank				
<b>58 SPECIALTY RETAILERS: OTHER 21 COMPANIES</b>									
1	HOME DEPOT	23	94,595	7,957	1	8	3	184	1
2	LOWE'S	40	65,017	3,093	2	5	9	48	3
3	BEST BUY	72	39,403	1,228	5	3	16	26	9
4	DOLLAR GENERAL	128	21,987	1,251	3	6	7	23	11
5	DOLLAR TREE	136	20,719	896	7	4	10	17	13
6	STAPLES	140	20,217	[1,497]	21	[7]	21	[41]	18
7	OFFICE DEPOT	203	13,585	529	8	4	12	29	7
8	BED BATH & BEYOND	233	12,104	841	8	7	5	33	4
9	TOYS "R" US	244	11,540	[36]	20	[0]	20	-	-
10	AUTOZONE	270	10,636	1,241	4	12	2	-	-
11	MURPHY USA	291	9,633	221	17	2	18	32	5
12	ADVANCE AUTO PARTS	292	9,568	460	10	5	8	16	14
13	CST BRANDS	306	9,061	324	14	4	15	26	8
14	GAMESTOP	321	8,608	353	13	4	11	16	15
15	O'REILLY AUTOMOTIVE	323	8,593	1,038	6	12	1	64	2
16	DICK'S SPORTING GOODS	340	7,922	287	15	4	13	15	16
17	TRACTOR SUPPLY	396	6,780	437	11	6	6	30	6
18	CASEY'S GENERAL STORES	423	6,304	226	16	4	14	21	12
19	TRAVELCENTERS OF AMERICA	470	5,511	[2]	19	[0]	19	[0]	17
20	BIG LOTS	495	5,200	153	18	3	17	23	10
21	MICHAELS COS.	496	5,197	378	12	7	4	-	-
<b>TOTAL</b>			<b>392,180</b>	<b>19,379</b>					
<b>MEDIAN</b>			<b>9,633</b>	<b>437</b>		<b>4</b>		<b>25</b>	

59 TELECOMMUNICATIONS 10 COMPANIES									
1	AT&T	9	163,786	12,976	2	8	7	11	5
2	VERIZON COMMUNICATIONS	14	125,980	13,127	1	10	4	58	1
3	COMCAST	31	80,403	8,695	3	11	3	16	3
4	CHARTER COMMUNICATIONS	96	29,003	3,522	4	12	2	9	6
5	CENTURYLINK	160	17,470	626	8	4	8	5	8
6	DISH NETWORK	186	15,095	1,450	5	10	5	31	2
7	FRONTIER COMMUNICATIONS	313	8,896	[373]	9	[4]	9	[8]	9
8	LEVEL 3 COMMUNICATIONS	336	8,172	677	7	8	6	6	7
9	AMERICAN TOWER	449	5,786	956	6	17	1	14	4
10	WINDSTREAM HOLDINGS	485	5,387	[384]	10	[7]	10	[226]	10
<b>TOTAL</b>			<b>459,977</b>	<b>41,273</b>					
<b>MEDIAN</b>			<b>16,282</b>	<b>1,203</b>		<b>9</b>		<b>10</b>	

60 TEMPORARY HELP 3 COMPANIES									
1	MANPOWERGROUP	146	19,654	444	1	2	3	19	2
2	KELLY SERVICES	490	5,277	121	3	2	2	12	3
3	ROBERT HALF INTERNATIONAL	493	5,250	343	2	7	1	32	1
<b>TOTAL</b>			<b>30,181</b>	<b>908</b>					

61 TOBACCO 3 COMPANIES									
1	PHILIP MORRIS INTERNATIONAL	104	26,685	6,967	2	26	3	-	-
2	ALTRIA GROUP	148	19,337	14,239	1	74	1	112	1
3	REYNOLDS AMERICAN	223	12,503	6,073	3	49	2	28	2
<b>TOTAL</b>			<b>58,525</b>	<b>27,279</b>					



INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>62</b>	<b>TRANSPORTATION AND LOGISTICS 3 COMPANIES</b>								
1	XPO LOGISTICS	191	14,619	69	3	0	3	3	3
2	C.H. ROBINSON WORLDWIDE	212	13,144	513	1	4	2	41	1
3	EXPEDITORS INTL. OF WASH.	429	6,098	431	2	7	1	23	2
<b>TOTAL</b>			<b>33,862</b>	<b>1,013</b>					

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>63</b>	<b>TRUCKING, TRUCK LEASING 2 COMPANIES</b>								
1	RYDER SYSTEM	394	6,787	262	2	4	2	13	2
2	J.B. HUNT TRANSPORT SVCS.	407	6,555	432	1	7	1	31	1
<b>TOTAL</b>			<b>13,342</b>	<b>695</b>					

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>64</b>	<b>UTILITIES: GAS AND ELECTRIC 22 COMPANIES</b>								
1	EXELON	89	31,360	1,134	10	4	19	4	18
2	DUKE ENERGY	121	23,369	2,152	3	9	13	5	17
3	SOUTHERN	145	19,896	2,448	2	12	7	10	10
4	PG&E CORP.	157	17,866	1,393	6	8	16	8	15
5	AMERICAN ELECTRIC POWER	167	16,380	611	17	4	18	4	19
6	NEXTERA ENERGY	170	16,155	2,912	1	18	3	12	5
7	AES	194	14,287	[1,130]	21	[8]	21	[40]	21
8	FIRSTENERGY	196	14,156	[6,177]	22	[44]	22	[99]	22
9	CONSOLIDATED EDISON	234	12,075	1,245	9	10	10	9	14
10	EDISON INTERNATIONAL	235	11,869	1,311	8	11	8	11	6
11	DOMINION ENERGY	238	11,737	2,123	4	18	2	15	2
12	XCEL ENERGY	256	11,107	1,123	11	10	11	10	9
13	ENERGY	263	10,846	[584]	20	[5]	20	[7]	20
14	DTE ENERGY	272	10,630	868	15	8	15	10	11
15	SEMPRA ENERGY	280	10,183	1,370	7	13	4	11	7
16	PUBLIC SVC. ENTERPRISE GROUP	306	9,061	887	14	10	12	7	16
17	EVERSOURCE ENERGY	358	7,639	942	12	12	6	9	13
18	CENTERPOINT ENERGY	362	7,528	432	19	6	17	12	4
19	PPL	365	7,517	1,902	5	25	1	19	1
20	WEC ENERGY GROUP	368	7,472	939	13	13	5	11	8
21	CMS ENERGY	419	6,399	551	18	9	14	13	3
22	AMEREN	431	6,076	653	16	11	9	9	12
<b>TOTAL</b>			<b>283,408</b>	<b>17,106</b>					
<b>MEDIAN</b>			<b>11,422</b>	<b>1,033</b>	<b>10</b>			<b>8</b>	

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>65</b>	<b>WASTE MANAGEMENT 2 COMPANIES</b>								
1	WASTE MANAGEMENT	201	13,609	1,182	1	9	1	22	1
2	REPUBLIC SERVICES	299	9,388	613	2	7	2	8	2
<b>TOTAL</b>			<b>22,997</b>	<b>1,795</b>					

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>66</b>	<b>WHOLESALEERS: DIVERSIFIED 10 COMPANIES</b>								
1	GENUINE PARTS	180	15,340	687	1	4	4	22	2
2	W.W. GRAINGER	282	10,137	606	2	6	2	34	1
3	LKQ	304	9,082	464	3	5	3	13	5
4	VERITIV	331	8,327	21	8	0	8	4	8
5	GLOBAL PARTNERS	334	8,240	[199]	10	[2]	10	[51]	10
6	UNIVAR	338	8,074	[68]	9	[1]	9	[8]	9
7	HD SUPPLY HOLDINGS	364	7,524	196	5	3	5	20	3

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
8	WESCO INTERNATIONAL	373	7,336	102	6	1	7	5	7
9	GRAYBAR ELECTRIC	420	6,385	93	7	1	6	13	6
10	AIRGAS	489	5,314	338	4	6	1	17	4
<b>TOTAL</b>			<b>85,758</b>	<b>2,239</b>					
<b>MEDIAN</b>			<b>8,157</b>	<b>149</b>	<b>2</b>			<b>13</b>	

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>67</b>	<b>WHOLESALEERS: ELECTRONICS AND OFFICE EQUIPMENT 7 COMPANIES</b>								
1	TECH DATA	107	26,235	195	4	1	7	9	6
2	AVNET	108	26,219	507	2	2	2	11	4
3	ARROW ELECTRONICS	118	23,825	523	1	2	1	12	3
4	SYNNEX	198	14,062	235	3	2	3	12	1
5	ANIXTER INTERNATIONAL	359	7,625	121	5	2	4	9	5
6	INSIGHT ENTERPRISES	473	5,486	85	6	2	5	12	2
7	ESSENDANT	487	5,369	64	7	1	6	8	7
<b>TOTAL</b>			<b>108,820</b>	<b>1,728</b>					
<b>MEDIAN</b>			<b>14,062</b>	<b>195</b>	<b>2</b>			<b>11</b>	

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>68</b>	<b>WHOLESALEERS: FOOD AND GROCERY 6 COMPANIES</b>								
1	SYSCO	57	50,367	950	1	2	1	27	1
2	US FOODS HOLDING	124	22,919	210	2	1	3	8	5
3	PERFORMANCE FOOD GROUP	171	16,105	68	4	0	6	9	3
4	CORE-MARK HOLDING	247	11,507	54	6	0	5	10	2
5	UNITED NATURAL FOODS	325	8,470	126	3	1	2	8	4
6	SPARTANNAH	350	7,795	57	5	1	4	7	6
<b>TOTAL</b>			<b>117,103</b>	<b>1,465</b>					
<b>MEDIAN</b>			<b>13,806</b>	<b>97</b>	<b>1</b>			<b>8</b>	

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>69</b>	<b>WHOLESALEERS: HEALTH CARE 6 COMPANIES</b>								
1	MCKESSON	5	192,487	2,258	1	1	4	25	2
2	AMERISOURCEBERGEN	11	146,850	1,428	2	1	6	67	1
3	CARDINAL HEALTH	15	121,546	1,427	3	1	3	22	3
4	HENRY SCHEIN	243	11,572	507	4	4	1	18	4
5	OWENS & MINDR	288	9,723	109	6	1	5	11	6
6	PATTERSON	466	5,555	187	5	3	2	13	5
<b>TOTAL</b>			<b>487,733</b>	<b>5,916</b>					
<b>MEDIAN</b>			<b>66,559</b>	<b>967</b>	<b>1</b>			<b>20</b>	

INDUSTRY NO. RANK	500rank	REVENUES	PROFITS	PROFITS AS % OF...	Stock-				
		\$mil.	\$mil. Rank	Revenues % Rank	holders' equity % Rank				
<b>70</b>	<b>MISCELLANEOUS 6 COMPANIES</b>								
1	3M	94	30,109	5,050	1	17	1	49	1
2	WEYERHAEUSER	341	7,902	1,027	2	13	2	11	6
3	A-MARK PRECIOUS METALS	395	6,784	9	6	0	6	15	4
4	HARLEY-DAVIDSON	435	5,996	692	3	12	3	36	2
5	UNITED RENTALS	452	5,762	566	4	10	4	34	3
6	MATTEL	474	5,457	318	5	6	5	13	5
<b>TOTAL</b>			<b>62,010</b>	<b>7,662</b>					



## THE FIRST TIME'S A CHARM

SOFTWARE COMPANY ADOBE SYSTEMS, LIBERTY MEDIA, AND TESLA, THE ELECTRIC-CAR MAKER, ARE AMONG THE 20 COMPANIES MAKING THEIR DEBUT ON THE 500. BUT TESLA ACTUALLY LOST MONEY IN 2016, AS DID A NUMBER OF ENERGY COMPANIES.

## ARRIVALS AND DEPARTURES

## NEWCOMERS AND RETURNEES

		500 rank 2016	1,000 rank 2015	2016 REVENUES \$ millions
1	ACTIVISION BLIZZARD	406	532	6,608.0
2	ADBE SYSTEMS	443	524	5,854.4
3	ALBERTSONS COS.*	49	—	58,734.0
4	ALCOA	300	—	9,318.0
5	ALLEGHANY*	428	509	6,131.0
6	AMERICAN TOWER	449	526	5,785.7
7	AMTRUST FINANCIAL SERVICES	475	531	5,450.5
8	ASCENA RETAIL GROUP	384	523	6,995.4
9	BERRY GLOBAL GROUP	413	518	6,489.0
10	BUILDERS FIRSTSOURCE	421	637	6,367.3
11	CALATLANTIC GROUP*	415	640	6,476.7
12	CHEMOURS	482	—	5,400.0
13	DELL TECHNOLOGIES*	41	—	64,806.0
14	ROBERT HALF INTERNATIONAL*	493	503	5,250.4
15	HARRIS*	363	505	7,527.0
16	HEWLETT PACKARD ENTERPRISE	59	—	50,123.0
17	INTERCONTINENTAL EXCHANGE	437	529	5,958.0
18	KEYCORP*	479	540	5,422.0
19	LEIDOS HOLDINGS*	381	504	7,043.0
20	LIBERTY MEDIA	491	525	5,276.0
21	MICHAELS COS.	496	517	5,197.3
22	MGT BANK CORP.*	455	510	5,721.9
23	NVIDIA	387	508	6,910.0
24	OLIN*	467	761	5,550.6
25	PATTERSON	466	559	5,555.2
26	SYNCHRON FINANCIAL	185	—	15,122.0
27	TESLA	383	588	7,000.1
28	TOLL BROTHERS*	497	576	5,169.5
29	TREEHOUSE FOODS	427	686	6,175.1
30	VISTRA ENERGY	499	—	5,164.0
31	YAHOO*	498	513	5,169.1
32	YUM CHINA HOLDINGS	399	—	6,752.0

## DISPLACED FROM LIST

		1,000 rank 2016	500 rank 2015	2015 REVENUES \$ millions
1	ASHLAND GLOBAL HOLDINGS	516	472	5,387.0
2	BARNES & NOBLE	555	427	6,069.5
3	BAXALTA	—	420	6,149.0
4	BROADCOM	—	331	8,394.0
5	CABLEVISION SYSTEMS	—	399	6,509.7
6	CAMERON INTERNATIONAL	—	319	8,782.0
7	COCA-COLA ENTERPRISES	—	397	6,540.0
8	COMMERCIAL METALS	535	417	6,161.7
9	DOMTAR	505	489	5,264.0
10	EMC	—	113	24,704.0
11	ENERGY FUTURE HOLDINGS	—	475	5,370.0
12	ENVISION HEALTHCARE HOLDINGS	—	469	5,447.9
13	FMC TECHNOLOGIES	543	410	6,362.7
14	HEALTH NET	—	172	16,243.6
15	HESS	525	394	6,575.0
16	INGRAM MICRO	—	64	43,025.9
17	JARDEN	—	328	8,603.9
18	JOHNSON CONTROLS	—	70	40,204.0
19	KKR	656	347	7,786.1
20	LANSING TRADE GROUP	—	463	5,565.3
21	MARATHON OIL	536	438	5,861.0
22	NAVIENT	514	494	5,197.0
23	NISOURCE	545	483	5,307.5
24	PEABODY ENERGY	533	458	5,609.2
25	PRECISION CASTPARTS	—	282	10,056.0
26	SANDISK	—	464	5,564.9
27	SPECTRA ENERGY	519	493	5,234.0
28	STARWOOD HOTELS & RESORTS	—	444	5,763.0
29	TELEPHONE & DATA SYSTEMS	504	496	5,176.2
30	TIME WARNER CABLE	—	116	23,697.0
31	TRINITY INDUSTRIES	539	407	6,392.7
32	VISTEON	693	470	5,444.0

\*A RETURNEE TO THE FORTUNE 500 LIST.

## THE 48 BIGGEST MONEY LOSERS

Company	500 rank	LOSS \$ millions
FIRSTENERGY	196	6,177.0
HALLIBURTON	173	5,763.0*
CHESAPEAKE ENERGY	343	4,401.0*
FREEMONT-MCMORAN	175	4,154.0*
CONOCOPHILLIPS	115	3,615.0*
DEVON ENERGY	231	3,302.0*
ANADARKO PETROLEUM	344	3,071.0*
BAKER HUGHES	285	2,738.0*
NATIONAL OILWELLVARCO	375	2,412.0*
SEARS HOLDINGS	127	2,221.0*
COMMUNITY HEALTH SYSTEMS	130	1,721.0
DELL TECHNOLOGIES	41	1,672.0*
STAPLES	140	1,497.0
APACHE	488	1,405.0*
AES	194	1,130.0
ICAHN ENTERPRISES	168	1,128.0*

Company	500 rank	LOSS \$ millions
EOG RESOURCES	356	1,096.7*
ARCONIC	228	941.0*
AMERICAN INTERNATIONAL GROUP	55	849.0
NRG ENERGY	229	774.0*
CONAGRA BRANDS	197	677.0*
TESLA	383	674.9*
KINDRED HEALTHCARE	376	664.2*
NEWMONT MINING	328	627.0
ENTERGY	263	583.6*
OCCIDENTAL PETROLEUM	278	574.0*
ALBERTSONS COS.	49	502.2*
CHEVRON	19	497.0
R.R. DONNELLEY & SONS	388	495.9
HERTZ GLOBAL HOLDINGS	296	491.0
XEROX	162	477.0
UNITED STATES STEEL	279	440.0*

Company	500 rank	LOSS \$ millions
VOYA FINANCIAL	266	428.0
WILLIAMS	367	424.0*
ALCOA	300	400.0
WESTROCK	190	396.3
WINDSTREAM HOLDINGS	485	383.5
FRONTIER COMMUNICATIONS	313	373.0*
IHEARTMEDIA	426	296.3*
BENWORTH FINANCIAL	329	277.0*
MICRON TECHNOLOGY	226	276.0
HOLLYFRONTIER	274	260.5
TREEHOUSE FOODS	427	228.6
YAHOO	498	214.3*
GLOBAL PARTNERS	334	199.4
NGL ENERGY PARTNERS	237	198.9
HRG GROUP	418	198.8*
TENET HEALTHCARE	134	192.0*

\*ALSO LOST MONEY IN 2015.



## DEFINITIONS AND EXPLANATIONS

**METHODOLOGY** Companies are ranked by total revenues for their respective fiscal years. Included in the survey are companies that are incorporated in the U.S. and operate in the U.S. and file financial statements with a government agency. This includes private companies and cooperatives that file a 10-K or a comparable financial statement with a government agency, and mutual insurance companies that file with state regulators. It also includes companies that file with a government agency but are owned by private companies, domestic or foreign, that do not file such financial statements. Excluded are private companies not filing with a government agency; companies incorporated outside the U.S.; and U.S. companies consolidated by other companies, domestic or foreign, that file with a government agency. Also excluded are companies that failed to report full financial statements for at least three-quarters of the current fiscal year. Percent change calculations for revenue, net income, and earnings per share are based on data as originally reported. They are not restated for mergers, acquisitions, or accounting changes. The only changes to the prior years' data are for significant restatement due to reporting errors that require a company to file an amended 10-K.

**REVENUES** Revenues are as reported, including revenues from discontinued operations when published. If a spinoff is on the list, it has not been included in discontinued operations. Revenues for commercial banks include interest and noninterest revenues. Revenues for insurance companies include premium and annuity income, investment income, and capital gains or losses, but exclude deposits. Revenues figures for all companies include consolidated subsidiaries and exclude excise taxes. Data shown are for the fiscal year ended on or before Jan. 31, 2017. Unless otherwise noted, all figures are for the year ended Dec. 31, 2016.

**PROFITS** Profits are shown after taxes, extraordinary credits or charges, cumulative effects of accounting changes, and noncontrolling interests (including subsidiary preferred dividends), but before preferred dividends of the company. Figures in parentheses indicate a loss. Profit declines of more than 100% reflect swings from 2015 profits to 2016 losses. Profits for real estate investment trusts, partnerships, and cooperatives are reported but are not comparable with those of the other companies on the list because they are not taxed on a comparable basis. Profits for mutual insurance companies are based on statutory accounting.

**BALANCE SHEET** Assets are the company's year-end total. Total stockholders' equity is the sum of all capital stock, paid-in capital, and retained earnings at the company's year-end. Excluded is equity attributable to noncontrolling interests. Also excluded is redeemable preferred stock whose redemption is either mandatory or outside the company's control. Dividends paid on such stock have been subtracted from the profit figures used in calculating return on equity.

**EMPLOYEES** The figure shown is a fiscal year-end number as published by the company in its annual report. Where the breakdown between full- and part-time employees is supplied, a part-time employee is counted as one-half of a full-time employee.

**EARNINGS PER SHARE** The figure shown for each company is the diluted earnings-per-share figure that appears on the income statement. Per-share earnings are adjusted for stock splits and stock dividends. Though earnings-per-share numbers are not marked by footnotes, if a company's profits are footnoted it can be assumed that earnings per share is affected as well. The five-year and 10-year earnings-growth rates are the annual rates, compounded.

**TOTAL RETURN TO INVESTORS** Total return to investors includes both price appreciation and dividend yield to an investor in the company's stock. The figures shown assume sales at

the end of 2016 of stock owned at the end of 2006, 2011, and 2015. It has been assumed that any proceeds from cash dividends and stock received in spinoffs were reinvested when they were paid. Returns are adjusted for stock splits, stock dividends, recapitalizations, and corporate reorganizations as they occurred; however, no effort has been made to reflect the cost of brokerage commissions or of taxes. Total-return percentages shown are the returns received by the hypothetical investor described above. The five-year and 10-year returns are the annual rates, compounded.

**MEDIANS** No attempt has been made to calculate median figures in the tables for groups of fewer than four companies. The medians for profit changes from 2015 to 2016 do not include companies that lost money in 2015 or lost money in both 2015 and 2016, because no meaningful percentage changes can be calculated in such cases.

**CREDITS** This Fortune 500 Directory was prepared under the direction of list editor Scott DeCarlo. Income statement and balance sheet data provided by the companies were reviewed and verified against published earnings releases, 10-K filings, and annual reports by reporter Douglas G. Elam and accounting specialists Rhona Altschuler and Cappy Lyons. Markets editor Kathleen Smyth used those same sources to check the data for earnings per share. In addition, we used data provided by Thomson Reuters and S&P Global Market Intelligence to calculate total return and market capitalization. Database administrator Santhosh Varghese provided technical support. The data verification process was aided substantially by information provided by S&P Global Market Intelligence. Other sources used were Hoover's and Lexis Securities Mosaic.

## FOOTNOTES

\* Includes revenues from discontinued operations.

<sup>1</sup> A cooperative.

<sup>2</sup> Excise taxes have been deducted.

<sup>3</sup> A limited liability company.

<sup>4</sup> A partnership.

<sup>5</sup> A real estate investment trust.

<sup>6</sup> Figures are for fiscal year ended Jan. 31, 2017.

<sup>7</sup> Figures are for fiscal year ended Sept. 30, 2016.

<sup>8</sup> Figures are for fiscal year ended March 31, 2016.

<sup>9</sup> Figures are for fiscal year ended June 30, 2016.

<sup>10</sup> Figures are for fiscal year ended Aug. 31, 2016.

<sup>11</sup> Company's senior preferred stock is owned by the U.S. Treasury, which also holds a warrant to purchase 79.9% of the common stock.

<sup>12</sup> Acquired LinkedIn [2015 rank: 733], Dec. 8, 2016.

<sup>13</sup> Acquired EMC [2015 rank: 113], Sept. 7, 2016. Changed name from Denali Holding, Aug. 25, 2016.

<sup>14</sup> Figures are for fiscal year ended Feb. 29, 2016.

<sup>15</sup> Figures are for fiscal year ended May 31, 2016.

<sup>16</sup> Figures are for fiscal year ended Oct. 31, 2016.

<sup>17</sup> Spun off from HP [2016 rank: 61], Nov. 1, 2015.

<sup>18</sup> Figures are for fiscal year ended July 31, 2016.

<sup>19</sup> Spun off Hewlett Packard Enterprise [2016 rank: 59], Nov. 1, 2015.

<sup>20</sup> A mutual company, not a stock company. It is grouped with stock companies because it reports according to Generally Accepted Accounting Principles.

<sup>21</sup> Not a mutual company, but reports financial data according to statutory accounting.

<sup>22</sup> Acquired Time Warner Cable [2015 rank: 116], May 18, 2016.

<sup>23</sup> Spun off Chemours [2016 rank: 482], July 1, 2015.

<sup>24</sup> Went public, May 26, 2016.

<sup>25</sup> Acquired St. Jude Medical [2016 rank: 434], Jan. 4, 2017.

<sup>26</sup> Acquired Starwood Hotels & Resorts [2015 rank: 444], Sept. 23, 2016.

<sup>27</sup> Changed name from DaVita HealthCare Partners, Sept. 1, 2016.

<sup>28</sup> Company reports sale of physical commodities on a gross basis.

<sup>29</sup> Changed name from Conagra Foods, Nov. 10, 2016.

<sup>30</sup> Figures are for fiscal year ended Nov. 30, 2016.

<sup>31</sup> Acquired SanDisk [2015 rank: 464], May 12, 2016.

<sup>32</sup> Changed name from Alcoa Inc. after spinning off Alcoa Corp. [2016 rank: 300], Nov. 1, 2016.

<sup>33</sup> Market value of Liberty Interactive QVC Group stock.

<sup>34</sup> Changed name from L-3 Communications Holdings, Dec. 31, 2016.

<sup>35</sup> Incorporated in the U.S. and headquartered in Stockholm. Its North American headquarters are in Auburn Hills, Mich.

<sup>36</sup> In a reverse spinoff, "new" Hertz Global was spun off from "old" Hertz Global Holdings, June 30, 2016. "New" Hertz Global is considered the spinor and reflects both the financial and stock history of its former parent.

<sup>37</sup> Spun off from Arconic [2016 rank: 228], Nov. 1, 2016.

<sup>38</sup> Figures are for fiscal year ended April 30, 2016.

<sup>39</sup> Reverse merger with Everett SpinCo Inc. to form DXC Technology, April 3, 2017. Everett was the legal acquirer and Computer Sciences was the accounting acquirer. Spun off CSRA [2016 rank: 570], Nov. 27, 2015.

<sup>40</sup> Consists of a nonpublic reciprocal insurer and a publicly held management company.

<sup>41</sup> Changed name from Tesla Motors, Feb. 1, 2017.

<sup>42</sup> Acquired by Samsung Electronics [South Korea], March 10, 2017.

<sup>43</sup> Spun off LSC Communications [2016 rank: 625], Oct. 1, 2016.

<sup>44</sup> Acquired IMS Health Holdings [2015 rank: 746], Oct. 3, 2016.

<sup>45</sup> Spun off from Yum Brands [2016 rank: 422], Oct. 31, 2016. Incorporated in the U.S. and headquartered in Shanghai. Its U.S. office is in Plano, Texas.

<sup>46</sup> Net income before allocations to partners. Total partnership capital subject to mandatory redemption.

<sup>47</sup> Spun off Yum China Holdings [2016 rank: 399], Oct. 31, 2016.

<sup>48</sup> Acquired by Abbott Laboratories [2016 rank: 135], Jan. 4, 2017.

<sup>49</sup> Incorporated in the U.S. and headquartered in Britain. Its U.S. executive office is in Rye, N.Y.

<sup>50</sup> Spun off from DuPont [2016 rank: 113], July 1, 2015.

<sup>51</sup> Acquired by Air Liquide [France], May 23, 2016.

<sup>52</sup> Market value of Liberty SiriusXM stock.

<sup>53</sup> Acquired B/E Aerospace [2016 rank: 741], April 13, 2017.

<sup>54</sup> Spun off from Energy Future Holdings [2015 rank: 475], Oct. 3, 2016. Net income and earnings per share are not included because company emerged from bankruptcy and implemented fresh-start accounting. Changed name from TCEH Corp., Nov. 4, 2016.

<sup>55</sup> Changed name from Berry Plastics Group, April 13, 2017.

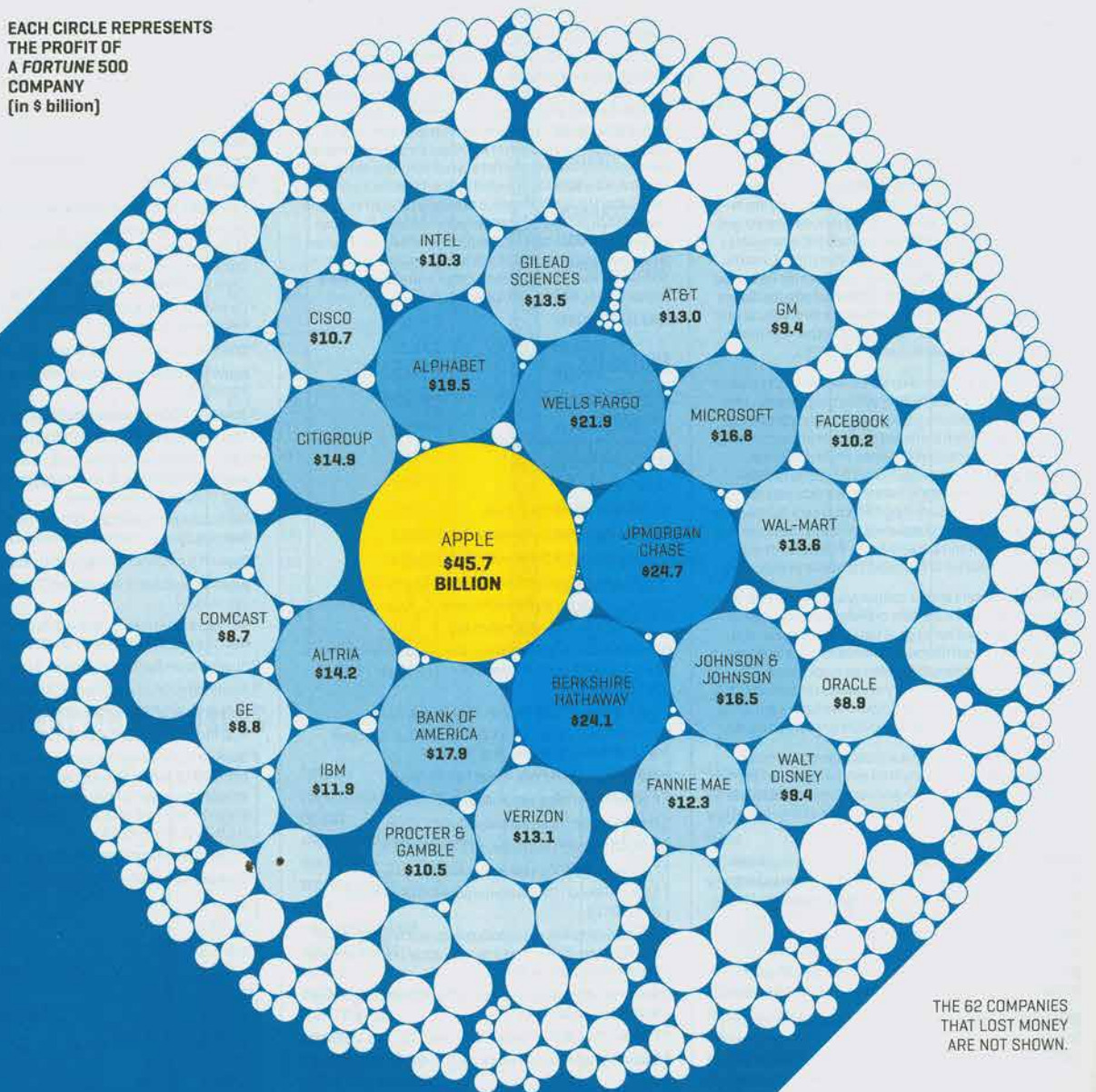
<sup>56</sup> Changed name from Dominion Resources, May 10, 2017.



# HOW THE COMPANIES STACK UP

Ranking in the *Fortune* 500 is determined by annual revenues. But here we break down the list in a variety of categories. As the graphic below shows, Apple was easily the most profitable company in 2016.

EACH CIRCLE REPRESENTS THE PROFIT OF A FORTUNE 500 COMPANY (in \$ billion)



THE 62 COMPANIES THAT LOST MONEY ARE NOT SHOWN.

GRAPHIC BY NICOLAS RAPP



HEALTHY RETURNS

RISING ENROLLMENT IN MEDICAID SINCE THE PASSAGE OF OBAMACARE IN 2010 HAS BOOSTED SALES GROWTH AT CENTENE, A HUGE MANAGER OF MEDICAID PLANS.

FASTEST-GROWING COMPANIES

GROWTH IN PROFITS  
1 YEAR

Rank	500 revenues rank	2016 % growth in EPS	
1	COMPUTER SCIENCES	379	17,700.0
2	OFFICE DEPOT	203	9,500.0
3	BAXTER INTERNATIONAL	281	411.9
4	EBAY	310	347.2
5	ASSURANT	361	345.4
6	DANA	447	340.4
7	GOODYEAR TIRE	184	323.2
8	AMAZON.COM	12	292.0
9	HUNTSMAN	289	257.9
10	DAVITA	181	243.2
11	CORNING	298	223.0
12	CELANESE	484	209.0
13	DOLLAR TREE	136	200.0
14	SYMANTEC	465	194.4
15	BRISTOL-MYERS SQUIBB	147	184.9
16	PPL	365	176.2
17	ALTRIA GROUP	148	172.7
18	FACEBOOK	98	170.5
19	BERRY GLOBAL GROUP	413	170.0
20	LOEWS	213	168.1
	THE 500 MEDIAN		4.1

5 YEARS

Rank	500 revenues rank	2011-16 % annual growth in EPS	
1	BANK OF AMERICA CORP.	26	172.4
2	SOUTHWEST AIRLINES	138	72.9
3	D.R. HORTON	232	59.3
4	TOLL BROTHERS	497	55.5
5	LENNAR	260	52.3
6	JETBLUE AIRWAYS	403	51.3
7	DELTA AIR LINES	71	41.8
8	GILEAD SCIENCES	92	41.1
9	LINCOLN NATIONAL	207	40.5
10	NCR	409	39.0
11	UNUM GROUP	258	38.3
12	MOHAWK INDUSTRIES	311	37.7
13	SYMANTEC	465	37.3
14	MARRIOTT INTERNATIONAL	163	36.9
15	UNITED RENTALS	452	36.1
16	NVR	446	35.1
17	TEXTRON	200	34.9
18	ALTRIA GROUP	148	34.7
19	OFFICE DEPOT	203	34.3
20	DANA	447	33.7
	THE 500 MEDIAN		7.2

10 YEARS

Rank	500 revenues rank	2006-16 % annual growth in EPS	
1	SALESFORCE.COM	326	74.4
2	MASTERCARD	267	58.4
3	AMERICAN TOWER	449	41.9
4	CELGENE	254	39.4
5	BIDGEN	248	39.0
6	SPIRIT AEROSYSTEMS HOLDINGS	393	38.7
7	APPLE	3	38.3
8	PRICELINE GROUP	268	38.2
9	SYMANTEC	465	37.8
10	ACTIVISION BLIZZARD	406	33.7
11	AMAZON.COM	12	27.0
12	QUANTA SERVICES	355	23.7
13	EBAY	310	23.2
14	LKQ	304	22.3
15	INTL FCSTONE	189	21.6
16	D'REILLY AUTOMOTIVE	323	21.3
17	ROSS STORES	219	20.9
18	COGNIZANT TECHNOLOGY	205	20.7
19	EXPRESS SCRIPTS HOLDING	22	20.5
20	TENNECO	322	19.9
	THE 500 MEDIAN		5.1

GROWTH IN REVENUES  
1 YEAR

Rank	500 revenues rank	2016 % growth in revenues	
1	CHARTER COMMUNICATIONS	96	197.3
2	NEWELL BRANDS	208	122.1
3	ALBERTSONS COS.	49	115.9
4	DLIN	467	94.5
5	TREEHOUSE FOODS	427	92.6
6	XPO LOGISTICS	191	91.8
7	CALATLANTIC GROUP	415	83.0
8	CENTENE	66	78.6
9	BUILDERS FIRSTSOURCE	421	78.6
10	TESLA	383	73.0
11	FRONTIER COMMUNICATIONS	313	59.5
12	FACEBOOK	98	54.2
13	HARRIS	363	48.1
14	ASCENA RETAIL GROUP	364	45.6
15	KRAFT HEINZ	106	44.4
16	ACTIVISION BLIZZARD	406	41.7
17	FIDELITY NATL. INFO. SVCS.	301	40.1
18	LEIDOS HOLDINGS	381	38.5
19	NVIDIA	387	37.9
20	J.M. SMUCKER	346	37.2
	THE 500 MEDIAN		1.9

5 YEARS

Rank	500 revenues rank	2011-16 % annual growth in revenues	
1	CENTENE	66	50.1
2	FACEBOOK	98	49.4
3	CALATLANTIC GROUP	415	48.6
4	LEUCADIA NATIONAL	262	47.2
5	ALLEGHANY	428	44.2
6	ENERGY TRANSFER EQUITY	79	35.4
7	CHARTER COMMUNICATIONS	96	32.1
8	AMTRUST FINANCIAL SERVICES	475	32.1
9	MOLINA HEALTHCARE	156	30.1
10	SALESFORCE.COM	326	29.9
11	GILEAD SCIENCES	92	29.4
12	LENNAR	260	28.8
13	TOLL BROTHERS	497	28.5
14	D.R. HORTON	232	27.3
15	LITHIA MOTORS	318	25.7
16	DOLLAR TREE	136	25.6
17	SPARTANNAH	350	25.0
18	TREEHOUSE FOODS	427	24.7
19	DLIN	467	23.1
20	AMAZON.COM	12	23.1
	THE 500 MEDIAN		2.6

10 YEARS

Rank	500 revenues rank	2006-16 % annual growth in revenues	
1	INTL FCSTONE	189	64.3
2	CENTENE	66	33.4
3	AMAZON.COM	12	28.9
4	APPLE	3	27.3
5	ICAHN ENTERPRISES	168	27.2
6	GILEAD SCIENCES	92	26.0
7	LEUCADIA NATIONAL	262	25.8
8	COGNIZANT TECHNOLOGY	205	25.2
9	MOLINA HEALTHCARE	156	24.4
10	ALPHABET	27	23.9
11	CENTURYLINK	160	21.7
12	WESTROCK	190	21.3
13	EXPRESS SCRIPTS HOLDING	22	19.0
14	BLACKROCK	255	18.2
15	DOLLAR TREE	136	18.0
16	CHARTER COMMUNICATIONS	96	17.9
17	LAS VEGAS SANDS	249	17.7
18	AECOM	161	17.7
19	ALLEGHANY	428	17.6
20	COMMUNITY HEALTH SYSTEMS	130	17.2
	THE 500 MEDIAN		3.3



**MONEY IN THE BANKS**

THE NATION'S LEADING FINANCIAL INSTITUTIONS CLEANED UP IN 2016. FOUR OF THE 10 MOST PROFITABLE COMPANIES WERE BIG BANKS, LED BY JPMORGAN CHASE.

## MOST PROFITABLE COMPANIES

PROFITS		
Rank	500 revenues rank	2016 \$ millions
1	APPLE	3 45,687.0
2	JPMORGAN CHASE & CO.	21 24,733.0
3	BERKSHIRE HATHAWAY	2 24,074.0
4	WELLS FARGO	25 21,938.0
5	ALPHABET	27 19,478.0
6	BANK OF AMERICA CORP.	26 17,906.0
7	MICROSOFT	28 16,798.0
8	JOHNSON & JOHNSON	35 16,540.0
9	CITIGROUP	30 14,912.0
10	ALTRIA GROUP	148 14,239.0
11	WAL-MART STORES	1 13,843.0
12	GILEAD SCIENCES	92 13,501.0
13	VERIZON COMMUNICATIONS	14 13,127.0
14	AT&T	9 12,976.0
15	FANNIE MAE	20 12,313.0
16	INTERNATIONAL BUSINESS MACHINES	32 11,872.0
17	CISCO SYSTEMS	60 10,739.0
18	PROCTER & GAMBLE	36 10,508.0
19	INTEL	47 10,316.0
20	FACEBOOK	98 10,217.0
THE 500 MEDIAN		687.2

RETURN ON REVENUES		
Rank	500 revenues rank	2016 profits as % of revenues
1	EBAY	310 80.9
2	ALTRIA GROUP	148 73.6
3	BAXTER INTERNATIONAL	281 48.9
4	REYNOLDS AMERICAN	223 48.6
5	SYMANTEC	465 44.7
6	GILEAD SCIENCES	92 44.4
7	VISA	187 39.7
8	CORNING	298 39.4
9	MASTERCARD	267 37.7
10	S&P GLOBAL	459 37.2
11	FACEBOOK	98 37.0
12	SIMON PROPERTY GROUP	477 33.8
13	AMGEN	123 33.6
14	BIOGEN	248 32.3
15	BLACKROCK	255 28.4
16	TEXAS INSTRUMENTS	206 26.9
17	PHILIP MORRIS INTERNATIONAL	104 26.1
18	FRANKLIN RESOURCES	405 26.1
19	U.S. BANCORP	125 25.9
20	YUM BRANDS	422 25.4
THE 500 MEDIAN		5.8

RETURN ON SHAREHOLDERS' EQUITY		
Rank	500 revenues rank	2016 profits as % of equity
1	UNITED PARCEL SERVICE	46 847.2
2	BOEING	24 599.1
3	LOCKHEED MARTIN	56 350.9
4	S&P GLOBAL	459 324.0
5	CLORDX	453 218.2
6	FANNIE MAE	20 202.8
7	ONEOK	312 186.5
8	HOME DEPOT	23 183.6
9	FREDDIE MAC	39 154.0
10	CROWN HOLDINGS	333 135.5
11	ABBVIE	111 128.4
12	ALTRIA GROUP	148 111.5
13	BERRY GLOBAL GROUP	413 108.3
14	HERSHEY	369 91.6
15	WYNDHAM WORLDWIDE	461 85.6
16	OWENS-ILLINOIS	401 82.3
17	SEALED AIR	397 79.8
18	AVIS BUDGET GROUP	319 73.8
19	BOOZ ALLEN HAMILTON	481 72.0
20	MASTERCARD	267 71.8
THE 500 MEDIAN		12.9

## MOST BANG FOR THE BUCK

REVENUES PER DOLLAR OF ASSETS		
Rank	500 revenues rank	2016 \$
1	A-MARK PRECIOUS METALS	395 15.5
2	CORE-MARK HOLDING	247 7.7
3	WORLD FUEL SERVICES	103 5.0
4	PERFORMANCE FOOD GROUP	171 4.7
5	MURPHY USA	291 4.6
6	AMERISOURCEBERGEN	11 4.4
7	SUPERVALU	158 4.0
8	SPARTANASH	350 4.0
9	COSTCO WHOLESALE	16 3.6
10	OWENS & MINOR	288 3.6
11	C.H. ROBINSON WORLDWIDE	212 3.6
12	CARDINAL HEALTH	15 3.6
13	MCKESSON	5 3.4
14	VERITIV	331 3.4
15	TRAVELCENTERS OF AMERICA	470 3.3
16	TECH DATA	107 3.3
17	BIG LOTS	495 3.2
18	GLOBAL PARTNERS	334 3.2
19	KROGER	18 3.2
20	GRAYBAR ELECTRIC	420 3.0
THE 500 MEDIAN		0.7

REVENUES PER DOLLAR OF EQUITY		
Rank	500 revenues rank	2016 \$
1	UNITED PARCEL SERVICE	46 150.4
2	BOEING	24 115.8
3	A-MARK PRECIOUS METALS	395 107.2
4	AMERISOURCEBERGEN	11 69.0
5	CHEMOURS	482 54.0
6	RITEAID	91 52.9
7	TENET HEALTHCARE	134 50.5
8	ONEOK	312 47.3
9	AVIS BUDGET GROUP	319 39.2
10	ALBERTSONS COS.	49 36.4
11	INTL FCSTONE	189 34.0
12	LOCKHEED MARTIN	56 33.5
13	WINDSTREAM HOLDINGS	485 31.7
14	BERRY GLOBAL GROUP	413 29.8
15	OWENS-ILLINOIS	401 26.4
16	ASBURY AUTOMOTIVE GROUP	410 23.3
17	CROWN HOLDINGS	333 22.6
18	HOME DEPOT	23 21.8
19	CORE-MARK HOLDING	247 21.7
20	MCKESSON	5 21.6
THE 500 MEDIAN		2.4

REVENUES PER EMPLOYEE		
Rank	500 revenues rank	2016 \$ millions
1	A-MARK PRECIOUS METALS	395 81.7
2	HOST HOTELS & RESORTS	472 25.0
3	FANNIE MAE	20 15.3
4	FREDDIE MAC	39 11.0
5	INTL FCSTONE	189 10.1
6	AMERISOURCEBERGEN	11 7.9
7	VALERO ENERGY	37 7.0
8	WORLD FUEL SERVICES	103 5.4
9	NORTHWESTERN MUTUAL	97 5.1
10	PBF ENERGY	172 5.0
11	PHILLIPS 66	34 4.9
12	REINSURANCE GROUP	246 4.9
13	GLOBAL PARTNERS	334 4.7
14	DELEK US HOLDINGS	480 4.1
15	PLAINS GP HOLDINGS	141 4.0
16	HOLLYFRONTIER	274 3.9
17	EXPRESS SCRIPTS HOLDING	22 3.9
18	TESORO	117 3.8
19	ONEOK	312 3.7
20	NGL ENERGY PARTNERS	237 3.7
THE 500 MEDIAN		0.5



GOING DIGITAL FOR DOLLARS

TECH GIANTS LIKE ALPHABET AND MICROSOFT WERE VALUED THE MOST BY INVESTORS. AND WEB-BASED TRAVEL COMPANY PRICELINE LED IN 10-YEAR MARKET PERFORMANCE.

BIGGEST COMPANIES

BY MARKET VALUE			BY EQUITY			BY EMPLOYEES					
Rank	500 revenues rank	3/31/17 \$ millions	Rank	500 revenues rank	2016 \$ millions	Rank	500 revenues rank	2016 number of employees			
1	APPLE	3	753,717.9	1	BERKSHIRE HATHAWAY	2	283,001.0	1	WAL-MART STORES	1	2,300,000
2	ALPHABET	27	579,426.1	2	BANK OF AMERICA CORP.	26	266,840.0	2	KROGER	18	443,000
3	MICROSOFT	28	508,935.1	3	JPMORGAN CHASE & CO.	21	254,190.0	3	YUM CHINA HOLDINGS	399	420,000
4	AMAZON.COM	12	423,030.8	4	CITIGROUP	30	225,120.0	4	INTERNATIONAL BUSINESS MACHINES	32	414,400
5	BERKSHIRE HATHAWAY	2	411,034.5	5	WELLS FARGO	25	199,581.0	5	HOME DEPOT	23	406,000
6	FACEBOOK	98	410,521.8	6	EXXON MOBIL	4	167,325.0	6	MCDONALD'S	112	375,000
7	EXXON MOBIL	4	340,055.6	7	CHEVRON	19	145,556.0	7	BERKSHIRE HATHAWAY	2	367,700
8	JOHNSON & JOHNSON	35	337,641.6	8	ALPHABET	27	139,036.0	8	AMAZON.COM	12	341,400
9	JPMORGAN CHASE & CO.	21	313,761.2	9	APPLE	3	128,249.0	9	FEDEX	58	335,767
10	WELLS FARGO	25	278,515.5	10	AT&T	9	123,135.0	10	UNITED PARCEL SERVICE	46	335,520
11	GENERAL ELECTRIC	13	259,519.7	11	STATE FARM INSURANCE COS.	33	87,591.7	11	TARGET	38	323,000
12	AT&T	9	255,678.6	12	GOLDMAN SACHS GROUP	78	86,893.0	12	WALGREENS BOOTS ALLIANCE	17	300,000
13	BANK OF AMERICA CORP.	26	236,181.7	13	WAL-MART STORES	1	77,798.0	13	GENERAL ELECTRIC	13	295,000
14	PROCTER & GAMBLE	36	229,699.5	14	AMERICAN INTERNATIONAL GROUP	55	76,300.0	14	ALBERTSONS COS.	49	274,000
15	WAL-MART STORES	1	218,619.3	15	MORGAN STANLEY	76	76,050.0	15	WELLS FARGO	25	269,100
16	VISA	187	206,242.4	16	GENERAL ELECTRIC	13	75,828.0	16	AT&T	9	268,540
17	PFIZER	54	203,724.9	17	MICROSOFT	28	71,997.0	17	PEPSICO	44	264,000
18	CHEVRON	19	203,262.5	18	JOHNSON & JOHNSON	35	70,418.0	18	COGNIZANT TECHNOLOGY	205	260,200
19	VERIZON COMMUNICATIONS	14	198,900.0	19	METLIFE	42	67,309.0	19	STARBUCKS	131	254,000
20	ORACLE	81	183,556.1	20	INTEL	47	66,226.0	20	JPMORGAN CHASE & CO.	21	243,355
	THE 500 MEDIAN		17,696.1		THE 500 MEDIAN		4,981.0		THE 500 MEDIAN		25,000

BEST INVESTMENTS

TOTAL RETURN TO SHAREHOLDERS 1 YEAR			5 YEARS			10 YEARS					
Rank	500 revenues rank	2016 %	Rank	500 revenues rank	2011-16 annual rate %	Rank	500 revenues rank	2006-16 annual rate %			
1	AK STEEL HOLDING	441	355.8	1	FANNIE MAE	20	80.9	1	PRICELINE GROUP	268	42.1
2	UNITED STATES STEEL	279	318.1	2	FREDDIE MAC	39	77.5	2	NETFLIX	314	42.1
3	CHEMOURS	482	316.7	3	NETFLIX	314	65.7	3	AMAZON.COM	12	34.2
4	NAVISTAR INTERNATIONAL	337	254.9	4	NVIDIA	387	52.6	4	MASTERCARD	267	27.0
5	NVIDIA	387	226.8	5	CONSTELLATION BRANDS	408	49.8	5	APPLE	3	26.5
6	ONEOK	312	149.9	6	TESLA	383	48.6	6	ROSS STORES	219	25.9
7	FANNIE MAE	20	137.8	7	RITE AID	91	45.6	7	ALASKA AIR GROUP	438	25.1
8	TARGA RESOURCES	402	131.3	8	DELTA AIR LINES	71	44.6	8	AMTRUST FINANCIAL SERVICES	475	24.8
9	FREDDIE MAC	39	130.9	9	HUNTINGTON INGALLS INDUSTRIES	380	43.9	9	O'REILLY AUTOMOTIVE	323	24.1
10	NGL ENERGY PARTNERS	297	121.4	10	SOUTHWEST AIRLINES	138	43.2	10	XPO LOGISTICS	191	23.9
11	STEEL DYNAMICS	347	104.2	11	COMPUTER SCIENCES	379	41.6	11	DOLLAR TREE	136	22.6
12	BURLINGTON STORES	463	97.6	12	BUILDERS FIRSTSOURCE	421	40.0	12	SALESFORCE.COM	326	22.3
13	FREEMONT-MCMORAN	175	94.8	13	ALASKA AIR GROUP	438	37.6	13	TRACTOR SUPPLY	396	21.8
14	NEWMONT MINING	328	90.1	14	LITHIA MOTORS	318	36.0	14	AUTOZONE	270	21.2
15	SPARTANNASH	350	86.2	15	CORE-MARK HOLDING	247	35.7	15	EXPEDIA	317	19.7
16	COMPUTER SCIENCES	379	84.5	16	CHARTER COMMUNICATIONS	96	35.5	16	TJX	87	19.6
17	SANMINA	414	78.1	17	NORTHROP GRUMMAN	114	34.9	17	ALTRIA GROUP	148	19.5
18	APPLIED MATERIALS	265	75.5	18	AMAZON.COM	12	34.1	18	REYNOLDS AMERICAN	223	19.3
19	WELLCARE HEALTH PLANS	195	75.3	19	JETBLUE AIRWAYS	403	33.9	19	BIODEN	248	19.1
20	HUNTSMAN	289	73.4	20	WHIRLPOOL	137	33.6	20	SYNNEX	198	18.8
	THE 500 MEDIAN		15.1		THE 500 MEDIAN		16.3		THE 500 MEDIAN		8.0



Company (Rank)	Industry number	Company (Rank)	Industry number	Company (Rank)	Industry number
ABBOTT LABORATORIES [135]	41	BAKER HUGHES [285]	46	COSTCO WHOLESALE [16]	25
ABBVIE [111]	49	BALL [306]	47	CROWN HOLDINGS [333]	47
ABM INDUSTRIES [500]	15	BANK OF AMERICA CORP. [26]	9	CST BRANDS [306]	58
ACTIVISION BLIZZARD [406]	11	BANK OF NEW YORK MELLON CORP. [177]	9	CSX [257]	52
ADOBE SYSTEMS [443]	11	BAXTER INTERNATIONAL [281]	41	CUMMINS [159]	33
ADVANCE AUTO PARTS [292]	58	BBGT CORP. [245]	9	CVS HEALTH [7]	28
AECOM [161]	18	BECTON DICKINSON [225]	41	DANA [447]	44
AES [194]	64	BED BATH & BEYOND [233]	58	DANAHER [144]	54
AETNA [43]	26	BERKLEY (W.R.) [354]	38	DARDEN RESTAURANTS [385]	24
AFLAC [126]	36	BERKSHIRE HATHAWAY [2]	38	DAVITA [181]	27
AGCO [370]	13	BERRY GLOBAL GROUP [413]	47	DEAN FOODS [351]	22
AIRGAS [489]	66	BEST BUY [72]	58	DEERE [105]	13
AIR PRODUCTS & CHEMICALS [294]	8	BIG LOTS [495]	58	DELEK US HOLDINGS [480]	48
AK STEEL HOLDING [441]	42	BIDGEN [248]	49	DELL TECHNOLOGIES [41]	12
ALASKA AIR GROUP [438]	3	BLACKROCK [255]	55	DELTA AIR LINES [71]	3
ALBERTSONS COS. [49]	21	BOEING [24]	2	DEVON ENERGY [231]	43
ALCOA [300]	42	BOZALLEN HAMILTON [481]	34	DICK'S SPORTING GOODS [340]	58
ALLEGHANY [428]	38	BORGWARNER [305]	44	DILLARD'S [417]	25
ALLIANCE DATA SYSTEMS [378]	20	BOSTON SCIENTIFIC [327]	41	DISCOVER FINANCIAL SERVICES [277]	9
ALLSTATE [84]	38	BRISTOL-MYERS SQUIBB [147]	49	DISCOVERY COMMUNICATIONS [412]	19
ALLY FINANCIAL [286]	14	BUILDERS FIRSTSOURCE [421]	7	DISH NETWORK [186]	59
ALPHABET [27]	39	BURLINGTON STORES [463]	57	DISNEY (WALT) [52]	19
ALTRIA GROUP [148]	61	CALATLANTIC GROUP [415]	30	DOLLAR GENERAL [128]	58
A-MARK PRECIOUS METALS [395]	70	CALPINE [400]	17	DOLLAR TREE [136]	58
AMAZON.COM [12]	39	CAMPBELL SOUP [339]	22	DOMINION ENERGY [238]	64
AMEREN [431]	64	CAPITAL ONE FINANCIAL [100]	9	DONNELLY (R.R.) & SONS [388]	51
AMERICAN AIRLINES GROUP [67]	3	CARDINAL HEALTH [15]	69	DOVER [392]	33
AMERICAN ELECTRIC POWER [167]	64	CARMAX [174]	5	DOW CHEMICAL [62]	8
AMERICAN EXPRESS [86]	14	CASEY'S GENERAL STORES [423]	58	DR PEPPER SNAPPLE GROUP [416]	6
AMERICAN FAMILY INS. GROUP [315]	38	CATERPILLAR [74]	13	DTE ENERGY [272]	64
AMERICAN FINANCIAL GROUP [411]	38	CBRE GROUP [214]	53	DUKE ENERGY [121]	64
AMERICAN INTERNATIONAL GROUP [55]	38	CBS [193]	19	DUPONT [113]	8
AMERICAN TOWER [449]	59	CDW [199]	34	EASTMAN CHEMICAL [309]	8
AMERIPRISE FINANCIAL [239]	14	CELANESE [484]	8	EBAY [310]	39
AMERISOURCEBERGEN [11]	69	CELGENE [254]	49	ECOLAB [211]	8
AMGEN [123]	49	CENTENE [66]	26	EDISON INTERNATIONAL [235]	64
AMPHENOL [424]	45	CENTERPOINT ENERGY [362]	64	EMCOR GROUP [360]	18
AMTRUST FINANCIAL SERVICES [475]	38	CENTURYLINK [160]	59	EMERSON ELECTRIC [139]	16
ANADARKO PETROLEUM [344]	43	CHARTER COMMUNICATIONS [96]	59	ENERGY TRANSFER EQUITY [79]	50
ANIXTER INTERNATIONAL [359]	67	CHEMOURS [482]	8	ENTERGY [263]	64
ANTHEM [29]	26	CHESAPEAKE ENERGY [343]	43	ENTERPRISE PRODUCTS [122]	50
APACHE [488]	43	CHEVRON [19]	48	EOG RESOURCES [356]	43
APPLE [3]	12	CHS [93]	23	ERIE INSURANCE GROUP [382]	37
APPLIED MATERIALS [265]	56	CH2M HILL [494]	18	ESSENDANT [487]	67
ARAMARK [192]	15	CIGNA [70]	26	EVERSOURCE ENERGY [358]	64
ARCHER DANIELS MIDLAND [45]	23	CINCINNATI FINANCIAL [476]	38	EXELON [89]	64
ARCONIC [228]	2	CISCO SYSTEMS [60]	45	EXPEDIA [317]	39
ARROW ELECTRONICS [118]	67	CITIGROUP [30]	9	EXPEDITORS INTL. OF WASHINGTON [429]	62
ASBURY AUTOMOTIVE GROUP [410]	5	CITIZENS FINANCIAL GROUP [451]	9	EXPRESS SCRIPTS HOLDING [22]	28
ASCENA RETAIL GROUP [384]	57	CLOROX [453]	32	EXXON MOBIL [4]	48
ASSURANT [361]	38	CMS ENERGY [419]	64	FACEBOOK [98]	39
AT&T [9]	59	COCA-COLA [64]	6	FANNIE MAE [20]	14
AUTOLIV [283]	44	COGNIZANT TECHNOLOGY SOLUTIONS [205]	34	FARMERS INSURANCE EXCHANGE [222]	37
AUTOMATIC DATA PROCESSING [240]	15	COLGATE-PALMOLIVE [182]	32	FEDEX [58]	40
AUTONATION [129]	5	COMCAST [31]	59	FIDELITY NATIONAL FINANCIAL [293]	38
AUTO-OWNERS INSURANCE [398]	37	COMMUNITY HEALTH SYSTEMS [130]	27	FIDELITY NATIONAL INFO. SERVICES [301]	20
AUTOZONE [270]	58	COMPUTER SCIENCES [379]	34	FIFTH THIRD BANCORP [389]	9
AVERY DENNISON [430]	47	CONAGRA BRANDS [197]	22	FIRST AMERICAN FINANCIAL [464]	38
AVIS BUDGET GROUP [319]	5	CONOCOPHILLIPS [115]	43	FIRST DATA [242]	20
AVNET [108]	67	CONSOLIDATED EDISON [234]	64	FIRSTENERGY [196]	64
AVON PRODUCTS [444]	32	CONSTELLATION BRANDS [408]	8	FISERV [471]	20
		CORE-MARK HOLDING [247]	68	FLUOR [149]	18
		CORNING [298]	16	FOOT LOCKER [348]	57
				FORD MOTOR [10]	44
				FRANKLIN RESOURCES [405]	55
				FREDDIE MAC [39]	14
				FREEPORT-MCMORAN [175]	43
				FRONTIER COMMUNICATIONS [313]	59
				GALLAGHER (ARTHUR J.) [462]	14
				GAMESTOP [321]	58
				GAP [178]	57
				GENERAL DYNAMICS [90]	2
				GENERAL ELECTRIC [13]	33
				GENERAL MILLS [165]	22
				GENERAL MOTORS [8]	44
				GENESIS HEALTHCARE [454]	27
				GENUINE PARTS [160]	66
				GENWORTH FINANCIAL [329]	36
				GILEAD SCIENCES [92]	49
				GLOBAL PARTNERS [334]	66
				GOLDMAN SACHS GROUP [78]	9
				GOODYEAR TIRE & RUBBER [184]	44
				GRAINGER (W.W.) [282]	66
				GRAYBAR ELECTRIC [420]	66
				GROUP 1 AUTOMOTIVE [261]	5
				GUARDIAN LIFE OF AMERICA [218]	35
				HALF (ROBERT) INTERNATIONAL [493]	50
				HALLIBURTON [173]	46
				HANES BRANDS [432]	4
				HARLEY-DAVIDSON [435]	70
				HARMAN INTL. INDUSTRIES [386]	16
				HARRIS [363]	45
				HARTFORD FINANCIAL SERVICES [153]	38
				HCA HOLDINGS [63]	27
				HD SUPPLY HOLDINGS [364]	66
				HERSHEY [369]	22
				HERTZ GLOBAL HOLDINGS [296]	5
				HEWLETT PACKARD ENTERPRISE [59]	34
				HILTON WORLDWIDE HOLDINGS [241]	31
				HOLLYFRONTIER [274]	48
				HOME DEPOT [23]	58
				HONEYWELL INTERNATIONAL [73]	16
				HORMEL FOODS [295]	22
				HORTON (D.R.) [232]	30
				HOST HOTELS & RESORTS [472]	53
				HP [61]	12
				HRG GROUP [418]	32
				HUMANA [53]	26
				HUNTINGTON INGALLS INDUSTRIES [380]	2
				HUNT (J.B.) TRANSPORT SVCS. [407]	63
				HUNTSMAN [289]	8
				ICAHN ENTERPRISES [168]	14
				IHEARTMEDIA [426]	19
				ILLINOIS TOOL WORKS [202]	33
				INGREDION [456]	23
				INSIGHT ENTERPRISES [473]	67
				INTEL [47]	56
				INTERCONTINENTAL EXCHANGE [437]	55
				INTERNATIONAL BUSINESS MACHINES [32]	34
				INTERNATIONAL PAPER [133]	47
				INTERPUBLIC GROUP [345]	1
				INTL FCSTONE [189]	14
				JABIL CIRCUIT [152]	56
				JACOBS ENGINEERING GROUP [259]	18
				JETBLUE AIRWAYS [403]	3
				JOHNSON & JOHNSON [35]	49



Company (Rank)	Industry number						
JONES FINANCIAL (EDWARD JONES) [403]	55	MOSAIC [377]	8	PUBLIC SERVICE ENTERPRISE GROUP [306]	64	THERMO FISHER SCIENTIFIC [154]	54
JONES LANG LASALLE [391]	53	MOTOROLA SOLUTIONS [433]	45	PUBLIX SUPER MARKETS [85]	21	3M [94]	70
JPMORGAN CHASE & CO. [21]	9	M&T BANK CORP. [455]	9	PULTEGROUP [353]	30	THRIVENT FINANCIAL [316]	35
KELLOGG [216]	22	MURPHY USA [291]	58	PVH [335]	4	TIAA [80]	35
KELLY SERVICES [490]	60	MUTUAL OF OMAHA [342]	36	QUALCOMM [119]	56	TIME WARNER [95]	19
KEYCORP [479]	9	NATIONAL OILWELL VARCO [375]	46	QUANTA SERVICES [355]	18	TJX [87]	57
KIEWIT (PETER) SONS' [324]	18	NATIONWIDE [68]	37	QUEST DIAGNOSTICS [366]	28	TOLL BROTHERS [497]	30
KIMBERLY-CLARK [155]	32	NAVISTAR INTERNATIONAL [337]	13	QUINTILES IMS HOLDINGS [390]	28	TOYS "R" US [244]	58
KINDER MORGAN [215]	50	NCR [409]	12	RAYMOND JAMES FINANCIAL [469]	55	TRACTOR SUPPLY [396]	58
KINDRED HEALTHCARE [376]	27	NETAPP [468]	10	RAYTHEON [116]	2	TRAVELCENTERS OF AMERICA [470]	58
KOHL'S [150]	25	NETFLIX [314]	39	REALOGY HOLDINGS [448]	53	TRAVELERS COS. [99]	38
KRAFT HEINZ [106]	22	NEWELL BRANDS [208]	29	REGIONS FINANCIAL [436]	9	TREEHOUSE FOODS [427]	22
KROGER [18]	21	NEWMONT MINING [328]	43	REINSURANCE GROUP OF AMERICA [246]	36	TWENTY-FIRST CENTURY FOX [101]	19
LABORATORY CORP. OF AMERICA [290]	28	NEWS CORP. [332]	51	RELIANCE STEEL & ALUMINUM [320]	42	TYSON FOODS [82]	23
LAM RESEARCH [440]	56	NEW YORK LIFE INSURANCE [65]	35	REPUBLIC SERVICES [299]	65	UGI [457]	17
LAND O'LAKES [209]	22	NEXTERA ENERGY [170]	64	REYNOLDS AMERICAN [223]	61	UNION PACIFIC [143]	52
LAS VEGAS SANDS [249]	31	NGL ENERGY PARTNERS [237]	17	RITE AID [91]	21	UNITED CONTINENTAL HOLDINGS [83]	3
LAUDER (ESTÉE) [253]	32	NIKE [88]	4	ROBINSON (C.H.) WORLDWIDE [212]	62	UNITEDHEALTH GROUP [6]	26
LAUREN (RALPH) [371]	4	NORDSTROM [188]	25	ROCKWELL AUTOMATION [442]	16	UNITED NATURAL FOODS [325]	68
L BRANDS [220]	57	NORFOLK SOUTHERN [284]	52	ROCKWELL COLLINS [492]	2	UNITED PARCEL SERVICE [46]	40
LEAR [151]	44	NORTHROP GRUMMAN [114]	2	ROSS STORES [219]	57	UNITED RENTALS [452]	70
LEIDOS HOLDINGS [381]	34	NORTHWESTERN MUTUAL [97]	35	RYDER SYSTEM [394]	63	UNITED SERVICES AUTO. ASSN. [102]	38
LENNAR [260]	30	NRG ENERGY [229]	17	SALESFORCE.COM [326]	11	UNITED STATES STEEL [279]	42
LEUCADIA NATIONAL [262]	14	NUCOR [169]	42	SANMINA [414]	56	UNITED TECHNOLOGIES [50]	2
LEVEL 3 COMMUNICATIONS [336]	59	NVIDIA [387]	56	SCHWAB (CHARLES) [357]	55	UNIVAR [338]	66
LIBERTY INTERACTIVE [269]	39	NVR [446]	30	SCHWAB (HENRY) [243]	69	UNIVERSAL HEALTH SERVICES [276]	27
LIBERTY MEDIA [491]	19	OCCIDENTAL PETROLEUM [278]	43	SEABOARD [486]	23	UNUM GROUP [258]	36
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MASSACHUSETTS MUTUAL LIFE [77]	35	PENNEY (J.C.) [221]	25	ST. JUDE MEDICAL [434]	41	WESTERN REFINING [349]	48
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MOHAWK INDUSTRIES [311]	29	PPL [365]	64	TENET HEALTHCARE [134]	27	XCEL ENERGY [256]	64
MOLINA HEALTHCARE [156]	26	PRAXAIR [275]	8	TENNECO [322]	44	XEROX [162]	10
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		PRUDENTIAL FINANCIAL [48]	36	TEXTRON [200]	2	ZIMMER BIOMET HOLDINGS [352]	41





# CEO SOOTHSAYERS

**THE CHIEF EXECUTIVES** of *Fortune* 500 companies are optimistic about the global economy, bullish on employment, big on prospects for the U.S., and braced for a torrent of technological change. The responses below come from a survey we sent to *Fortune* 500 CEOs last month. —Alan Murray

## FORTUNE 500 CEOs ARE OPTIMISTIC ABOUT THE FUTURE...

Only a few chief executives see the economy turning worse next year, and most plan to boost hiring. As for the Trump effect: not much so far.

### OUTLOOK FOR THE GLOBAL ECONOMY IN THE YEAR COMPARED WITH THE PAST 12 MONTHS?



### PROJECTED RECRUITMENT IN THE NEXT TWO YEARS



### IMPACT OF DONALD TRUMP ELECTION ON BUSINESS



## ... AND MOST SEE THE U.S. AS THE BEST PLACE TO INVEST.

The U.S. is the overwhelming choice of CEOs for having the best investment opportunities in the next two years; China and Europe lag far behind.

### BEST INVESTMENT OPPORTUNITIES IN THE NEXT TWO YEARS (REGIONS IN THE TOP 3 PICKS OF CEOs)



## THEY'RE EMBRACING TECH...

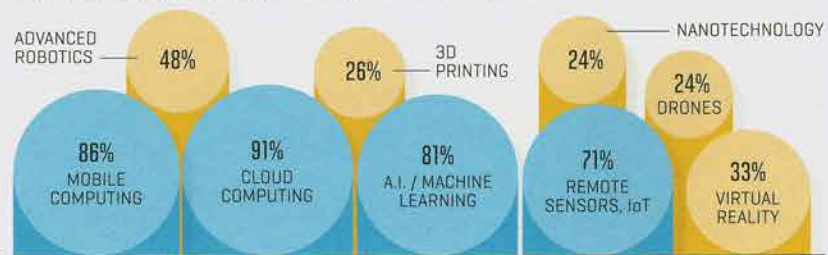
Ever more *Fortune* 500 companies have come to recognize that whatever their original business, they all need technological expertise now.

### PORTION WHO AGREE THAT THESE DAYS, THEIR COMPANY IS A TECH COMPANY



## ... AND IDENTIFYING CRUCIAL AREAS FOR INVESTMENT.

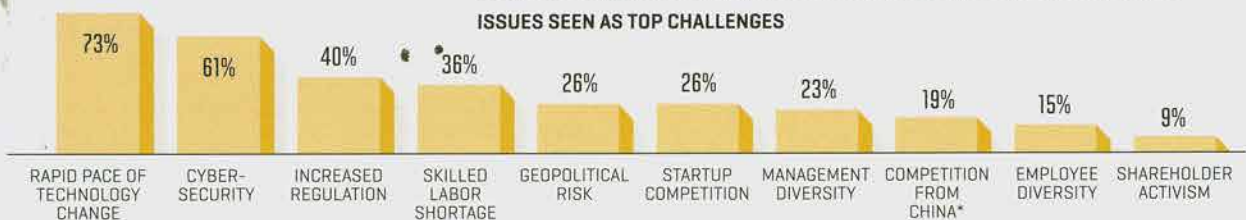
### TECHNOLOGIES CONSIDERED "IMPORTANT" TO RESPONDENTS



## HERE'S WHAT HAS THEM WORRIED.

Percentages below represent the portion of CEOs who said the issue was either their single biggest challenge, or one of their top three or four challenges.

### ISSUES SEEN AS TOP CHALLENGES



\* OR OTHER DEVELOPING COUNTRIES





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**MORE THAN 3 MILLION KM<sup>2</sup> PROTECTED**

BLANCPAIN HAS CONTRIBUTED TO DOUBLING  
THE PROTECTED OCEAN SURFACE AREA



Fifty Fathoms Collection

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