BRIEF: Apple and Microsoft Would Crack the ASX10

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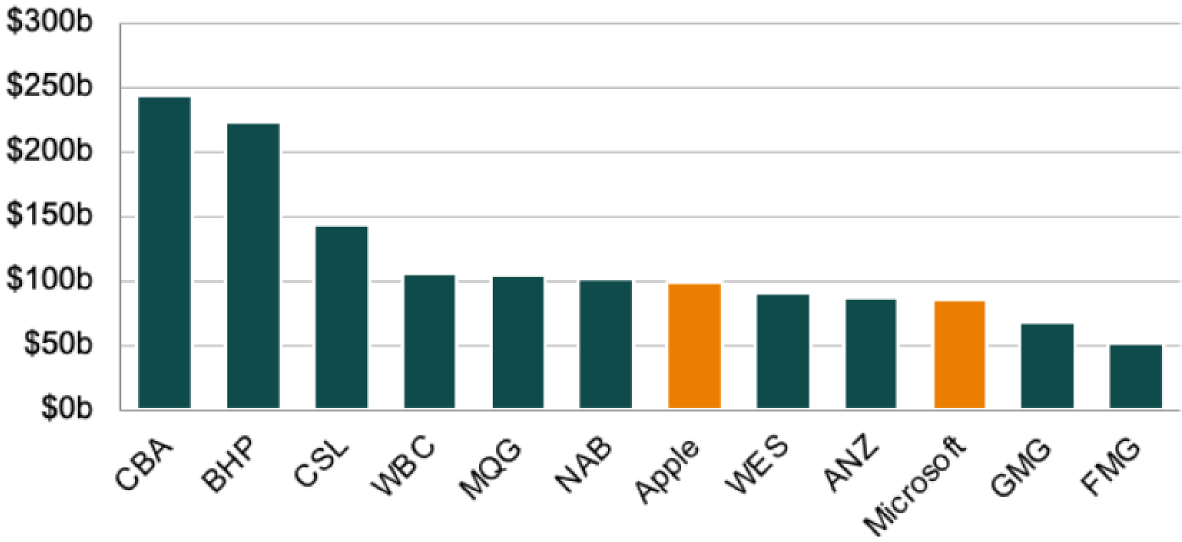
Abstract: New analysis from Venture Insights reveals that Apple and Microsoft would rank among the ten most valuable companies in Australia if their local operations were assessed independently. We estimate that Apple Australia's implied enterprise value (EV) is $99.6 billion, and Microsoft Australia's is $85.7 billion. However, their Australian tax contributions fall far short of what such a scale would suggest, thanks to international structuring that channels profits through low-tax jurisdictions.

These findings come as major U.S. tech firms, through the Coalition for the Advancement of the Internet in America (CIAA), argue that global digital platforms are overregulated. The Australian data tells a different story: these firms dominate local markets and enjoy considerable financial privilege, raising important questions for policymakers and local industry.

Why does this matter?

Our analysis reveals a significant structural imbalance in Australia's TMT landscape: **foreign digital platforms are operating at national champion scale while avoiding national champion obligations—particularly in taxation**.

Apple and Microsoft crack the ASX 10



Source: Venture Insights. Apple and Microsoft estimates are based on Australian income and parent company EBITDA margins and EV multiples.

Both Apple and Microsoft would comfortably rank within the ASX 10 by Enterprise Value, even when valued solely on their Australian operations. They are simply too large to ignore.

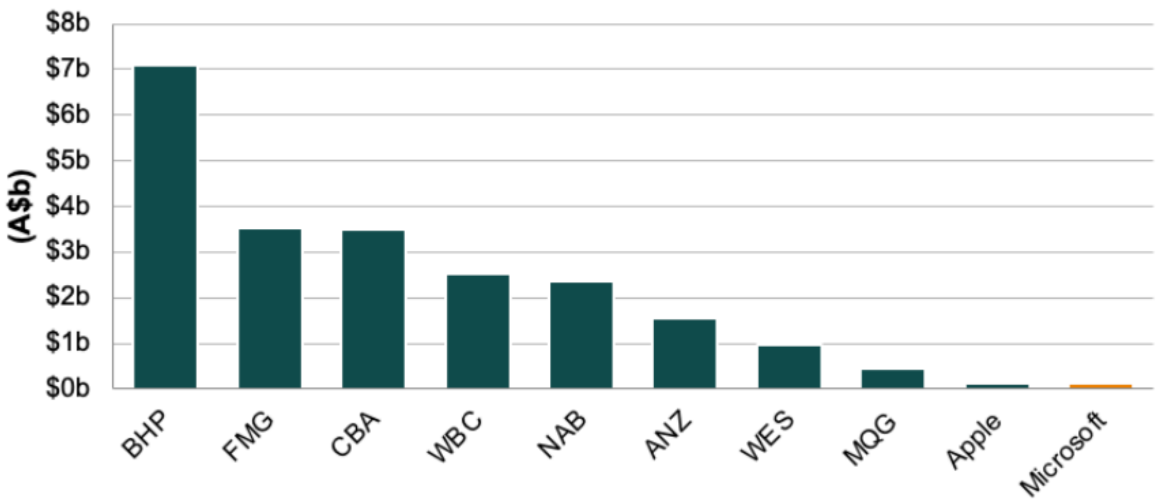
Using publicly disclosed Australian revenue (via the ATO), applying their global EBITDA margins, and using current trading multiples, we estimate that the implied Australian enterprise values of these two companies are equivalent to some of our largest listed corporations.

From a policy and tax perspective, this raises important questions. The scale of their economic footprint in Australia - despite limited onshore substance - makes them highly material in the context of corporate tax policy, digital taxation, and global minimum tax frameworks.

At a time when free trade and global tax harmonisation are under strain, and governments are more focused on ensuring multinational tech firms pay their fair share, the presence of giants like Apple and Microsoft in the Australian economy warrants much closer attention.

Based on 2023/24 tax declarations Apple and Microsoft barely contributed to Australian taxation.

Apple and Microsoft: Australian tax paid vs comparable corporations



Source: Venture Insights, ATO FY23 financial declarations

Time for a platform regulation realignment

The scale and market power of large tech has ramifications in Australia and for the heating up debate around global trade.

The CCIA in 2024 singled out Australia as a jurisdiction that imposed or was imposing “digital trade restrictions” - essentially any regulation designed to ensure global digital platforms maintained their social licence. The “barriers” concerned include the Online Safety Act, efforts to take down violent and child abuse material, efforts to address financial scams, and age restrictions on social media access. While there is room for disagreement on how such obligations should be implemented, it is clear that the CCIA opposes almost any effective regulation of global digital platforms. The CCIA has elsewhere argued against digital service taxes. We, on the other hand, support them (see our report "Time for a Digital Services Tariff?").

Why a platform regulation realignment is needed

Economic Dominance Without Commensurate Contribution	Apple and Microsoft generate multi-billion dollar earnings in Australia, yet pay far less corporate tax relative to their operational footprint, using global IP licensing and transfer pricing to shift profits offshore. This creates a structural disadvantage for domestic firms, who are fully subject to Australian tax law.
CIAA Claims at Odds With Local Realities	The CIAA, backed by companies like Amazon, Google, and Apple, has recently petitioned the U.S. government over the "excessive burdens" of operating internationally. However, our analysis suggests the opposite in Australia: these firms are thriving and financially advantaged, enjoying high margins and market power while minimising local obligations.
A Call for Tax Reform and Policy Alignment.	The disparity between economic footprint and tax paid has become too large to ignore. As Australia considers policies like digital services taxes and aligns with the OECD's Pillar Two global minimum tax, there is growing urgency to level the playing field and ensure foreign multinationals pay their fair share.

Source: Venture Insights

Foreign tech giants are not just participating in the Australian market - they're dominating it, both in revenue and value. But the **benefits they receive from market access are not matched by their contributions**, leaving domestic TMT players at a regulatory and financial disadvantage.

For a full breakdown of valuation methodology or insights into how this shapes the future competitive landscape, contact Venture Insights.

Appendix: Leading US Tech Companies implied Australian Enterprise Value

Using ATO-declared Australian revenues, we applied global EBITDA margins and EBITDA multiples to estimate Enterprise Value (EV) for Australian operations.

Digital company implied Australian EVs

Company	Australian Revenue (FY23)	Est. EBITDA	EV Multiple	Implied EV (AUD)
Apple	$12.6B	$4.1B	24.2x	$99.6B
Microsoft	$8.6B	$4.1B	20.7x	$85.7B
Amazon	$6.6B	$987M	17.4x	$17.1B
Netflix	$1.15B	$737M	16.1x	$11.8B
Tesla	$1.7B	$241M	51.3x	$12.4B
Google	$2.18B	$668M	15.0x	$10.0B
Facebook	$1.26B	$537M	17.5x	$9.4B

Source: Venture Insights, ATO, Public Company Announcements

Notes: EBITDA estimated using parent EBITDA margins. This is conservative estimate as both Apple and Microsoft have minimal on the ground costs relative to their parent companies.

Current ASX10 companies

Ticker	Company Name	Short Description
CBA	Commonwealth Bank	Australia's largest retail and commercial bank, with strong exposure to housing credit.
BHP	BHP Group	Global mining giant, primarily focused on iron ore, copper, and metallurgical coal.
CSL	CSL Limited	Global biotech leader in blood plasma, vaccines, and rare disease treatments.
WBC	Westpac Banking Corp	One of Australia's "Big Four" banks, servicing retail, business, and institutional clients.
MQG	Macquarie Group	Diversified financial services firm with global investment banking and asset management operations.

NAB	National Australia Bank	Major bank focused on business lending and retail banking across Australia and NZ.
WES	Wesfarmers Limited	Diversified conglomerate with retail (Bunnings, Kmart), chemicals, and industrial assets.
ANZ	Australia & NZ Banking Group	One of Australia's Big Four banks, with a strong regional presence in Asia-Pacific.
GMG	Goodman Group	Global industrial property group specialising in logistics and warehousing assets.
FMG	Fortescue Metals Group	One of the world's largest iron ore producers, with growing green energy ambitions.

Source: Venture Insights

About Venture Insights

Venture Insights is an independent company providing research services to companies across the media, telco and tech sectors in Australia, New Zealand, and Europe.

For more information go to ventureinsights.com.au or contact us at contact@ventureinsights.com.au.

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