



## How Tech Giants Make Their Billions

The Big Five tech companies generate over \$800 billion in revenue per year, which is larger than the entire economy of Saudi Arabia or Switzerland. Each company's revenue model is very different, but the all are well diversified globally. Here are some interesting tidbits:

- Apple – Earned almost \$60 billion in profit on \$265 billion in revenue. Less than 10% of their revenue comes from computers, while almost 65% comes from iPhones, and 14% (and growing) from services (iCloud, apple music, AppleCare, etc.)
- Amazon – Earned just over \$10 billion in profit on \$232 billion in revenue. Subscriptions to Amazon Prime account for \$14 billion. Also of interest, is offline sales is their fastest growing segment (e.g. Whole Foods).
- Alphabet (AKA: Google) – Earned over \$30 billion on \$136 billion in revenue. 85% of their revenue is from advertising.
- Microsoft – Earned \$16.6 billion on \$110 billion in revenue. They have the most diverse revenue mix.
- Facebook – Earned \$22 billion on \$55.8 billion in revenue, giving them the highest profit margins of the Big Five. Over 98% of their revenue is from advertising.

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