Specific companies and products victoria

The waning impact of the pandemic and a subsequent rush of businesses investing for growth has breathed a new energy into Melbourne’s top companies in 2022, driven almost exclusively by the massive demand for commodities.

The combined market value of this year’s top 50 has surged to $950 billion, a mammoth $147 billion up on last year. However, it’s the Big Australian that takes most of the credit for this growth.

Runaway commodities prices and a unification of the company have added $101 billion to the market value of BHP Group (ASX: BHP), lending perspective to exactly where the wealth lies in Melbourne’s biggest companies. BHP, for more than 20 years a dual-listed company under its former BHP Billiton structure, is now a fully-fledged Australian giant with its total market value entirely recognised on the ASX.

Rio Tinto (ASX: RIO) in comparison added just $4 billion, although shareholders were swamped with a dividend windfall as the resource industry giant, nicknamed the money machine, capitalised on record iron ore prices out of the Pilbara.Rio Tinto and BHP, both cashed up and with nowhere to else to spend, rewarded shareholders handsomely in the first half of FY22 with big dividends placing them among the highest yielding stocks of the year.

In the banking sector, National Australia Bank (ASX: NAB) with the biggest business loan book of the big four defied the threat of rising interest rates to claim its stake as Australia’s second largest bank behind the Sydney-based Commonwealth Bank of Australia. NAB added more than $14 billion to its market value as business lending recovered sharply during the year.

Telecommunications giant Telstra (ASX: TLS) has also shot out of the blocks, growing its business through a geopolitically strategic acquisition by beating Chinese interests to snare the Pacific region’s largest telco operator Digicel Pacific.

The size of Melbourne’s leading companies rose despite the loss of former market darling Afterpay, which was in the top 10 last year but has since been swallowed by Jack Dorsey’s Square Inc. (now known as Block Inc.) for $39 billion. The Afterpay deal ranks as Australia’s biggest ever corporate buyout, but it was also one of four takeovers completed last year that have shaken up this year’s list.

Among the other takeovers was the $10 billion buyout of energy giant AusNet Services by a consortium led by Brookfield Asset Management. This was preceded by the $2.7 billion buyout of pure-play renewable energy group Tilt by a consortium led by AGL Energy (ASX: AGL).

Other companies have dropped out of the list in a more spectacular fashion, notably biotech Polynovo (ASX:

PNV) which was one of the worst performers on the ASX in 2021 despite record sales and expectations that it is edging closer to break even. The Polynovo stock dropped from around $3 in March last year to less than a dollar as investors lost patience with the company’s growth trajectory.

Online wagering group Pointsbet (ASX: PBH), consumer and mortgage lender Liberty Financial Group (ASX: LFG) and produce grower-marketer Costa Group Holdings (ASX: CGC) all were edged out of the top 50 to make way for new entrants.

Three companies had their debut on this year’s list following successful IPOs – namely digital property settlement company PEXA Group (ASX: PEX), acquisitive consumer financier Latitude Group Holdings (ASX: LFS) and business financier Judo Capital Holdings (ASX: JDO). PEXA has landed in the top 40 in its first year.

New inclusions that made the cut include building services provider Johns Lyng Group (ASX: JLG), fuel and convenience retail property investorWaypoint REIT (ASX: WPR), fast-fashion jewellery and accessories group Lovisa Holdings (ASX: LOV), property developer Lifestyle Communities (ASX: LIC), L1 Short Long Fund (ASX: LSF) and childcare property powerhouse Arena REIT (ASX: ARF).

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