



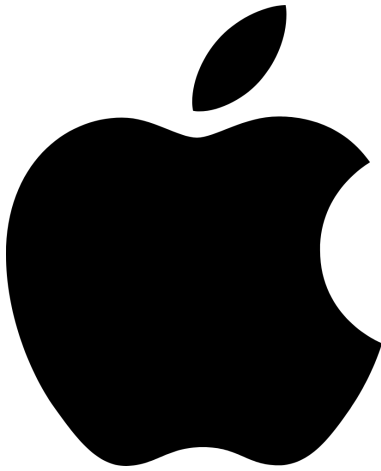
How Aramco Surpassed Apple To Become The Most Valuable Company Worldwide?: A Comparative Financial Analysis

Oil giant Saudi Aramco has gained the crown of the most valuable company worldwide, beating Apple Inc. The recent underscoring surge in oil prices has boosted the entire energy market giant this year. Saudi Aramco's stock price skyrocketed by an overflow in the price of oil worldwide as a crude producer.

The tech giant Apple Inc has faced issues like global inflation, fallen stock, and a global pandemic. According to [Refinitiv](#), Apple is currently worth about \$2.37 trillion, while Aramco's worth is about \$2.43 trillion.

However, the question of how [Aramco](#) surpassed Apple to become the most valuable company worldwide has certainly popped into your mind. What are the core reasons? Let's find them out from our comparative financial analytical post.

Apple Inc.- At A Glance



Apple Inc. ([NASDAQ: AAPL](#)) is an American tech company founded by Steve Wozniak, Ronald Wayne, and Steve Jobs in 1976. The company used to manufacture personal computer devices with a user interface with graphics. As time went by, they forayed into consumer electronics devices like digital music players, notebooks, mobile phones, and communication wearables.

Apple has been worldwide known for its forefront innovation. Recent products include MacBook notebooks, iMac desktops, iPhone mobile devices, iPod digital multimedia devices, iPad tablets, Apple TV, and Apple Watch. In addition, the company markets and develops a various range of software and networking solutions. For a long time, it was one of the most valuable companies around the globe.

Saudi Arabian Oil Co. - At A Glance



Saudi Aramco ([TADAWUL: 2222](#)), formally known as Saudi Arabian Oil Co., is a public company of natural gas and petroleum. As a leading integrated chemicals and energy company, they produce approximately 1/8th of the barrels of crude oil in today's world. This massive supply helps develop new technologies while focusing on making more sustainable resources.

The business was founded by Chevron in 1933. Saudi Aramco is ambitious to create a great impact through its core belief. We all know that every energy is an excellent opportunity. The company enables persistent economic prosperity and growth around the world. Now, they have become the most valuable company worldwide.

Current Financial Profile: Apple Vs. Aramco

Particulars	Apple	Saudi Aramco
Market Cap	\$2.37 Trillion	\$2.43 Trillion
P/E Ratio	24.29	18.463
EPS	6.14 (current year)	2.67 (current year)
Dividend & Yield	0.59%	0.3198% (Q1)
Avg. Volume (1 month)	108.56M (June 1, 2022)	258.25 (June 1, 2022)

4 Reasons Why Aramco Could Take Over Apple



Worldwide Inflation

As stated by [AFP](#), the largest oil supplier corporation Saudi Aramco has become the biggest company globally in terms of market capitalization. Global inflation caused a drop in consumption which raised demand. The inflation numbers have been increasing across the globe. The rate has touched the top figure in the last 40 years in the US. As a consequence, it has led to falling demand for technology stocks. Investors had begun to be concerned over the tech company costs and supply chain adversities.

As a result, worldwide inflation was a prime reason for Aramco to surpass Apple's position as inflation had weakened the spending habits of consumers.

[Read more.](#)

Hike In Oil Price Due to Invasion In Ukraine

The Ukraine-Russia conflict has raised the price of global energy. Ultimately, every energy company gets substantial-top bottom growth. Due to the invasion of Ukraine, oil droves to thirteen-year highs of **\$130 per barrel**. While prices have recovered, Brent crude is trading at about **\$105 per barrel** today. At the beginning of this year, it was \$77.

Therefore, spiking oil prices due to the invasion of Ukraine is another [reason for Aramco to take over Apple.](#)

Expense Management Due To COVID Pandemic

Talking about COVID-19, the revenue distribution of Apple has altered. In addition, with the store closures in 2020, massive disruption of the product supply chain was seen.

Any supply chain costs firm and fetal outcomes. Eventually, the expense management system failed. It crunched the consumer wallets. Investors had lost their faith in investing in the stock market of the Apple tech industry.

Even a global pandemic couldn't stop Aramco from managing its expenses. On the other hand, Apple was [miserable in managing expenses due to home-office policies](#) during the Covid crisis.

[Read About Apple's progress in the Covid-19 situation.](#)

Production Backlog Due to COVID Lockdown in China

Coronavirus stood as a potential risk point for Apple as it is strongly dependent on manufacturers' supply chains in China. The company had said that the [Chinese lockdown would lead to super strain on their supply chains.](#)

By June 2020, it harmed the company figures [by approximately \\$4-\\$8 billion](#). Indeed, the production backlog due to the Covid lockdown in China is a vital factor for Aramco to eclipse Apple.

Can Apple Reinstate The Top Position In Foreseeable Time?

In our opinion, Apple might not be able to reinstate the top position in the foreseeable time. The impact of the Ukraine invasion by Russia, the recurrent Covid lockdowns in China, and soaring inflation have created too intense economic turmoil to endure. As a result, Apple had expected better results in March 2022. But, the rising supply chain limitation has changed geopolitical scenarios and the marketing of Apple Inc.

The company is currently experiencing intense silicon shortages and several other issues. In contrast, oil giant Aramco is getting bumper earnings and revenues more than ever. Last year, their profits doubled. The Ukraine-Russia conflict has made energy prices unfathomable. Aramco is a low-cost production oil company. So, Apple has little chance of reinstating the top position. Nevertheless, the rest is yet to be seen in the upcoming future!

Conclusion

Overall, we can now conclude the discussion of how Aramco surpassed Apple to become the most valuable company worldwide.

We have discussed a comparative financial analysis. This year, the surge in food and energy prices leaves consumers with little money to invest in non-essential products like technology products. It is one of the main reasons for Aramco to surpass Apple.

