

# Methodology

**IN COMING UP** with the Top 1000, we ranked the companies according to their gross revenue for the most recent year. For the purposes of this ranking, gross revenue is the sum of net sales and non-operating income. For definitions used in this report, see the pertinent section on page 228.

Data used in computing the gross revenue and all other information in the tables were gathered from the audited financial statements submitted to the Securities and Exchange Commission (SEC) in the case of private firms, the annual reports disclosed to the Philippine Stock Exchange for the publicly listed companies, and to the Commission on Audit (COA) for government-owned and -controlled corporations (GOCCs).

Only audited financial statements covering the fiscal year ending between May and December of the previous calendar year as well as between January and April for the current calendar year were collected. The fiscal year for most companies ends on Dec. 31; otherwise, a specific firm's fiscal year is indicated in the end notes section that can be found starting on page 229.

Figures for companies reporting in a foreign currency were converted to Philippine pesos at the average exchange rate set by the Bangko Sentral ng Pilipinas for the given year.

## PARENT-ONLY RANKINGS VERSUS CONSOLIDATED RANKINGS

It bears emphasizing that the Top 1000 ranking (starting on page 100) is based on parent-only financial statements, in which parent firms record only equitized earnings of its subsidiaries and associates. This is different from a separate table ranking the country's Top conglomerates (starting on page 202) where consolidated financial statements are used. In the consolidated ranking, the parent company and its subsidiaries are treated as though they are a single entity, and reports earnings on an aggregate basis. Note that for this edition, the consolidated ranking is expanded to 200 from 100 in the previous edition. The consolidated ranking in this edition also serves as an update to the top 200 published last year (see Disclaimer below).

The "How Competitors Compare" table (starting on page 151) grouped parent firms according to business activity and ranked them according to gross revenue, showing their market position in relation to rivals. The grouping is in accordance with the 2009 edition of the Philippine Standard Industrial Classification.

## ON RESTATING THE PREVIOUS YEAR'S RANKINGS

Since companies sometimes restate comparative figures in their most recent financial statements, this may result in a re-ranking of the previous year's sample of companies. The rankings for the previous year may also be adjusted to accommodate companies that met the prior year's gross revenue cutoff but failed to land on that year's Top 1000 simply because their financial statements were unavailable as of our collection deadline.

For this year's edition of the Top 1000, the gross revenue cutoff was decreased to P1.870 billion from the previous edition's P2.218 billion considering the financial statements that were collected.

## A NOTE ON COMPANY EXCLUSIONS

Some of the companies that were present in the previous edition's rankings may not be included in the current standing. These may either be because their audited financial statements are not available at the time of the collection process, or that their revenues were below the gross revenue cutoff of P1.870 billion for this year.

There were 193 companies that failed to retain their standing. Of these, 13 saw their gross revenues falling below the designated cutoff.

Moreover, we also emphasize the financial data provided in this publication do not yet reflect the impact of the crisis brought by the coronavirus disease 2019 (COVID-19) pandemic as these refer to the firms' financial performance in the latest fiscal year (mostly those with fiscal year ending December 2019).

Unfortunately, the same could not be said of the data collection process as the lack of available financial statements has made it a challenging task to come up with the Top 1000 ranking last year. To give businesses more time to prepare and file their reports, the SEC issued memorandum circulars that extended submission deadlines for reportorial requirements to as far as November 2020.

Due to the limited number of financial statements available that time, it was decided to release the Top 1000 in the first quarter of 2021 from the original release date of late November 2020. Along with the top 1,000 firms, an updated list of the top 200 consolidated corporations is provided as more financial statements become available since the latter's preliminary release late last year. □