

# Methodology

**IN COMING UP** with the *Top 1000*, we ranked the Philippines' stock corporations 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 246.

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 companies, 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 those made available as of Oct. 31, 2022 were included in the list.

For the GOCCs, the team referred to the definitive list of stock entities as provided by the CoA's Corporate Government Audit Sector. Out of 139 GOCCs, the state auditor identified 90 stock corporations. However, 11 only made it to this year's gross revenue cutoff.

Only audited financial statements covering the fiscal year ending between May and December 2021 as well as between January and April 2022 were collected for this edition. The fiscal year for most companies ends on Dec. 31; otherwise, a specific firm's fiscal year is indicated in the endnotes section that can be found starting on page 247.

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.

## 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 were 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. Previous year's ranks for these companies are shown in dashes (-) in the main table.

For this year's edition of the *Top 1000*, the gross revenue cutoff was increased to P2.254 billion (which was also the gross revenue of the 1,000<sup>th</sup> company in the list) from the previous edition's P1.563 billion.

## PARENT-ONLY RANKINGS VERSUS CONSOLIDATED RANKINGS

It bears emphasizing that the *Top 1000* ranking (starting on page 118) 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 222) 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.

The "How Competitors Compare" table (starting on page 171) 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 2019 Update to the 2009 edition of the Philippine Standard Industrial Classification, which was published by the Philippine Statistics Authority in August 2021. ■