RESEARCH ARTICLE

Impact of COVID-19 on the 2020 Financial Results of Selected Philippine Publicly-Listed Companies

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This paper evaluates the impact of the COVID-19 pandemic on the 2020 financial results of selected Philippine Publicly-Listed Companies (PLCs) in the Philippine Stock Exchange.. Using ratio analysis to determine the consequences of this infectious disease affecting PLCs, results show a decline in the percent-change in revenue, expenses, and net income from the average figures for 2017 to 2019 to corresponding figures for 2020. Content analysis revealed that most Philippine PLCs disclosed high and medium details as to the impact of COVID-19. Furthermore, the study's results demonstrated that most PLCs provided qualitative or quantitative details about the respective measures taken against COVID-19.

Keywords – impact of COVID-19, financial impact, financial results, publicly-listed companies

JEL Classifications: M14, M48

In late 2019 and into 2020, the world experienced the spread of an infectious disease caused by the SARS-CoV-2 virus – the coronavirus disease (COVID-19). Most people infected with the virus would experience mild to moderate respiratory illness and recover without requiring special treatment. However, some would become seriously ill and require medical attention (World Health Organization, n.d.).

The impact of the COVID-19 pandemic is far-reaching – from health concerns to volatility in household consumption, business investments, and international trade. As of 29 December 2021, global confirmed cases topped 281 million, with over 5 million deaths. Moreover, the COVID-19 pandemic caused economic and financial disruptions. In 2020, Gross Domestic Product (GDP) loss as a result of the COVID-19 pandemic averaged 6.7% (Statista, 2021).

On January 30, 2020, the Philippines confirmed its first case of COVID-19. Since then, the virus has infected around 2.8 million Filipinos, with more than 51 thousand confirmed deaths (as of 29 December 2021). The rapid rise in domestic infections is disrupting the country's economic activities and value chains reducing demand nationwide (Camba & Camba, 2020).

The preparation of annual financial statements is critical as it ensures proper reporting to provide stakeholders with a clear representation of companies' economic and financial situation (Gamba et. al., 2021). The main purpose of this study is to assess the impact of COVID-19 on the 2020 financial results of selected Philippine Publicly-Listed Companies (PLCs). Specifically, this paper aimed to determine the important key performance indicators (KPIs) of

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selected Philippine PLCs impacted by COVID-19 in 2020 as to percent-change in revenue, percent-change in expenses, and percent-change in net income. Also, the study determined the extent of disclosure of the pandemic's effects on financial results in the 2020 Annual Reports of selected Philippine PLC. Lastly, the study identified the measures and mitigations of the business risks taken in the 2020 Annual Reports of selected Philippine PLCs.

Research Hypotheses

H_1: The 2020 KPIs such as percent-change in revenue, percent-change in expenses, and percent-change in net income, of selected Philippine PLCs, are significantly impacted by COVID-19.

H_2: Selected Philippine PLCs disclose information in detail on the COVID-19 pandemic in their 2020 Annual Reports.

H_3: Selected Philippine PLCs disclose measures/ mitigations of the business risks in their 2020 Annual Reports.

Significance of the study

Based on the objectives, this study hopes to be significant to different stakeholders. This study may help PLCs understand, anticipate, and prepare for the possible impact of COVID-19 on the financial statements. It may also provide the government, regulators and external auditors insighst on the readiness and quantitative impact assessment of PLCs in addressing the impact of COVID-19 in their financial statements. As the users of financial statements (i.e. investors, suppliers, etc.) rely heavily on the financial statements of entities for decision-making, the results of this study may help them understand the possible impact of COVID-19 on the financial statements and at the same time provide them with insights on the readiness and quantitative impact assessment of PLCs. In addition, this study may help raise awareness among students regarding the relevant impact of COVID-19 on financial statements.

Scope and limitations

This study covered a sampling of 54 Philippine publicly-listed companies (PLCs) in the Philippine Stock Exchange (PSE). This included PLCs from the following subsectors: (1) Education, (2) Hotel & Leisure, (3) Property, (4) Telecommunications, and (5) Transportation Services. The subsectors were selected based on an impact assessment on which industries are significantly affected by COVID-19 (Deloitte, 2020). Further, the companies must have been in existence since 2017, as the timeframe for this study covers the 2017 to 2020 financial statements.

The qualitative and quantitative impacts of COVID-19 are based solely on the disclosures and computations produced by the Philippine PLCs in their audited financial statements as accessed from the PSE Electronic Disclosure Generation Technology (EDGE) portal, the company websites, and Refinitiv Eikon.

Theoretical Framework

This study was grounded on the following theories and concepts that are found necessary to explain the impact of COVID-19 on the financial statements of Philippine PLCs.

Agency theory—This theory is part of a much bigger concept of corporate governance. It suggests that there exists a conflict between management and shareholders. This happens because on one end, management controls the company while shareholders own the company. Considering this, a problem may arise since management might not act in the best interests of the shareholders. Agency theory understands, explains and finds solutions to this problem (Jensen & Meckling, 1976). In this study, accounting standards, specifically IFRS, are assumed to provide the much-needed solution of objectivity and fairness of preparation and presentation of financial statements to its users.

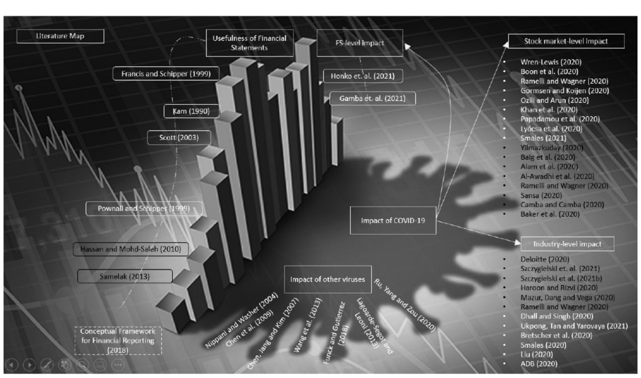
Signalling theory—This theory advances the concept that the most profitable companies provide the market with more and better information. According to Bini, Dainelli, and Giunta (2011), there are two main contributors to this theory: Arrow (1972) and Spence (1973). Spence (1973) posits that an unemployed person can send signals to the workforce market, and in the process prevails over other jobseekers. Applied to financial statements and this study, various studies on disclosure to financial markets suggest that the most profitable companies have something to gain from signalling their competitive advantage through more and better communications (Bini, Dainelli, & Giunta, 2011). Thus, a company can improve its value through its reporting by sending its signals through its mandatory and voluntary disclosure in the financial statements.

Stakeholder theory—This theory of organizational management and business ethics addresses morals and values in managing an organization. Freeman's theory suggests that a business's real success can be understood by how it creates value for stakeholders (Freeman, 2010). The present study is anchored on this since the value created by IFRS-based financial statements to the stakeholders cannot be understated.

Theory of Value Relevance—Value relevance research plays an important role in providing empirical evidence on accounting numbers associated with the predicted value of the securities market. Stated differently, a number of accounting is value-relevant if the figure is associated with equity market values. Studies show that accounting information has value relevance if the accounting information can be used to predict the company's market value in the form of market stock price or stock returns (Barth, Beaver, & Landsman, 2001). This suggests that there exists an association between the dependent variable (price of securities) and a number of fundamental accounting variables. As applied to this study, the value relevance of accounting information specifically IFRS-based information may have a significant impact on the financial ratios of companies.

Review of Related Literature

Literature Map



Usefulness of financial statements

The usefulness of financial statements to users is emphasized in several works. Financial information is useful when it is relevant and represents faithfully what it purports to represent (Deloitte, 2021). Financial reporting is an organized set of selected and synthetic information, with its crucial financial nature (Samelak, 2013). Theoretically, the usefulness of information means that this information steers the investors towards reconsidering their beliefs and actions (Scott, 2003). In short, the quality of financial reporting depends on the extent to which information is useful for information users (Hassan & Mohd-Saleh, 2010)

Quality financial reporting should meet three characteristics: transparency, comparability, and full disclosure (Pownall & Schipper, 1999). There are three methods for determining the usefulness of information, one of which is investigation on the relationship between stock prices and the information of financial reporting; in particular, profit. To be useful, a certain item should be able to influence the investors' beliefs about stock prices. In this case, there is a statistical relationship between the item and the stock price (Kam, 1990). In essence, if there is a significant relationship between one or more accounting items and market factors, they are considered useful (Francis & Schipper, 1999).

Impact of other viruses

Studies reveal that the outbreak of other viruses significantly affected different economies on varying degrees. The SARS outbreak in 2003 had a significant impact on the Chinese and Vietnamese stock markets but no impact on the Canadian, Hong Kongese, Indonesian, Filipino, Singaporean, and Thai stock markets (Nippani & Washer, n.d.)). At a sector level, SARS had a negative impact on the Taiwanese tourism, wholesale and retail sectors (Chen, Chen, Tang, & Huang, 2009). Stocks in this sector declined by approximately 29% in the month following the outbreak. In contrast, the biotechnology sector was positively impacted (Chen, Jang, & Kim, 2007). Also, the SARS virus, along with other contagious diseases (H1N1, Dengue Fever and Enterovirus 71) in Taiwan, resulted in positive abnormal returns for biotechnology stocks (Wang, Yang, & Chen, 2013).

Negative Ebola-related news had a negative impact on the US stock market, particularly on airline, cruise ship, and restaurant stocks in the short-term. The pharmaceuticals industry experienced positive returns on negative Ebola news days, potentially attributable to media reports that pharmaceutical firms were developing a cure (Funck & Gutierrez, 2018).

A model showing that the likelihood of a collapse of the banking industry in a developing country increases as the prevalence of large pandemics such as AIDS was developed (Lagoarde-Segot & Leoni, 2013).

More recently, a study examined stock market reactions to early COVID-19 outbreaks and found that there were more immediate and substantial market reactions in countries that suffered from SARS in 2003 (Ru, Yang, & Zou, 2020).

Impact of COVID-19 – Stock market-level impact

COVID-19 pandemic would significantly affect the GDP of countries because of reductions in production and consumer demands. Moreover, if banks fail to meet the financial needs of firms due to falling demand, this will ultimately lead to the collapse of the stock markets worldwide (Wren-Lewis, 2020).

Boon et al. (2020) describes three channels through which the COVID-19 pandemic may affect the global economy: 1) closure of factories, cutbacks in the service sector, disruption in the worldwide supply chain will lead to an overall decline in the supply; 2) significant drop in travel and tourism, education and other entertainment services will affect the demand side; 3) increases in uncertainty will lead to a rise in the opportunity cost of investment.

Ramelli and Wagner (2020) examined market reactions to the 2019 novel coronavirus disease (COVID-19) providing new insights into how real shocks and financial policies drive firm value. Gormsen and Koijen (2020) showed that news about fiscal stimulus boosts the stock market and long-term growth, but do little to increase short-term growth expectations. Ozili and Arun (2020) found that restriction on internal movement and higher fiscal policy spending had a positive impact on the level of economic activities, although the increasing number of confirmed coronavirus cases did not have a significant effect on the level of economic activities.

Khan et al. (2020) investigated the impact of COVID-19 pandemic on the stock markets of 16 countries using pooled OLS regression, conventional t-test and Mann-Whitney test. Pooled OLS estimation result shows that the growth rate of weekly new cases of COVID-19 negatively predicts the return in stock markets. The t-test and Mann-Whitney tests revealed that the investors in these countries did not react to the media news of COVID-19 at the early stage of the pandemic. However, after human-to-human transmission was confirmed, stock market indices negatively reacted to the news in both short- and long-event window. Similarly, Papadamou et al. (2020) found that increased uncertainty had a direct impact on implied volatility and an indirect effect on stock returns across 13 major stock markets.

Lyócsa et al. (2020) employed Google Trends data specific to the coronavirus crisis as a gauge of panic and fear and find that increased panic and fear resulted in heightened volatility in 10 developed and developing stock markets. Similarly, Smales (2021) utilised Google Trends data as well as a measure of investor attention and finds that investor attention negatively influenced stock returns in the G7 and G20 countries and volatility (only examined in the G7 countries) during the pandemic.

Yilmazkuday (2020) investigated the effect of the coronavirus disease 2019 (COVID-19) cases in the U.S. on the S&P 500 Index using daily data covering the period between December 31, 2019, and May 1, 2020. Using a structural vector autoregression model, results suggested that having 1-percent increase in cumulative daily COVID-19 cases in the U.S. results in about 0.01 percent of a cumulative reduction in the S&P 500 Index after one day and about 0.03 percent reduction after one month. A historical decomposition of the S&P 500 Index further suggested that the negative effect of COVID-19 cases in the U.S. on the S&P 500 Index have been mostly observed during March 2020. Baig et al. (2020) also used Google Trends search data to capture uncertainty related to COVID-19. The results of their study suggested that the uncertainty associated with increases in infections and deaths led to greater implied market volatility and lower liquidity among US stocks.

Alam et al. (2020) investigated the impact COVID-19 to the stock market of India from February 24 to April 17, 2020. The results confirmed that the market reacted positively with significantly positive Average Abnormal Returns (AAR) during the lockdown period.

Al-Awadhi et al. (2020) reported a negative association between the growth in COVID-19 cases and deaths and returns on Chinese stock markets. Their results showed that the information technology and medicine manufacturing industries performed better than the aggregate market. In contrast, the beverage producer, air transportation, water transportation, and highway transportation sectors performed worse. With respect to uncertainty surrounding the COVID-19 pandemic, Ramelli and Wagner (2020) analysed the importance of trade (Chinese-orientated stocks) and levels of leverage on the effect of COVID-19 uncertainty, as captured by Google Trends search data, on the value of US firms. Greater uncertainty surrounding the pandemic resulted in lower performance for firms with greater leverage and smaller cash holdings, even if they did not have international operations. Sansa (2020) found that COVID - 19 had a significant impact on the financial markets from 1st March 2020 to 25th March 2020 in China and USA.

Camba and Camba (2020) examined the effect of COVID-19 pandemic on the Philippine stock exchange, peso-dollar rate and retail price of diesel using robust least squares regression and vector autoregression (VAR). The robust least squares regression using MM-estimation method concluded that COVID-19 daily infection had a negative and statistically significant effect on the Philippine stock exchange index, peso-dollar exchange rate and retail pump price of diesel.

Baker et al. (2020) concluded that no previous infectious disease episode led to daily stock-market swings that even remotely resemble the response in the past month to COVID-19 developments.

Impact of COVID-19 – Industry-level impact

Deloitte (2020) found that the impact on companies' results were already very significant and widely distributed even just for the Q1 of 2020. Even though the sample was not statistically representative, it clearly showed the different impacts by industry. Consumer goods, travel and leisure were immediately and directly impacted by the lockdown. The mining/commodities industry was mainly affected by the sharp drop in oil prices and significantly weaker demand. Automobiles mainly suffered from a sharp decrease in demand, particularly in the important Asia-Pacific region, where the whole first quarter was affected. Other industries, such as life sciences, showed a positive impact mainly based on stock piling effects. The telecommunication sector benefited from the higher demand of high speed data transmission capacity due to the social distancing requirements in many countries, although individual effects were significantly different, depending on the company's reliance on retail sales.

Szczygielski et. al. (2021) provided an extensive analysis of the global impact of COVID-19 related uncertainty on industry returns and volatility for a sample of 68 industries. The results indicated that COVID-19 related uncertainty, as measured by an aggregate index of Google search volumes, had a consistently negative impact on industry returns and a positive impact on return volatility. Industries that were least impacted are those that are related to the provision of goods and services that can be considered as necessities and substitutes (in the time of COVID-19). Notable examples were the food and staples retailing, household products, and telecommunications industries. Industries that were most adversely impacted are the energy, consumer finance and airlines industries potentially reflecting the adverse impact of COVID-19 on global economic growth and confidence and, the impact of associated lockdowns and restrictions.

Szczygielski et al. (2021b), in a study of the 20 largest energy sectors, also found that COVID-19 related uncertainty, quantified by Google Trends data, had a significant negative impact on energy sector returns and drove heightened volatility in the energy sectors of most countries investigated. Similarly, Haroon and Rizvi (2020) found that panic induced by COVID-19 related news was positively and significantly associated with volatility in the transportation, automobiles and components, energy and travel and leisure industries.

Gutierrez (2021) explained the political-economy dynamics of pursuing sustainable tourism in the Philippines during the COVID-19 pandemic using a variety of theoretical perspectives. Gutierrez (2021) found that in the face of the outbreak of the COVID-19 pandemic, tourism is considered as one of the most heavily hit sectors.

Mazur, Dang and Vega (2020) investigated the reaction of the S&P 1500 index to the spread of COVID-19 and US government interventions in March 2020. They found that the healthcare, food, software, technology and natural gas sectors earned the highest returns during this period, at times yielding monthly returns of over 20%. In contrast, the crude petroleum, real estate, hospitality and entertainment sectors experienced a substantial decrease in market capitalisation, with the crude petroleum stocks experiencing especially high levels of volatility.

Ramelli and Wagner (2020) examined the reactions of internationally oriented US firms to the COVID-19 crisis over three time periods: incubation (2 January to 17 January 2020), outbreak (20 January to 21 February 2020) and fever (24 February to 20 March 2020). The telecommunication services and food staples retailing sectors performed well with risk-adjusted returns of approximately 18% and 8%, respectively for the sample period. The energy and consumer services sectors were among the biggest losers with risk-adjusted returns of approximately -39% and -38% respectively. During the initial incubation period, the healthcare industry performed relatively well but not thereafter. In contrast, the utilities industry yielded positive returns across all periods, appearing unimpacted owing to their domestic nature and relatively inelastic demand.

Dhall and Singh (2020) and Ukpong, Tan and Yarovaya (2021) observed differential herding behaviour by investors across sectors in India from 2015 to June 2020 and the US from 1990 to August 2020 respectively, with both studies including the COVID-19 pandemic. Bretscher et al. (2020) studied the effect of uncertainty surrounding COVID-19 on US firm performance and found that firms headquartered in a specific county earned lower returns in the 10-day period post the first reported case in the area compared to the firm's returns before the event and, compared to firms headquartered in other counties.

Similarly, Smales (2020) found that while heightened COVID-19 uncertainty was associated with negative stock returns overall in the US, the energy sector was most impacted while consumer staples, healthcare and information technology were least impacted.

Liu (2020) examined the effect of COVID-19 uncertainty on China's stock market at the aggregate and sectoral levels, using Google Trends data to capture uncertainty. Overall, greater uncertainty contributed to a decline in market returns and an increase in volatility. At the sector level, greater uncertainty resulted in higher volatility across most industries, although the impact on returns varied. Notably, energy and information technology were most impacted while consumer staples, healthcare and utilities were least impacted.

In the Philippine setting, the ADB (2020) conducted a Philippine enterprise survey from 28 April to 15 May 2020 to gauge the impact of the novel coronavirus disease (COVID-19) on the business community. Survey responses show that quarantine restrictions, which began on 16 March to contain the spread of the virus, had a significant impact on business activity. Two-thirds of businesses closed temporarily, with most others (29%) reducing operations. Of those remaining open, most (78%) operated at half capacity or less. Only 4% of the enterprises maintained full operations.

Impact of COVID-19 – Financial Statement-level impact

Honko et. al. (2021) evaluated the quality of the presented content concerning the impact of the COVID-19 pandemic on continuing activities of selected companies listed in Warsaw Stock Exchange while Gamba et. al. (2021) studied the impact of COVID-19 on financial statements results and disclosure of selected Italian listed companies. However, the two studies only focused on the quality of disclosures made by the listed companies and not on the financial impact. Telling the COVID-19 story and reporting the impact of the global pandemic in the financial statements will, for many reporting entities, be a challenge. It is important to not only comply with the guidance set out in reporting standards, but also ensure that the financial statements are an effective part of any wider communication the entity intends to share with its stakeholders (GrantThornton, 2021).

Gap Analysis

In sum, almost all of the foreign and local literature perused point out that essentially any stock market and industry is affected by COVID-19. Unlike in other countries such as Poland (Honko et. al., 2021) and Italy (Gamba et. al., 2021) that assess the impact of COVID-19 for PLCs, there are no such assessments in the Philippines specifically dealing with the readiness and quantitative impact assessment. These are the gaps that the researchers were able to fill throughout the course of this study.

Methodology

This study covered a sampling of 54 Philippine publicly-listed companies (PLCs) in the Philippine Stock Exchange (PSE). This included PLCs from the following subsectors: (1) Education, (2) Hotel & Leisure, (3) Property, (4) Telecommunications, and (5) Transportation Services. The qualitative and quantitative impact of COVID-19 are based solely on the disclosures and computations made by the Philippine PLCs in their audited financial statements as accessed from the PSE Electronic Disclosure Generation Technology (EDGE) portal, the company websites, and Refinitiv Eikon.

Analysis

To meet the first objective of the study research question, we computed the average percent-change in revenue for years 2017 to 2019 and compare it with the percent-change in revenue for year 2020. The same procedure was followed for the change in expenses and change in net income.

On the second research objective, we categorized on a four-point scale the level of disclosure provided on the pandemic effects on financial results – no details, general statement, medium details, and high amount of details.

On the third research objective, we employed content analysis and scanned the annual report disclosures of the PLCs to identufy the measures/ mitigations of business risks that have been taken and communicated to the shareholders.

Results and Discussion

Out of the 54 entities covered by the study, 61% belong to the property sector, 19% to the transportation services, 7% to the education and hotel and leisure, while 6% belong to the telecommunications sector.

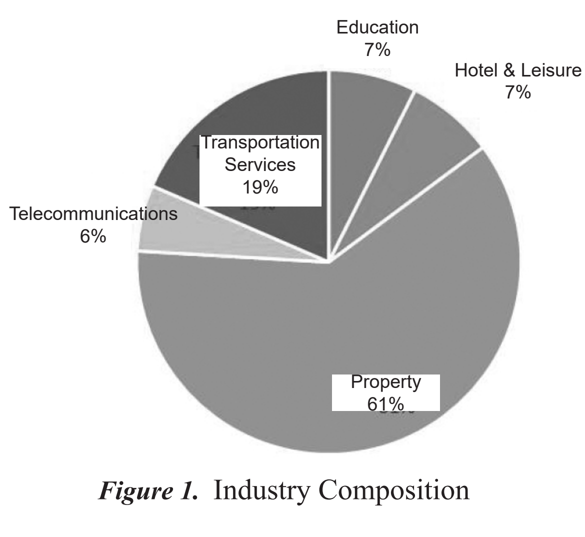


Figure 1. Industry Composition

For *t* the first research objective, Table 1 shows a decline in the percent-change revenue, expenses and net income from the average figures for 2017 to 2019 to corresponding figures for 2020. The decline in the percent-change in revenue, expenses and net income is mainly attributed to the closure of sites, adoption of skeletal workforce and alternative work arrangements, and continuous cost efficiency of the PLCs. This is also consistent with the findings of the ADB (2020) which showed that two-thirds of businesses closed temporarily, with most others (29%) reducing operations. Of those remaining open, most (78%) operated at half capacity or less. Only 4% of the enterprises maintained full operations. We therefore conclude in favor of the hypothesis (H_1) that the 2020 KPIs such as percent-change in revenue, percent-change in expenses, and percent-change in net income, of selected Philippine PLCs, are significantly impacted by COVID-19.

Breaking down per industry it can be seen in Table 1 that the percent-change in revenue, percent-change in expenses, and percent-change in net income of all industries declined with Hotel & Leisure and Transportation Services bearing the brunt of the COVID-19 pandemic. This is consistent with the finding of Deloitte (2020) that the travel & leisure sectors are immediately and directly impacted by the lockdown. Also, this is consistent with the study of Szczygielski et. al. (2021) and Mazur, Dang and Vega (2020) potentially reflecting the adverse impact of COVID-19 on global economic growth and confidence and, the impact of associated lockdowns and restrictions.

As for the second research objective, it is reassuring to see in Table 2 that 47 out of the 54 PLCs (87%) included in the study disclosed high and medium amount of details as to the impact of COVID-19. This addresses the challenge posed by GrantThornton (2021) in telling the COVID-19 story and reporting the impact of the global pandemic in the financial statements for many reporting entities. As preparer of the financial statements, one will need to think about how, where and in what form it should report COVID-19 in the financial statements. This is also consistent with the hypothesis (H_2) that selected Philippine PLCs disclose information in detail on the COVID-19 pandemic in their 2020 Annual Reports.

Table 1. *Impact of COVID-19 on the percent-change in revenue, percent-change in expenses, and percent-change in net income*

	Revenue		Expenses		Net income	
	Average	2020	Average	2020	Average	2020
Education	9%	7%	13%	-115%	-7%	-59%
Hotel & Leisure	10%	-27%	2%	-39%	256%	-357%
Property	19%	6%	-15%	-76%	208%	-24%
Telecommunications	33%	1%	25%	11%	-66%	10%
Transportation Services	16%	-14%	20%	13%	12%	-133%
Overall	17%	-5%	9%	-41%	81%	-113%

Table 2. *Level of Disclosure in the Annual Reports*

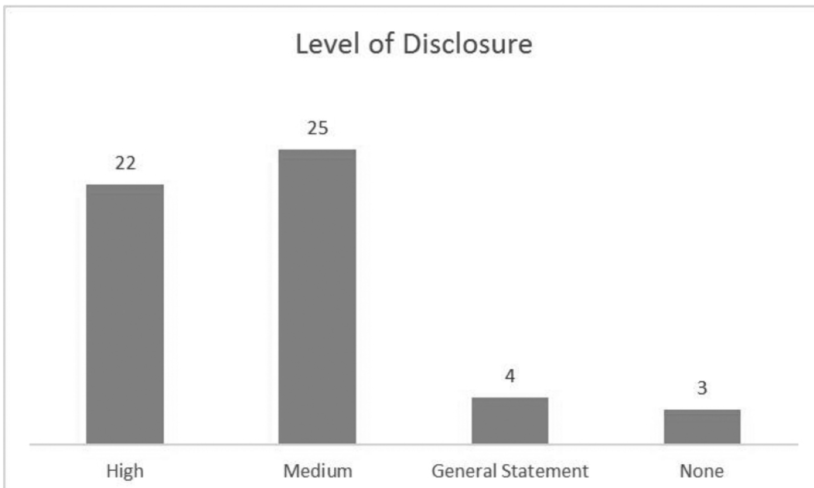
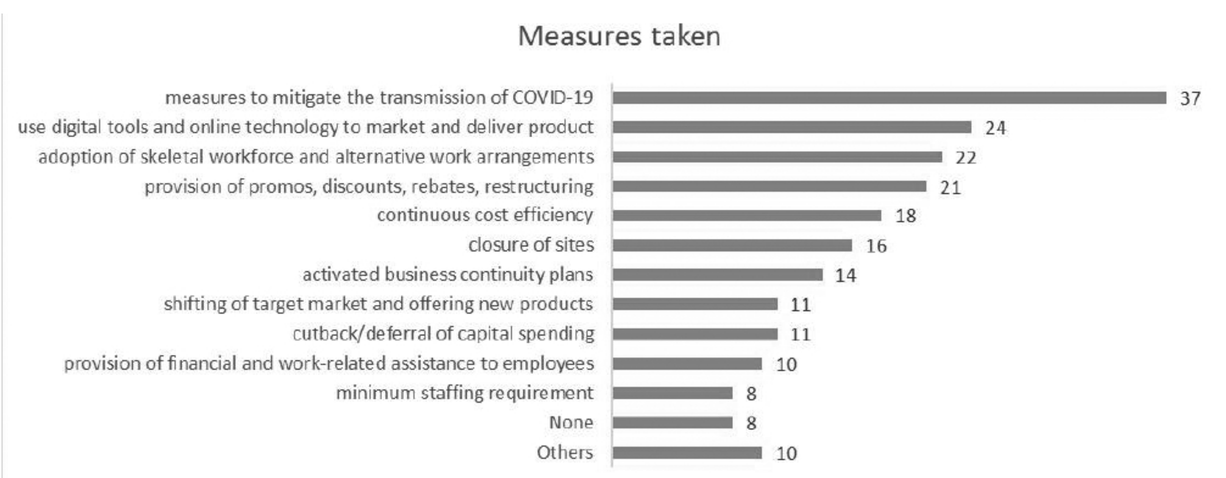


Table 3. *Measures Taken as contained in the Annual Reports*



With the new corona virus disease (COVID-19) pandemic currently affecting the Philippines and almost all countries around the world, the PLCs recognize their exposure to the risks in its business environment.

As for the third research objective, the level of detail varies significantly among the companies. Whereas some only provide general statements, many others provide qualitative or quantitative details about the respective measures taken consistent with the hypotheses (H_3) that selected Philippine PLCs disclose measures/mitigations of the business risks in their 2020 Annual Reports. It is noteworthy that: 37 PLCs disclosed in their annual reports measures to mitigate the transmission of COVID-19; 24 PLCs stated in their annual reports that they have utilized digital tools and online technology to market and deliver products; and 22 PLCs adopted skeletal workforce and alternative work arrangements to avert the impact of COVID-19.

Conclusion and Recommendations

For the first research objective, the study showed a decline in the percent-change in revenue, expenses and net income from the average figures for 2017 to 2019 to corresponding figures for 2020. Therefore, we conclude in favor of the hypothesis (H_1) that the 2020 KPIs such as percent-change in revenue, percent-change in expenses, percent-change in net income, of selected Philippine PLCs, are significantly impacted by COVID-19. This is consistent with the literature that the impact on companies' results were already very significant and widely distributed (Deloitte, 2020).

As for the second research objective, the study disclosed that 87% of Philippine PLCs have high and medium amount of details as to the impact of COVID-19. This is consistent with the hypothesis (H_2) that selected Philippine PLCs disclose information in detail on the COVID-19 pandemic in their 2020 Annual Reports.

Lastly, for the third research objective, the study demonstrated that most PLCs provided qualitative or quantitative details about the respective measures taken against COVID-19 consistent with the hypotheses (H_3) that selected Philippine PLCs disclose measures/mitigations of the business risks in their 2020 Annual Reports.

The COVID-19 pandemic is a major event with no precedence in recent history, which will have significant effects on many businesses all over the globe for an undetermined period of time. It might even lead to reconsideration of the strategic position of many businesses and their business models, resulting in increased requirement for portfolio adjustments. Securing access to sufficient capital, equity and debt is crucial to maintain and strengthen the market position in this environment (Deloitte, 2020).

It is therefore imperative that timely and reliable disclosures are made to the Annual Reports. In addition to providing sufficient insights into the pandemic's impact on the results, the explanation of measures taken to mitigate the current risks will help analysts and shareholders to make an assessment about the future perspective of the company. The more details provided, obviously puts the users in a better position to make assessments about the future and to adjust their projections.

Future research on other industries not covered by the study - Banks, Casinos & Gambling, Chemicals, Construction, Infrastructure & Allied Services, Electrical Components & Equipment, Electricity, Energy, Power & Water, ETF-Equity, Food, Beverage & Tobacco, Holding Firms, Information Technology, Media, Mining, Oil, Other Financial Institutions, Other Industrials, Other Services, Retail, and SMEs - is highly encouraged to better understand the dynamics of the COVID-19 pandemic.

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