



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

- 1. March 17, 2025
Date of Report (Date of earliest event reported)
- 2. SEC Identification Number CS200716094
- 3. BIR Tax Identification No. 006-895-049-000
- 4. Converge Information and Communications Technology Solutions, Inc.
Exact name of issuer as specified in its charter
- 5. Metro Manila, Philippines

Province, country or other jurisdiction of incorporation	Philippines
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- 6. (SEC Use Only)
Industry Classification Code:

- 7. New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga 2009
Address of principal office Postal Code

- 8. (02) 8667-0888
Issuer's telephone number, including area code

- 9. N/A
Former name or former address, if changed since last report

- 10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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Common Shares	7,266,573,061
Fixed Rate Bonds	10,000,000,000

- 11. Indicate the item numbers reported herein: Item 9. Other events

ACHIEVED HIGH END OF FY2024 GUIDANCE WITH INDUSTRY-LEADING FINANCIAL TRIFECTA – CONSOLIDATED REVENUE GROWTH AT 14.8% YOY, EBITDA MARGIN ENDED AT 60.5% AND ROIC AT 18.3%

FY2024 CONSOLIDATED RESIDENTIAL NET ADDS REACHED 435,406, ALMOST 74% HIGHER THAN FY2023 NET ADDS

FY2024 Key Highlights

- **Converge registered consolidated revenues of ₱40.6Bn for FY2024, higher by 14.8% YoY**
- **FY2024 Residential revenues grew to ₱34.4Bn or 13.7% YoY growth**
- **Enterprise revenues reached ₱6.2Bn, a growth of 21.9% YoY**
- **EBITDA grew 14.2% to ₱24.6Bn with margin ending at 60.5% for FY2024**
- **Net income after tax increased by 18.8% to reach ₱10.8 Bn representing net income margin of 26.6%**
- **Consolidated residential net additions for 4Q2024 reached a total of 103,607**
- **Maintained industry-leading ROIC at 18.3% for FY2024**

MANILA, Philippines, March 17, 2025 – The Philippines’ only pure-play high-speed fixed broadband operator, Converge Information and Communications Technology Solutions, Inc. (PSE: CNVRG) (“**Converge**” or the “Company”) ended 2024 with a total of 2,563,458 residential subscribers. This is comprised of 2,272,827 postpaid subscribers and 290,631 prepaid subscribers.

Residential and Enterprise segments both achieved double digits revenue growth with maintained momentum during the fourth quarter – leading to slight overachievement of full year guidance

Consolidated revenues grew by 14.8% in FY2024 to ₱40.6Bn – reinforcing the Company’s position as the fastest-growing fixed broadband service provider in the Philippines.

Residential business grew to ₱34.4Bn during the same period, representing 13.7% year-over-year growth. FiberX subscriber base grew by 196,419 during the year, 57.9% higher than the previous year. BIDA Fiber and Surf2Sawa recorded 90,458 and 175,795 respective net adds in 2024, their first full year since their official product launches.

In FY2024, enterprise revenue grew by 21.9% year-on-year to ₱6.2Bn. Small and medium enterprise (“SME”) continued to be the fastest growing subsegment with 30.9% revenue growth with all subsegments maintaining their double-digit growth.

Industry leading EBITDA margins and ROIC well within the higher end of guidance

The Company’s EBITDA grew by 14.2% to ₱24.6Bn in FY2024, representing an EBITDA margin of 60.5%, from ₱21.5Bn in FY2023 or 60.9% EBITDA margin. The Company maintained its industry-leading Return on Invested Capital (“ROIC”) at 18.3% from 18.0% last quarter. This is a result of the Company’s distinguished performance during the year and disciplined approach in deploying capital to expand its fiber network and improve its overall services.

Net income after tax grew by 18.8% to ₱10.8Bn in FY2024 from ₱9.1Bn in FY2023, resulting in a net income margin of 26.6% for FY2024, higher than FY2023 net income margin of 25.7%.

Converge has been able to maintain its strong balance sheet and cash flows with ample liquidity and gearing comfortably within bank covenants. The Company’s net debt position (as measured by total financial debt less cash and cash equivalents and short-term cash placements) decreased from ₱14.1Bn as of September 30, 2024 to ₱12.5Bn as of December 31, 2024. The Company repaid a portion of its financial debt, reducing the balance to ₱29.5Bn. The Company’s debt service coverage ratio (“DSCR”)

was 2.9x, the net debt-to-total equity was at 0.2x, and gross debt-total equity was at 0.5x – well within the required financial covenants from its debt facilities.

Total cash CAPEX as of FY2024 amounted to ₱9.3Bn, slightly lower than anticipated due to delays in turnover of turnkey projects.

Converge introduced product enhancement and innovation on Residential and Enterprise subsegments

Residential

With a focus on providing better and more reliable internet experience, Converge launched Boost Mode for all existing and new residential subscribers in November 2024. This is a free automatic speed boost of an additional 100 Mbps for all FiberX plans plus Wi-Fi 6 capabilities to FiberX plans starting from ₱1,699.

“At Converge, our vision has always centered on giving amazing digital experiences.” Converge EVP & Chief Commercial Officer Benjamin B. Azada adds, “Boost Mode is only the most recent step in Converge's vision of bridging the gap with the best in the world.”

In October 2024, Converge also announced a new collaboration with Netflix, the world’s largest streaming service in terms of subscriber base. This new collaboration will be headlined by the new Converge Netflix Bundles, where new and existing FiberX customers will be able to have both an internet and Netflix plan, all in one. This offering aims to provide countless entertainment options and a better streaming experience for FiberX users.

This Converge Netflix Bundles are offered with the abovementioned Boost Mode, a new WiFi-6 Next Gen Modem, and a Converge Xperience Box with Freemium Channels. The Converge Xperience Box is a Google-certified Android TV box that allows the customer to download apps such as YouTube, Spotify, and streaming apps like Netflix.

Enterprise

Proving its innovative mindset that goes beyond broadband connectivity but in software-driven digital solutions, the Company launched the Converge Content+ in 2024, an enterprise, internet-based TV solution catering this time to the hospitality industry.

Converge aims to maintain its innovative leadership as throughout 2025, Converge is set to expand its suite of Enterprise and Wholesale products as it simultaneously links up with technology partners to bring more innovative solutions to Philippine businesses.

In February 2025, Converge introduced Fiber-to-the-Room (“FTTR”) technology at one of the country’s leading medical institutions, St. Luke’s Medical Center. The digital solution, known as the St. Luke's In-Room Digital Concierge, ensures a smooth and smart patient experience during each stay at the medical institution.

The FTTR solution has been deployed to almost 400 rooms at St. Luke's Medical Center in Bonifacio Global City, while over 400 rooms at their Quezon City hospital are underway for activation. This is in addition to Converge's high-capacity, seamless Wi-Fi in all the common areas at both hospitals.

Converge awarded by Ookla® and the Asian Experience Awards for service quality and innovative digitalization projects

For the second half of 2024, Converge cemented its status as the Philippines’ top internet provider, sweeping multiple accolades from Ookla®. In February 2025, Converge was recognized as the Fastest Fixed Network, delivering download speeds of up to 561.51 Mbps and upload speeds of up to 509.08

Mbps. The Company's commitment to high-quality streaming was also acknowledged, earning the Best ISP Video Experience award with a Video Score of 78.17, ensuring smooth and uninterrupted entertainment for users. Beyond speed, Converge proved its dominance in gaming and overall connectivity. With an impressive Game Score™ of 83.06, Converge secured the title of Best ISP Gaming Experience, guaranteeing low-latency and seamless gameplay for Filipino gamers. Additionally, its Overall Connectivity Score of 76.13 solidified its position as the Best Fixed Network, showcasing unmatched reliability and consistency. These achievements reinforce Converge's relentless pursuit of delivering world-class internet services to Filipino households and businesses.

Additionally, Converge was regarded as the Philippine's Digital Experience of the Year – Broadband Telecommunication awardee during the Asian Experience Awards 2024 with the Company's GoFiber app and FB Chatbot project.

Converge established its digital transformation journey with ambitious goals, aiming to attain remarkable results in operational productivity and customer satisfaction. The key areas addressed in the project include streamlining workflows, in which internal processes are simplified to improve overall efficiency; reducing manual errors and improving accuracy by automating tasks; and enhancing data analytics to make informed decisions and drive business growth.

The GoFiber app has empowered Converge's customers' control over managing their accounts at their fingertips. With streamlined bill payments and instant notifications about service status, customers are assured of convenience and transparency. Meanwhile, the chatbot project significantly reduces the workload on human agents and improves overall efficiency through creating auto-tickets from concerns raised online.

The successful implementation of the GoFiber app and FB Chatbot has set a new standard for how Converge interacts with customers and manages operations. These projects show how Converge values innovation and constant improvement to ensure that the customers receive best-in-class services.

Converge secures Tier III design certification for Caloocan Data Center

In January 2025, Converge secured a rare Tier 3 design certification for its data center in Caloocan City that is scheduled to go online within the year. The certification confirms that the Caloocan Data Center is compliant with industry standards on maintainability and redundancy. It also validates that the facility is reliable enough to be online for most of the time, ensuring that it can serve requirements consistently.

The Caloocan Data Center is designed to accommodate 300 racks, and Converge intends to use the facility for its own operations.

Converge safeguards customers by restricting illegal access and educating youth on safer internet

Converge rejected a record 183 billion attempts throughout 2024 to enter platforms that were registered in its network as illegal. Overall, Converge listed 150,000 links as illegal, with domains leading to sites containing materials related to online sexual abuse or exploitation of children ("OSAEC") or promoting digital scams and illegal gambling.

Converge chief information security officer Andrew Malijan explained that Converge had stepped up its cybersecurity initiatives to keep pace with criminals who are increasingly exploiting AI to enhance their digital attacks.

Internet service providers are required by Republic Act 11930 to prohibit access to channels that distribute materials containing OSAEC, especially as the Philippines is internationally notorious as an OSAEC hotspot.

On top of restricting sources of illegal and unsafe domains, Converge also launched Project Piglet in December 2024 - an advocacy program aimed at promoting digital literacy and privacy awareness among Filipino students. To kickstart the project, Converge partnered with Francisco Legaspi Memorial School (FLMS) in Pasig where it hosted a child-friendly event for students in Grades 2 to 6. The launch included an interactive storytelling session, highlighting the importance of responsible online behavior and the risks of oversharing on social media.

“The internet presents both opportunities and threats for children. Today’s kids are exposed to technology at a very young age, so it is essential to educate them about online safety early on,” said Converge Senior Vice President and Corporate Compliance and Data Protection Officer, Laurice Esteban-Tuason. “We hope to instill in them the vigilance needed to protect their personal data from digital threats.”

Converge’s initiative is part of a broader effort to build awareness of digital privacy risks, especially among the younger generation. The Company plans to expand the program in the future, reaching more schools nationwide and engaging students of varying academic levels.

FY2025 Guidance

With the Company’s strong trajectory and the industry’s broad underserved market, the Company’s well-engineered products are well-positioned to capitalize on this growth potential. The Company looks to grow consolidated revenues by 14% to 16% this 2025.

With various cost management efforts in place, EBITDA margins are expected to settle at the 61% to 62% levels. Additionally, ROIC is expected to reach 16.5% to 17.5%, slightly lower due to elevated cash CAPEX expectations of ₱20 to ₱25Bn. These costs include one-off projects, namely the international subsea cable systems and the two data centers, on top of the port expansion and redundancy CAPEX earmarked for the year.

This press release may contain forward looking statements and information that are, by their nature, subject to significant risks, uncertainties, and assumptions. Many factors could make or cause the actual results, performance or achievements to be materially different from those expressed or implied in this release. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein.

For questions, please contact:

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ANNEX

Exhibit 1: Summary Statement of Comprehensive Income

	For the twelve months ended December 31				For the three months ended December 31			
	2024	2023	YoY change	YoY change %	2024	2023	YoY change	YoY change %
In PHP millions								
Revenues	40,610	35,359	5,251	15%	10,672	9,111	1,561	17%
<i>Residential</i>	34,422	30,282	4,140	14%	8,981	7,812	1,169	15%
<i>Enterprise</i>	6,188	5,077	1,111	22%	1,691	1,299	392	30%
Cost of services	(14,384)	(12,710)	(1,674)	13%	(3,801)	(3,781)	(19)	1%
Gross profit	26,226	22,649	3,577	16%	6,871	5,330	1,542	29%
General and administrative expenses	(9,217)	(6,947)	(2,270)	33%	(2,784)	(1,726)	(1,058)	61%
Provision for impairment of trade and other receivables	(1,641)	(1,369)	(272)	20%	(474)	402	(876)	-218%
Other income (expense), net	842	(132)	975	N/M	287	219	68	31%
Profit from operations	16,211	14,201	2,010	14%	3,900	4,224	(324)	-8%
Finance costs	(1,922)	(2,079)	157	-8%	(464)	(503)	39	-8%
Profit before income tax	14,289	12,122	2,167	18%	3,436	3,721	(285)	-8%
Income tax expense	(3,476)	(3,023)	(453)	15%	(835)	(991)	155	-16%
Profit after income tax for the period	10,813	9,099	1,714	19%	2,601	2,731	(130)	-5%
Other comprehensive (loss) income	(13)	(25)	12	-48%	(13)	-	-	N/M
Total comprehensive income for the period	10,800	9,074	1,726	19%	2,588	2,731	(130)	-5%
Profit after income tax	10,813	9,099	1,714	19%	2,601	2,731	(130)	-5%
Finance costs	1,922	2,079	(157)	-8%	464	503	(39)	-8%
Income taxes	3,476	3,023	453	15%	835	991	(155)	-16%
Depreciation and amortization - COS	7,074	6,015	1,059	18%	1,901	1,676	226	13%
Depreciation and amortization - G&A	484	430	54	13%	220	285	(64)	-23%
Amortization of deferred contract costs - SAQ	806	883	(76)	-9%	300	195	105	54%
EBITDA	24,575	21,528	3,047	14%	6,322	6,380	(57)	-1%
EBITDA Margin	60.5%	60.9%			59.2%	70.0%		

Exhibit 2: Quarterly Operational Performance Summary

	2023				2024		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Residential							
Revenues (In PHP millions)	7,476	7,595	7,812	8,167	8,469	8,806	8,969
FTTH	7,186	7,335	7,600	7,993	8,345	8,693	8,913
HFC	291	259	212	173	124	113	68
Customers	1,969,663	2,048,286	2,128,052	2,252,845	2,351,803	2,459,851	2,563,458
FTTH	1,795,858	1,882,987	1,976,500	2,107,156	2,213,451	2,325,916	2,439,172
HFC	173,805	165,299	151,552	145,689	138,352	133,935	124,286
Homes Passed	16,567,221	16,736,629	16,850,877	16,897,965	16,947,181	17,005,261	17,070,741
FTTH	15,711,920	15,881,328	15,995,576	16,042,664	16,091,880	16,149,960	16,215,440
HFC	855,301	855,301	855,301	855,301	855,301	855,301	855,301
Ports	8,711,261	8,795,965	8,853,089	8,876,633	8,901,241	8,930,281	8,963,021
FTTH	7,855,960	7,940,664	7,997,788	8,021,332	8,045,940	8,074,980	8,107,720
HFC	855,301	855,301	855,301	855,301	855,301	855,301	855,301
Household Coverage (%)	62.30%	62.93%	63.36%	63.54%	63.72%	63.94%	64.19%
ARPU	1,208	1,196	1,195	1,189	1,170	1,160	1,133
FTTH	1,277	1,262	1,225	1,247	1,228	1,213	1,225
HFC	543	506	482	388	291	276	176
Port Utilization (%)	23.1	23.8	24.5	25.9	27.0	28.2	28.6
FTTH	23.4	24.2	25.3	26.9	28.2	29.6	30.8
HFC	20.3	19.3	17.7	17.0	16.2	15.7	14.5
Enterprise							
Revenues (In PHP millions)	1,244	1,292	1,299	1,373	1,511	1,613	1,691
ARPU	9,773	9,613	8,824	9,094	9,290	8,885	8,619

Notes:

- (1) FTTH homes passed is derived from the number of homes within a 300-meter radius from a network access point ("NAP") that we have installed in a coverage area. Each NAP has eight or sixteen ports, and one port serves one home.
- (2) HFC homes passed refers to the number of homes and other residential units that are within a 200-meter radius from our HFC ports, and can be connected to our network.
- (3) The number of FTTH ports installed represents both activated FTTH connections and ports available for immediate activation once a new subscription is approved.
- (4) The number of HFC ports installed refers to a slot on a network device allowing for the transmission of data between our HFC network and the equipment at the customer premises.
- (5) Household coverage is calculated as total homes passed over total number of homes in the Philippines, which is estimated at 25.7 million, extrapolated from MPA data.
- (6) Monthly ARPU for our Residential Business is calculated by dividing (i) the revenue generated during a period by (ii) the average number of subscribers during that period, then dividing the quotient by the number of months during that period. The average number of subscribers during a period is calculated by the sum of the subscribers at the beginning and at the end of the period, divided by two.
- (7) Blended churn rate refers to the combined FTTH and HFC churn rate. Churn rate for our Residential Business is calculated by dividing (i) the sum of the number of permanent subscriber discontinuations in a month, by (ii) the average number of subscribers during the respective month and multiplying the result by 100%. The average number of subscribers during a month, is calculated by the sum of the subscribers at the beginning and at the end of the month, divided by two.
- (8) Our port utilization rates for our FTTH network is our number of FTTH subscribers, including residential subscribers, SME subscribers, and subscribers under our network sharing agreements, as a percentage of total FTTH ports and for our HFC network is our number of HFC subscribers as a percentage of HFC homes passed.
- (9) ARPU for our Enterprise Business is calculated by dividing (i) the revenue generated during a period by (ii) the average number of enterprise users during that period, then dividing the quotient by the number of months during that period. The average number of enterprise users during a period, is calculated by the sum of the enterprise users at the beginning and at the end of the period, divided by two.
- (10) Customer churn rate for our Enterprise Business is calculated by dividing (i) the sum of the number of permanent customer deactivations in a month, by (ii) the average number of customers during the respective month and multiplying the result by 100%. The average number of customers during a month is calculated by the sum of the circuits at the beginning and at the end of the month, divided by two.

Exhibit 3: Summary Balance Sheet

In P millions	As of the period December 31			
	2024	2023	Change	Change %
Current assets				
Cash and cash equivalents	8,454	13,333	(4,880)	-37%
Short-term cash placements	8,527	361	8,166	N/M
Trade and other receivables, net	4,132	3,241	891	27%
Due from related parties, net, current portion	116	209	(92)	-44%
Network materials and supplies, net	1,560	2,024	(464)	-23%
Deferred contract costs, current portion	1,395	984	411	42%
Other current assets	1,663	2,002	(339)	-17%
Noncurrent assets				
Property, plant and equipment, net	70,053	67,530	2,523	4%
Right of use assets, net	2,237	2,853	(617)	-22%
Intangible assets, net	2,046	2,145	(98)	-5%
Due from related parties, net of current portion	146	154	(8)	-5%
Advances to fixed assets suppliers	3,811	3,605	206	6%
Other noncurrent assets	2,914	2,703	211	8%
Total assets	107,054	101,145	5,909	6%
Current liabilities				
Trade and other current liabilities	17,757	16,199	1,558	10%
Due to related parties	29	42	(13)	-32%
Borrowings, current portion	5,538	5,258	279	5%
Lease liabilities, current portion	426	460	(34)	-7%
Other current liabilities	2,996	1,958	1,038	53%
Non-current liabilities				
Borrowings, net of current portion	23,977	29,985	(6,008)	-20%
Retirement benefit obligation, net	17	12	5	39%
Other non-current liabilities	1,624	1,984	(360)	-18%
Total liabilities	52,364	55,899	(3,536)	-6%
Total equity	54,691	45,246	9,445	21%
Total liabilities and equity	107,054	101,145	5,909	6%

Exhibit 6: Summary Cash Flow

For the twelve months ended December 31

	2024	2023	YoY change	YoY change %
In PHP millions				
Cash flow from operating activities				
Profit before income tax	14,289	12,122	2,167	18%
Adjustments for operating income	12,279	12,490	(211)	-2%
Adjustments for assets and liabilities	(3,188)	(3,765)	576	-15%
Cash from operations	23,379	20,847	2,532	12%
Interest received and income taxes paid	(2,344)	(3,218)	874	-27%
Net cash from operating activities	21,035	17,629	3,407	19%
Cash flow from investing activities				
Acquisition of property, plant, and equipment	(8,540)	(8,595)	56	-1%
Others	(8,552)	(207)	(8,345)	N/M
Net cash used in investing activities	(17,092)	(8,803)	(8,289)	94%
Cash flow from financing activities				
Proceeds from borrowings	-	500	(500)	-100%
Payments of borrowings	(5,757)	(3,523)	(2,234)	63%
Dividends paid	(1,308)	-	(1,308)	N/M
Others	(2,184)	(2,500)	316	-13%
Net cash used in financing activities	(9,249)	(5,523)	(3,726)	67%
Net increase in cash and cash equivalents	(5,306)	3,303	(8,609)	-261%
Cash and cash equivalents, beginning	13,694	10,214	3,480	34%
Effects of exchange rate changes in cash and cash equivalents	65	177	(111)	-63%
Cash and cash equivalents, ending	8,454	13,694	(5,240)	-38%

Exhibit 7: Liquidity and Capital Resources

	December 31, 2024	December 31, 2023	Change (%)
Balance Sheet Data (in P millions)			
Total Assets	107,054	101,145	6%
Total Debt	29,515	35,244	-16%
Total Stockholders' Equity	54,690	45,246	21%
Financial Ratios			
Total Debt to EBITDA (gross)	1.2x	1.6x	
Total Debt to EBITDA (net)	0.5x	1.0x	
Debt Service Coverage	2.9x	3.6x	
Interest Coverage (gross)	12.1x	10.4x	
Debt to Equity (gross)	0.5x	0.8x	
Debt to Equity (net)	0.2x	0.5x	
Return on Invested Capital	18.3%	15.7%	

Notes:

(1) Total Debt is the sum of current and noncurrent loans payable

(2) Debt Service Coverage is computed as last twelve month's ("LTM") EBITDA divided by the sum of current loans payable, LTM interest expense, and current lease liabilities

(3) Interest Coverage (gross) is computed as LTM EBITDA divided by LTM finance costs

(4) Debt to Equity (gross) is computed as total debt divided by total shareholders' equity

(5) Debt to Equity (net) is computed as the difference between total debt and the sum of cash and cash equivalents plus short-term cash placements divided by total shareholders' equity

(6) Return on Invested Capital is tax-adjusted (25% assumed effective tax rate) profit from operations divided by average invested capital. Invested Capital is the sum of our total equity and total debt (comprising loans payable (non-current and current portions)), less cash and cash equivalents, short-term cash placements, and capital expenditures in progress

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