



# 2024 Results Briefing

#ConvergeTayo

# Meeting Reminders

- Please mute your microphones during the presentation.
- Questions will be entertained during the Q&A portion after the presentation. You may send your questions through the Zoom Chat feature.
- The session will be recorded.



**Dennis Anthony H. Uy**

CEO and Co-Founder



**Grace Y. Uy**

President and Co-Founder



**Robert A. Yu**

Chief Finance Officer



**Jesus C. Romero**

Chief Operations Officer



**Benjamin B. Azada**

Chief Commercial Officer and Chief Sustainability Officer

# Dennis Anthony H. Uy

CEO and Co-Founder





**#LeapIntoTheFuture**





# Grace Y. Uy

President and Co-Founder



## Consolidated revenue, EBITDA margin, and ROIC trifecta ended at the high-end of full year guidance



**Consolidated revenue grew by 14.8% YoY to ~PHP 40.6 Bn in FY2024**, owing to strong growth from both Residential and Enterprise segments



**Residential revenue grew by 13.7% YoY to ~PHP 34.4 Bn in FY2024**



**Consolidated fiber net adds reached 435,406 in FY2024**, 74% higher than 2023 net adds. Consolidated monthly churn rates for the full year ended at 2.08%



**Enterprise revenue grew by 21.9% YoY to ~PHP 6.2 Bn in FY2024**



**EBITDA grew by 14.2% YoY to ~PHP 24.6 Bn in FY2024. EBITDA margins remained at industry-leading 60.5% in FY2024**



**Core net income after tax of ~PHP 10.8 Bn in FY2024** – up by 18.8% YoY and representing a **higher net margin of 26.6%** vs. 25.7% net income margin from FY2023



**FY2024 ROIC<sup>1</sup> leads the industry at 18.3%**

### Notes:

1. Return on Invested Capital is tax-adjusted (25% assumed effective tax rate) pro forma profit from operations divided by average invested capital. Invested Capital is the sum of total equity and total debt (comprising loans payable (non-current and current portions)), less cash and cash equivalents; NOPAT defined as tax-adjusted operating profit assuming statutory tax rate of respective companies; total capital defined as the sum of net debt and total equity attributable to owners of the parent and non-controlling.

# Dividend Payout

## REGULAR CASH DIVIDENDS

**PHP 3.12 Bn or  
PHP 0.4300 per share**

The Company remains to be moderately levered with sufficient cash to pay the regular cash dividends

The Board has approved an annual payout of FY2025 dividends scheduled as follows:

### Key Dividend Dates

Declaration Date	March 17, 2025
Record Date	April 2, 2025
Payment Date	April 16, 2025





## Robert A. Yu

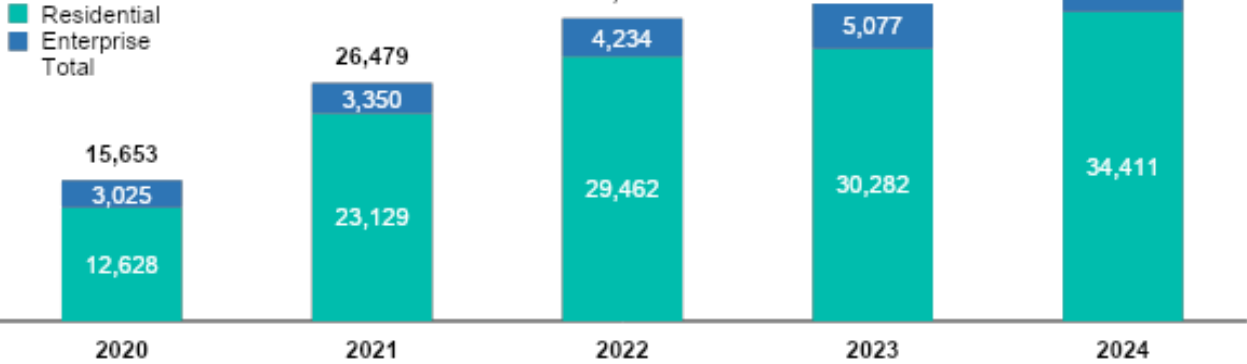
Chief Finance Officer



# Consolidated revenue, EBITDA margin, and ROIC reach higher end of management guidance

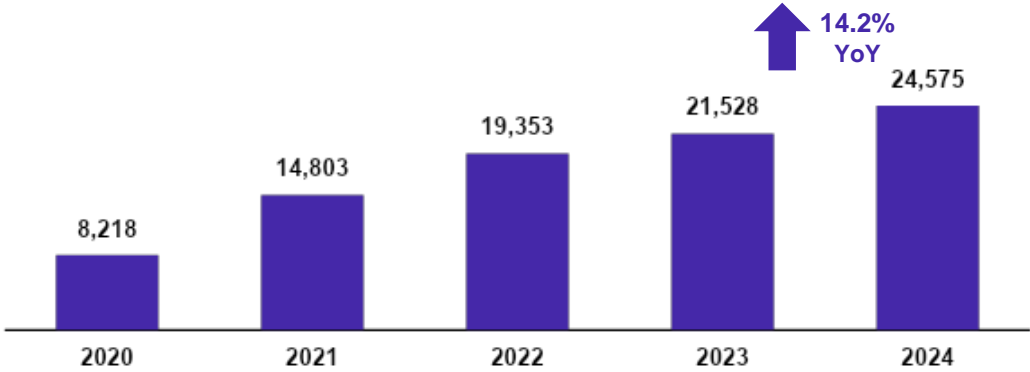
## Revenue

PHP Mn

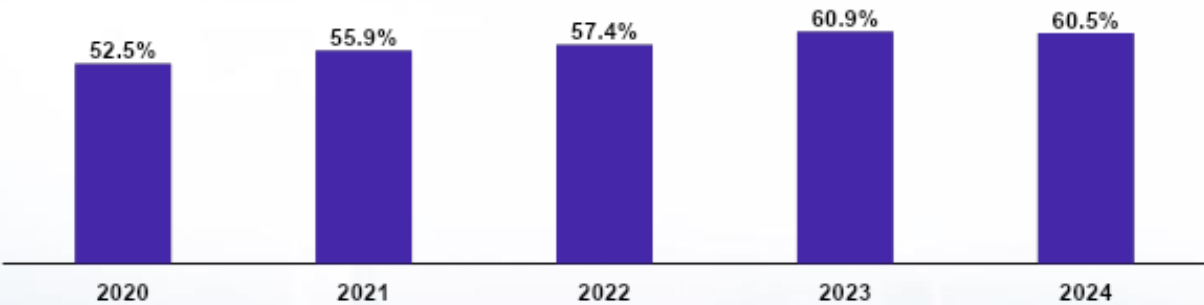


## EBITDA

PHP Mn

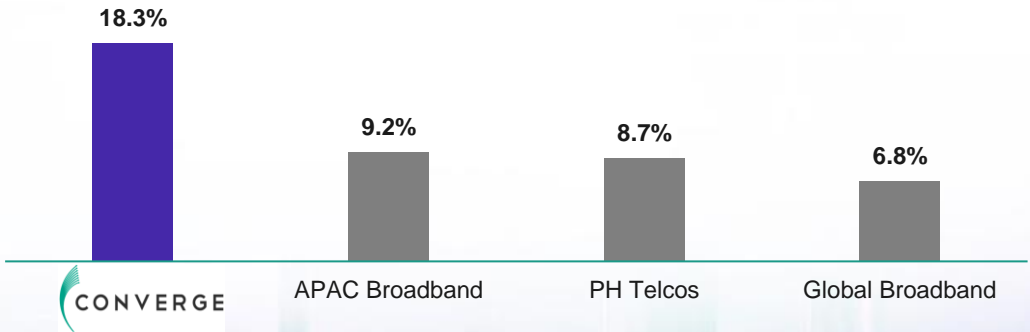


## EBITDA Margin (1)



## ROIC (2)(3)

Annualized



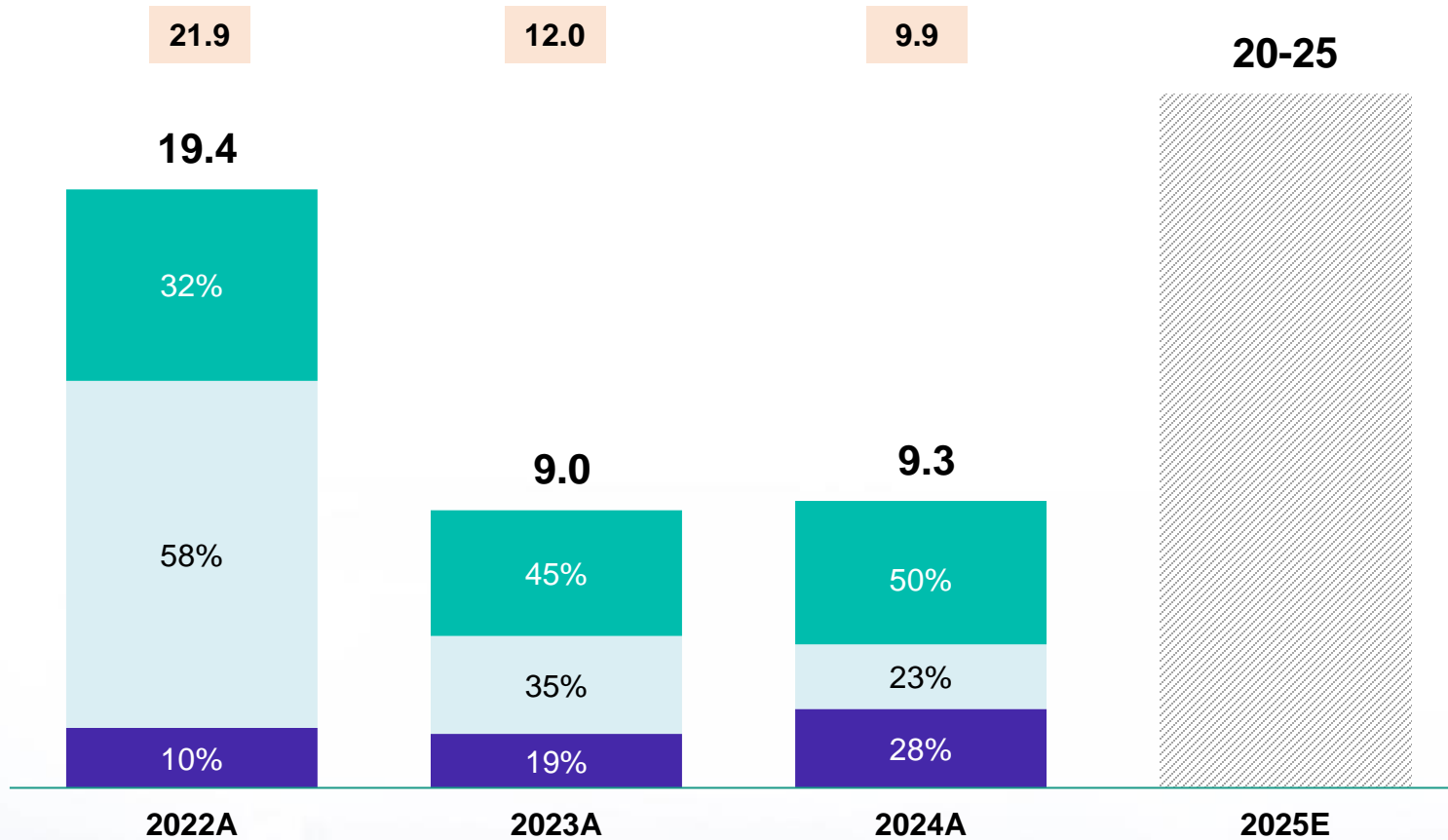
**Notes:**

- 1. 2021-2024 EBITDA shown as reported EBITDA. 2020 EBITDA shown as Pro Forma Adjusted EBITDA, where historical EBITDA is adjusted for Pro Forma Events and provision for contingencies and loss on direct write off of network materials and supplies.
- 2. Return on Invested Capital is tax-adjusted (25% assumed effective tax rate) pro forma profit from operations divided by average invested capital. Invested Capital is the sum of total equity and total debt (comprising loans payable (non-current and current portions)), less cash and cash equivalents; NOPAT defined as tax-adjusted operating profit assuming statutory tax rate of respective companies; total capital defined as the sum of net debt and total equity attributable to owners of the parent and non-controlling.
- 3. APAC broadband players include HKBN and Time dotCom; Global broadband players include Altice, Charter Communications and Liberty Global; Phils Telco includes PLDT and Globe; Figures computed based on latest data available as of briefing date.

# FY2025 Cash CAPEX expected to reach ~ PHP 20 to 25 Bn

## Cash CAPEX

PHP Bn



### Cash CAPEX for 2024

- FY2024 Cash CAPEX ended at PHP 9.3 Bn.
- FY2025 Cash CAPEX expected to be higher due to (1) one-off capital investments in international subsea cable systems and data centers and (2) higher port deployment to expand coverage and augment current capacities

#### Legend

- Backbone
- Access
- Others<sup>1</sup>
- Accrual

**Notes:**

1. Others include capital expenditures for software and licenses, land, data center, international subsea cable system, and other office and transportation property, plant, and equipment



# Moderately levered balance sheet with limited exposure to macro pressures

## Moderately leveraged capitalization structure

### Capital Structure

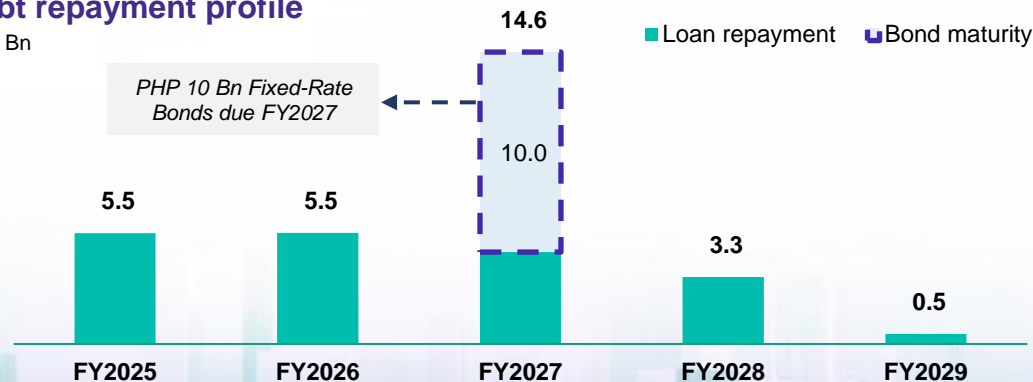
PHP Bn

Capitalization Structure	In PHP Bn	Common Equity	In PHP Bn
Current portion of LT debt	5.6	Share capital	1.9
LT Borrowings, net of current portion	23.9	APIC	18.7
<b>Total debt</b>	<b>29.5</b>	Treasury shares	(6.5)
Cash and cash equivalents – PHP	7.2	Retained earnings	40.3
Short-term cash placements – PHP	3.8	Other equity items	0.2
Cash and cash equivalents – USD	1.3	<b>Total common equity</b>	<b>54.7</b>
Short-term cash placements – USD	4.7		
<b>Total cash and short-term placements</b>	<b>17.0</b>		
Net debt	12.5		
Total common equity	54.7		
<b>Total capitalization (D + E)</b>	<b>67.2</b>		

## Debt repayment expected to peak in FY2027, due to maturing PHP 10 Bn 5-Yr fixed rate bonds

### Debt repayment profile

PHP Bn

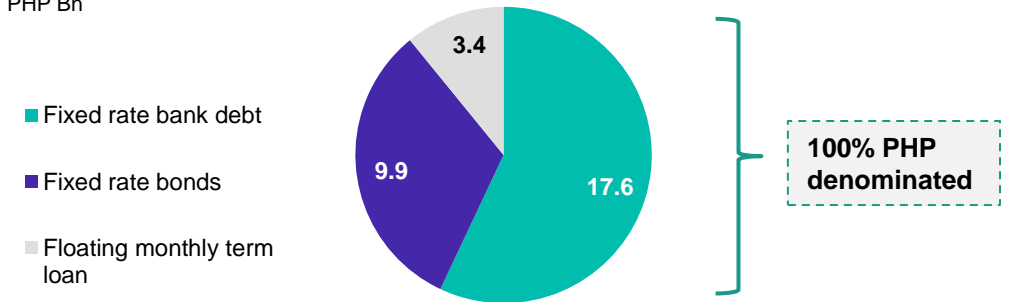


Notes:  
 1. FY2024 debt repayment of 1.4Bn pertains to the remaining loan repayment for the year.  
 2. Breakdown of outstanding debt balances as of September 30, 2024 – includes current portion of long-term debt.

## 11% of total debt repriced to floating monthly term loan, maturing in 4 years

### Debt exposure<sup>(1)</sup>

PHP Bn

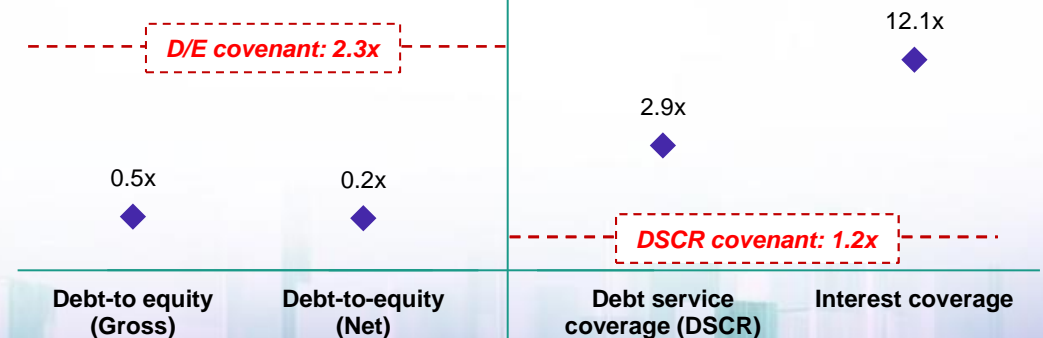


Total: ~PHP 29.5 Bn

## Moderate gearing levels, well-within bank financial covenants

### Gearing covenants

Ratios



## FY 2025 Guidance

	FY 2024 Results	FY 2025 Guidance
<b>Revenue Growth</b>	<b>14.8%</b>	<b>14% to 16%</b>
<b>EBITDA Margin</b>	<b>60.5%</b>	<b>61% to 62%</b>
<b>ROIC</b>	<b>18.3%</b>	<b>16.5% to 17.5%</b>
<b>CAPEX</b>	<b>9.3Bn</b>	<b>20Bn to 25Bn</b>

## **Benjamin B. Azada**

Chief Commercial Officer and  
Chief Sustainability Officer



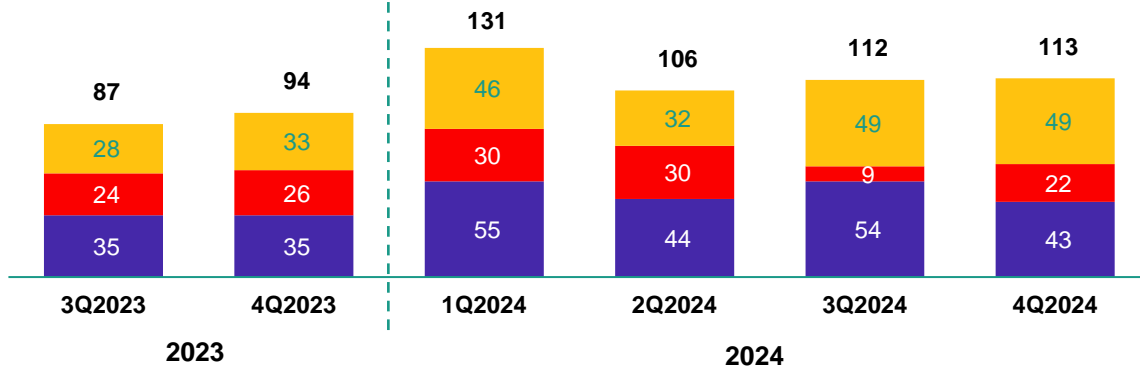


# Consolidated EOP subscribers ended at 2.6Mn; Both flanker brands grew by at least 150% since December 2023

Consolidated EOP fiber subscribers ended at 2.6Mn in December 2024, bringing fiber port utilization to more than 30%.

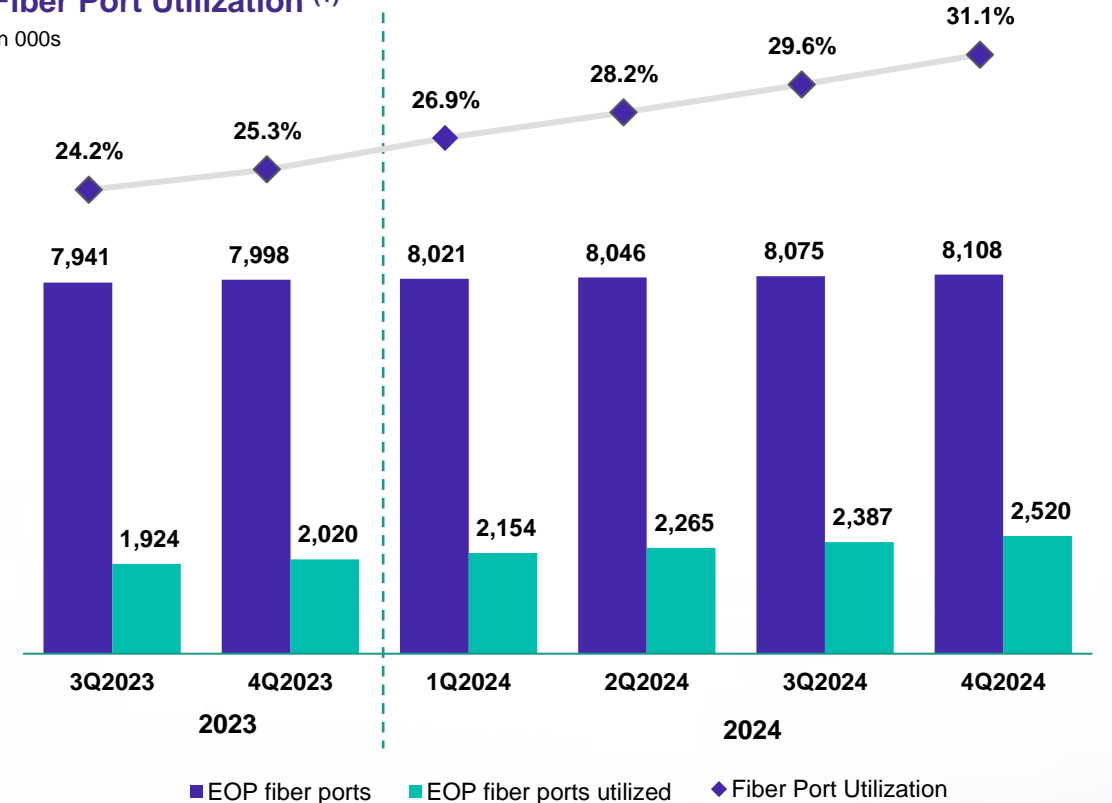
## Quarterly Consolidated Fiber Net Adds - By Product

In 000s



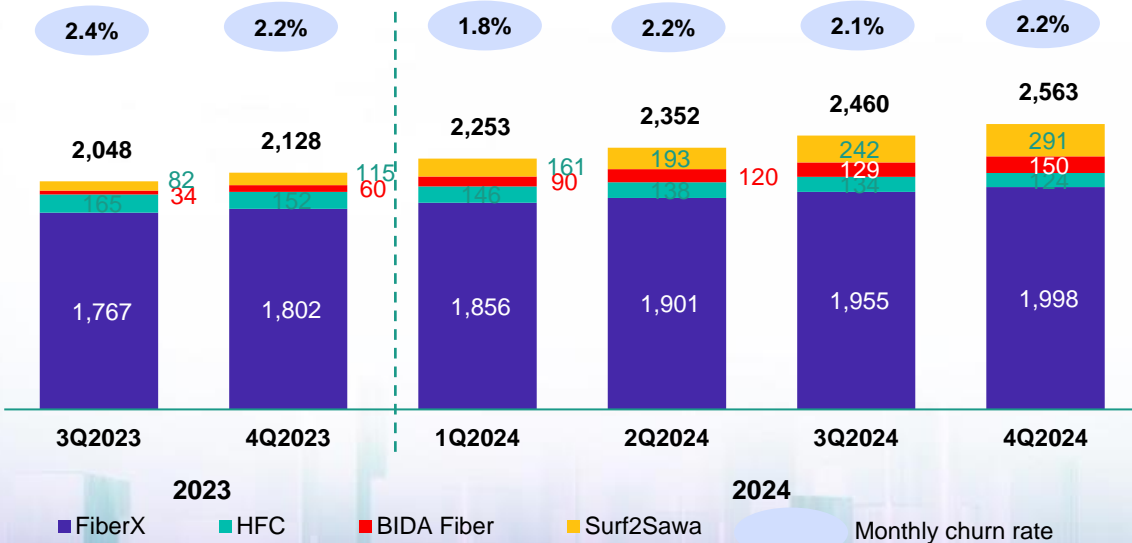
## Fiber Port Utilization (1)

In 000s



## Quarterly Consolidated EOP Subscribers

In 000s



**Notes:**

1. Includes ports utilized by residential subscribers, SME customers, and network sharing agreements.



# CONVERGE FIBERX

## ALL-NEW FIBERX BOOST MODE PLANS

**BOOST MODE**  
★★★★★

Up to  
**300 Mbps**

FIBERX | PHP1,500

Same Price. Now **50% Faster!**\*  
vs. previous offer

**BOOST MODE**  
★★★★★

Up to  
**500 Mbps**

FIBERX | PHP2,000

**100Mbps Faster!**\*  
vs. previous offer

**BOOST MODE**  
★★★★★

Up to  
**700 Mbps**

FIBERX | PHP2,500

**150Mbps Faster!**\*  
vs. previous offer

**BOOST MODE**  
★★★★★

Up to  
**1000 Mbps**

FIBERX | PHP3,500

**50% More affordable!**\*  
—was PHP4,499—

## AVAILABLE PLANS

### PLAN 1798

Fiber Plan **300** Mbps + Speed Boost **25** Mbps + Converge Xperience Box + Netflix Basic

### PLAN 1998

Fiber Plan **300** Mbps + Speed Boost **50** Mbps + Converge Xperience Box + Netflix Standard

### PLAN 2298

Fiber Plan **300** Mbps + Speed Boost **200** Mbps + Converge Xperience Box + Netflix Premium

## INCLUSIONS



CONVERGE Xperience Box with Freemium channels



WiFi-6 Next Gen Modem

# NETFLIX



# Enterprise growth at 22% with strong contribution from all subsegments

SME remains the fastest growing sub-segment with 48% YoY growth.

## Enterprise revenues by segment

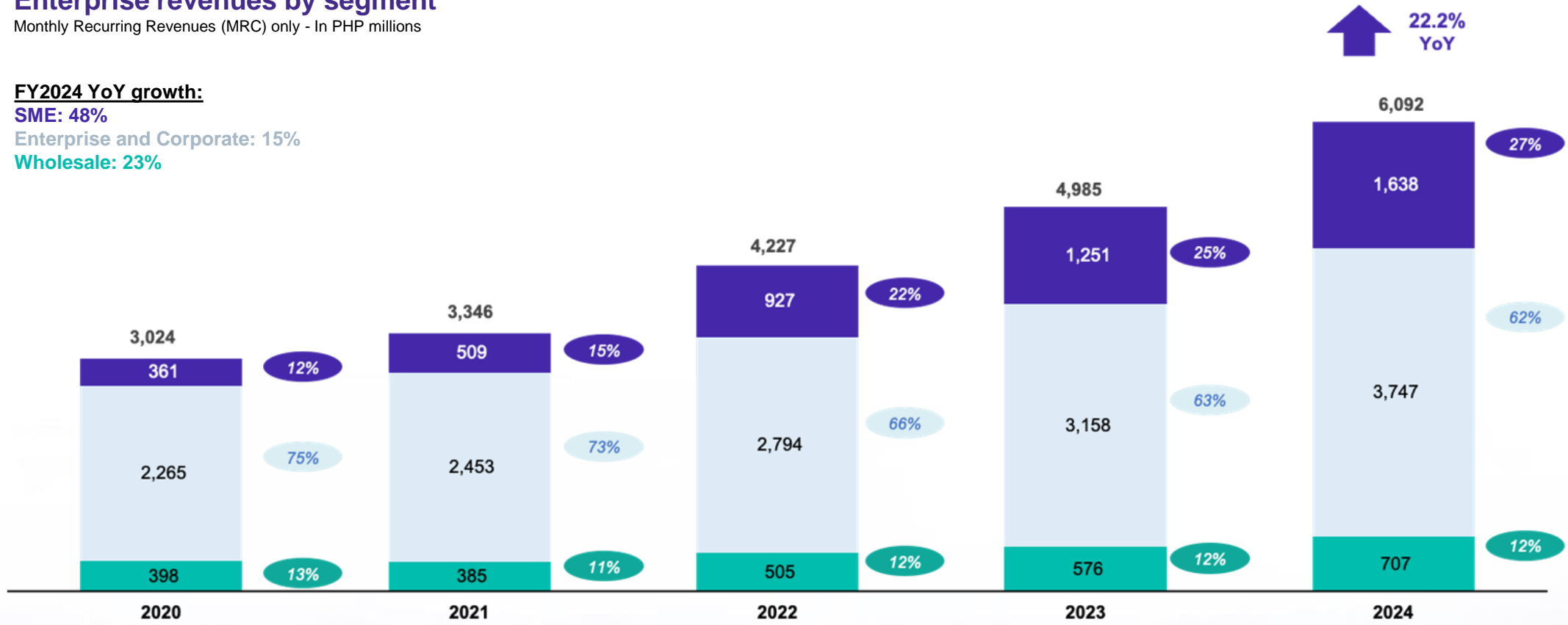
Monthly Recurring Revenues (MRC) only - In PHP millions

### FY2024 YoY growth:

**SME: 48%**

Enterprise and Corporate: 15%

Wholesale: 23%



● % of Wholesale to Enterprise Revenues

● % of Enterprise and Corporate to Enterprise Revenues

● % of SME to Enterprise Revenues

■ Wholesale

■ Enterprise and Corporate

■ SME

**Notes:**

1. Including non-MRC revenues, Enterprise grew by 21.9% YoY for FY2024.

# Sustainability Highlights and Initiatives in 4Q/FY2024

## Corporate Governance



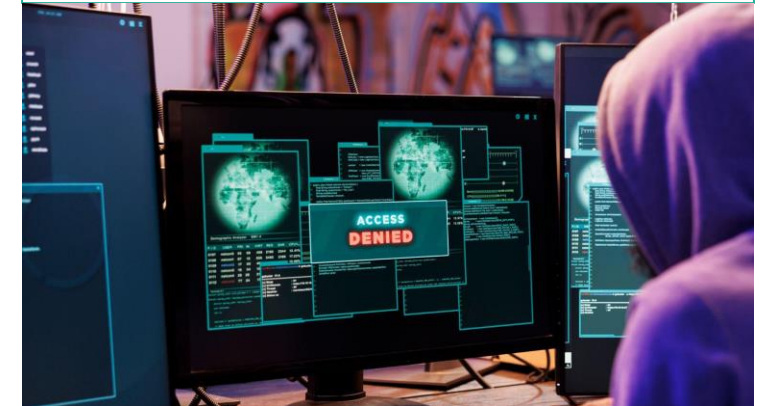
Maintained Three Golden Arrow rating in ASEAN Corporate Governance Scorecard

## Cybersecurity



Project Piglet - promoted digital literacy and privacy awareness among Filipino students

## Customer Welfare



Safeguarded customers by restricting 183 billion attempts to access illegal sites

### Takeback program and modem refurbishment



Percentage of recovered materials that were reused from 58% in 2023 to 83%

### Workforce welfare – continuous learning



57 average training hours per employee from 33 in 2023

### Energy and emission



Network GHG Intensity (Scope 1 and 2) reduced from 2.3 tCo2e/petabyte to 1.4 tCo2e/petabyte

### Climate Adaptation and Resiliency Initiatives

- Secured ISO:22301:2019
- Rolled out ISO 31000:2018 ERM, ISO 22301:2019 BCM, and ISO 22301:2019 Security and Resilience-BCM Systems
- Strengthened employee awareness of crisis management

## FY2024 Sustainability Highlights

## Jesus C. Romero

Chief Operations Officer





# Company continues to reap the benefits of various network strengthening and CXP initiatives

## Faster average repair time in 2024 vs 2023



### Mean Time to Repair

↓ **20%**  
vs. FY2023  
**Backbone**

↓ **19%**  
vs. FY2023  
**Outside Plant**

↓ **10%**  
vs. FY2023  
**Field Network Ops**

## Customer experience metrics 2024

### Social Media

Average Answer Time  
↓ **50%**  
vs. FY2023

Average Handle Time  
↓ **20%**  
vs. FY2023

### Ticket Management

Average Ticket Time  
↓ **24%**  
vs. 3Q2024

Resolution Rate  
in 5 days  
↑ **18%**  
vs. 3Q2024



# Converge Dominates Ookla's Speedtest Awards, Reigns as Philippines' Fastest Internet



# Q&A



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# Appendix

## Quarterly Operating Performance

	2023				2024		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Residential</b>							
<b>Revenues (In PHP millions)</b>	<b>7,476</b>	<b>7,595</b>	<b>7,812</b>	<b>8,167</b>	<b>8,469</b>	<b>8,806</b>	<b>8,981</b>
FTTH	7,186	7,335	7,600	7,993	8,345	8,693	8,913
HFC	291	259	212	173	124	113	68
<b>Customers</b>	<b>1,969,663</b>	<b>2,048,286</b>	<b>2,128,052</b>	<b>2,252,845</b>	<b>2,351,803</b>	<b>2,459,851</b>	<b>2,563,458</b>
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
<b>Homes Passed</b>	<b>16,567,221</b>	<b>16,736,629</b>	<b>16,850,877</b>	<b>16,897,965</b>	<b>16,947,181</b>	<b>17,005,261</b>	<b>17,070,741</b>
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
<b>Ports</b>	<b>8,711,261</b>	<b>8,795,965</b>	<b>8,853,089</b>	<b>8,876,633</b>	<b>8,901,241</b>	<b>8,930,281</b>	<b>8,963,021</b>
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
<b>Household Coverage (%)</b>	<b>62.30%</b>	<b>62.93%</b>	<b>63.36%</b>	<b>63.54%</b>	<b>63.72%</b>	<b>63.94%</b>	<b>64.19%</b>
<b>ARPU</b>	<b>1,208</b>	<b>1,196</b>	<b>1,195</b>	<b>1,189</b>	<b>1,170</b>	<b>1,160</b>	<b>1,133</b>
FTTH	1,277	1,262	1,225	1,247	1,228	1,213	1,225
HFC	543	506	482	388	291	276	176
<b>Port Utilization (%)</b>	<b>23.1</b>	<b>23.8</b>	<b>24.5</b>	<b>25.9</b>	<b>27.0</b>	<b>28.2</b>	<b>28.6</b>
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
<b>Enterprise</b>							
<b>Revenues (In PHP millions)</b>	<b>1,244</b>	<b>1,292</b>	<b>1,299</b>	<b>1,373</b>	<b>1,511</b>	<b>1,613</b>	<b>1,691</b>
<b>ARPU</b>	<b>9,773</b>	<b>9,613</b>	<b>8,824</b>	<b>9,094</b>	<b>9,290</b>	<b>8,885</b>	<b>8,619</b>

## Consolidated Income Statement

	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 %
<b>In PHP millions</b>								
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	-737%	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	-	-	-	N/M	-	-	-	N/M
<b>Total comprehensive income for the period</b>	<b>10,813</b>	<b>9,099</b>	<b>1,714</b>	<b>19%</b>	<b>2,601</b>	<b>2,731</b>	<b>(130)</b>	<b>-5%</b>
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%
<b>EBITDA</b>	<b>24,575</b>	<b>21,528</b>	<b>3,047</b>	<b>14%</b>	<b>6,322</b>	<b>6,380</b>	<b>(57)</b>	<b>-1%</b>
<b>EBITDA Margin</b>	<b>60.5%</b>	<b>60.9%</b>			<b>59.2%</b>	<b>70.0%</b>		

## Consolidated Balance Sheet

	As of the period December 31			
	2024	2023	Change	Change %
<b>In PHP millions</b>				
<b>Current assets</b>				
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%
<b>Noncurrent assets</b>				
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%
<b>Total assets</b>	<b>107,054</b>	<b>101,145</b>	<b>5,909</b>	<b>6%</b>
<b>Current liabilities</b>				
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%
<b>Non-current liabilities</b>				
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%
<b>Total liabilities</b>	<b>52,364</b>	<b>55,899</b>	<b>(3,536)</b>	<b>-6%</b>
<b>Total equity</b>	<b>54,691</b>	<b>45,246</b>	<b>9,445</b>	<b>21%</b>
<b>Total liabilities and equity</b>	<b>107,054</b>	<b>101,145</b>	<b>5,909</b>	<b>6%</b>



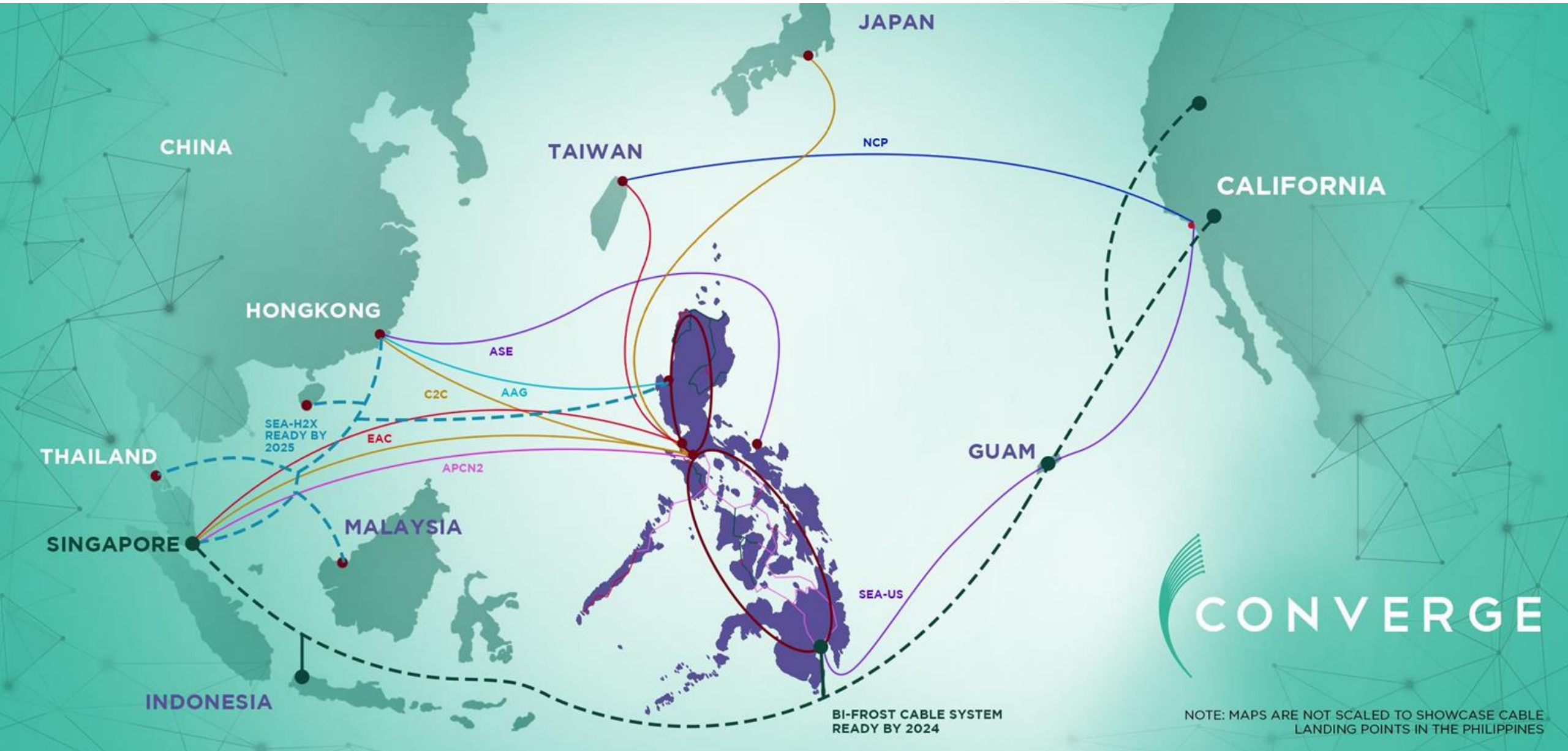
# Consolidated Cash Flow Statement

	For the twelve months ended December 31			
	2024	2023	YoY change	YoY change %
<b>In PHP millions</b>				
<b>Cash flow from operating activities</b>				
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%
<b>Net cash from operating activities</b>	<b>21,035</b>	<b>17,629</b>	<b>3,407</b>	<b>19%</b>
<b>Cash flow from investing activities</b>				
Acquisition of property, plant, and equipment	(8,540)	(8,595)	56	-1%
Others	(8,552)	(207)	(8,345)	N/M
<b>Net cash used in investing activities</b>	<b>(17,092)</b>	<b>(8,803)</b>	<b>(8,289)</b>	<b>94%</b>
<b>Cash flow from financing activities</b>				
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%
<b>Net cash used in financing activities</b>	<b>(9,249)</b>	<b>(5,523)</b>	<b>(3,726)</b>	<b>67%</b>
<b>Net increase in cash and cash equivalents</b>	<b>(5,306)</b>	<b>3,303</b>	<b>(8,609)</b>	<b>-261%</b>
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%
<b>Cash and cash equivalents, ending</b>	<b>8,454</b>	<b>13,694</b>	<b>(5,240)</b>	<b>-38%</b>

## Liquidity and Capital Resources

	December 31, 2024	December 31, 2023	Change (%)
<b>Balance Sheet Data (in PHP millions)</b>			
Total Assets	107,054	101,145	6%
Total Debt	29,515	35,244	-16%
Total Stockholders' Equity	54,690	45,246	21%
<b>Financial Ratios</b>			
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%	

# International Subsea Cable Systems



NOTE: MAPS ARE NOT SCALED TO SHOWCASE CABLE LANDING POINTS IN THE PHILIPPINES



# 2024 Results Briefing

#ConvergeTayo