



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. May 14, 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
--	-------------

- 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
---------------------	---

Common Shares	7,266,573,061
Fixed Rate Bonds	10,000,000,000

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

CONSOLIDATED REVENUES INCREASED BY 13.2% IN 1Q2025 WITH EBITDA MARGINS AND RETURN ON INVESTED CAPITAL GROWING TO 62.0% AND 18.4%, RESPECTIVELY

1Q2025 Key Highlights

- Converge registered consolidated revenues of ₱10.8Bn for 1Q2025, higher by 13.2% YoY
- 1Q2025 Residential revenues grew to ₱9.1Bn or 11.5% YoY growth
- Enterprise revenues reached ₱1.7Bn, a growth of 22.9% YoY
- EBITDA grew 14.8% to ₱6.7Bn with margin ending at 62.0% for 1Q2025
- Net income after tax increased by 18.3% to reach ₱3.0Bn representing net income margin of 28.0%
- Consolidated residential net fiber additions for 1Q2025 reached a total of 140,270
- Maintained industry-leading ROIC at 18.4% for 1Q2025

MANILA, Philippines, May 14, 2025

Residential and Enterprise segments both maintained double-digit revenue growth

Converge Information and Communications Technology Solutions, Inc. (PSE: CNVRG) (“**Converge**” or the “Company”) recorded consolidated revenue growth of 13.2% in 1Q2025 to ₱10.8Bn – reinforcing the Company’s position as the fastest-growing fixed broadband and technology services provider in the Philippines. The residential business grew to ₱9.1Bn during the same period, representing 11.5% year-over-year growth.

Converge ended March 2025 with a total of 2,701,336 residential subscribers. This is comprised of 2,340,208 postpaid and 361,128 prepaid subscribers. FiberX continued to have strong customer take-up. BIDA Fiber and Surf2Sawa recorded 24,102 and 70,497 respective net adds in the first three months of 2025.

In 1Q2025, enterprise revenue grew by 22.9% year-on-year to ₱1.7Bn. Along with strong double-digit growth from all enterprise subsegments, revenues from the Wholesale subsegment grew by 54.0% from new customers and service innovations.

Fiber port utilization reached 34.4% as of March 2025, with almost 5.4 million fiber ports still available for service. This shows that Converge is still well-positioned to capitalize on the industry’s growth momentum in existing service areas.

Strong profitability metrics continue to be industry-leading

The Company’s EBITDA grew by 14.8% to ₱6.7Bn in 1Q2025, representing an industry-leading EBITDA margin of 62.0%, from ₱5.8Bn in 1Q2024 or 61.1% EBITDA margin due to prudent cost management and improved operating efficiency. Similarly, the Company maintained its industry-leading Return on Invested Capital (“ROIC”) at 18.4% from 18.3% last quarter.

Net income after tax grew by 18.3% to ₱3.0Bn in 1Q2025 from ₱2.6Bn in 1Q2024, resulting in a net income margin of 28.0% for 1Q2025, higher than net income margin of 26.7% during the same period last year.

Converge has been able to maintain its strong balance sheet and cash flows with ample liquidity and gearing comfortably within bank covenants. As of March 31, 2025, the Company’s outstanding borrowings stood at ₱28.3Bn from ₱29.5Bn as of December 31, 2024 while net debt position (as measured by total financial debt less cash and cash equivalents and short-term cash placements) decreased from ₱12.5Bn as of December 31, 2024 to ₱10.3Bn as of March 31, 2025. The Company’s debt service coverage ratio (“DSCR”) was 3.2x, 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. Its Net Debt-to-EBITDA ratio, based on the last twelve months' EBITDA from April 2024 to March 2025, stood at a conservative 0.4x. This low leverage level, supported by robust cash flow generation, provides Converge with significant financial flexibility to execute capital expenditure plans and capitalize on the growing demand for high-speed fixed broadband infrastructure in the Philippines.

Total cash CAPEX as of 1Q2025 amounted to ₱2.6Bn for expansion and redundancy projects including more than 35k fiber ports deployed and more than 60km of fiber backbone, with the turnover of turnkey projects expected to be completed during the third and fourth quarters of this year.

Converge introduced product enhancements and bundled packages for Residential and Enterprise segments

Residential

For a more comprehensive entertainment experience for its residential subscribers, Converge introduced Super FiberX, which includes bundled FiberX plan with automatic boosted speeds of 100Mbps, Xperience Box with a SkyTV Standard or Premium Plan and Freemium channels, BlastTV access, and WiFi-6 modem. 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.

This provides residential subscribers options to choose their all-in-one connectivity and entertainment experience either with Super FiberX or the Converge Netflix Bundles launched last year depending on their viewing preferences.

Enterprise

Converge engaged with Starlink to become an authorized satellite broadband reseller and can now offer end-to-end solutions from installation, network management, to maintenance to remote areas in the country. Converge CEO and Founder Dennis Anthony Uy said they target businesses and government agencies in far-flung areas for the Starlink service, including those in agriculture, retail, and even fisheries and cruise vessels. The Company will also bundle Starlink's satellite technology with its own fiber network offering redundancy in case one service is disrupted.

Mr. Uy adds, "We're among the few in the Philippines authorized by Starlink to resell its services—an acknowledgment of our deep market expertise and commitment to meeting the evolving needs of both enterprise and government clients. More importantly, this is about transforming the way businesses operate. We're bringing solutions that empower industries to scale and innovate, even in the most remote areas."

Converge has also partnered with another US tech firm, Ribbon Communications, to help improve internet services in the country. Uy said the Nasdaq-listed company is an expert on AI-enabled data transmission technology and they will integrate this into the Converge fiber network nationwide.

This collaboration expands nationwide the initial tie up between Converge and Ribbon to integrate the US firm's cutting-edge 5 nanometer – 140Gbaud transmission chipset, which boosts the firm's network capacity to 1.2 Terabits per second. This technology was first rolled out in the metro and regional sites of Converge across North and Central Luzon.

Now, the said optical transmission solution will be implemented throughout the rest of the network infra sites of Converge across the country, bringing about substantial improvements in the company's overall data transmission capacity and operational efficiency nationwide.

Converge awarded by Ookla® for service quality covering 2H2024

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 the Company’s relentless pursuit to deliver world-class internet services to Filipino households and businesses.

Converge MSCI rating climbs to ‘AA’ following enhanced ESG practices

Converge improved its Environment, Social, and Governance (ESG) rating by MSCI to ‘AA’ which marks Converge as a “Leader” within its industry in managing ESG risks. According to MSCI’s latest assessment which covered the company’s 2023 data, the upgrade from last year’s average ‘A’ rating reflects the stronger board-level oversight and enhanced auditing of ethics practices within Converge. Its implementation of a comprehensive data security framework, including robust breach mitigation measures, also contributed to the upgrade.

“Enhancing our ESG practices to align with global best practices has been central to our strategy because we believe this is how we can build a stronger and more sustainable business. Our improved standing shows that we are on the right track, particularly in areas like labor management, governance, and data security,” said Converge Chief Commercial Officer and Chief Sustainability Officer Benjamin Azada.

“We are proud to have our efforts recognized and we remain committed to further advancing our ESG initiatives, especially in topics that matter most to our stakeholders,” he added.

Since the rated period, Converge has further strengthened its ESG efforts, including its refurbishment program for reclaimed modems from churned subscribers. More than 80 percent of the modems it recovered last year were refurbished and reused compared to only about 50 percent in 2023. Likewise, Converge brought down its network Scope 1 and 2 greenhouse gas intensity from 2.3 to 1.4 tCO₂e/petabyte amid its increased use of renewable energy and better energy management.

In addition, the Company also showed progress in promoting continuous education among its workforce with its average training hours increasing to 57 hours last year from 33 hours in 2023 as it provided multiple avenues and platforms for employee learning.

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:

Owen Kieffer Ocampo
Vice President – Head of Investor Relations
Email: investor.relations@convergeict.com

Jay-Anne Encarnado
Vice President – Head of Corporate Communications and Public Relations
Email: corpcomm@convergeict.com

ANNEX

Exhibit 1: Summary Statement of Comprehensive Income

(in ₱ millions)	For the three months ended March 31			
	2025	2024	YoY change	YoY change %
Revenues	10,796	9,540	1,257	13%
<i>Residential</i>	9,109	8,167	942	12%
<i>Enterprise</i>	1,687	1,373	314	23%
Cost of services	(3,661)	(3,331)	330	10%
Gross profit	7,136	6,209	927	15%
General and administrative expenses	(2,473)	(2,165)	(308)	14%
Provision for impairment of trade and other receivables	(435)	(370)	(66)	18%
Equity share in net income of joint ventures	29	27	1	4%
Unrealized fair value loss on financial asset at FVTPL	(0)	(2)	2	-98%
Other income (loss), net	168	219	(51)	-23%
Profit from operations	4,424	3,918	506	13%
Finance costs	(427)	(494)	67	-14%
Profit before income tax	3,997	3,424	573	17%
Income tax expense	(978)	(872)	(106)	12%
Profit after income tax for the period	3,019	2,552	467	18%
Other comprehensive income	4	-	4	N/M
Total comprehensive income	3,023	2,552	471	18%
Profit after income tax	3,019	2,552	467	18%
Finance costs	427	494	(67)	-14%
Income taxes	978	872	106	12%
Depreciation and amortization – cost of services	1,765	1,638	127	8%
Depreciation and amortization – general and administrative expenses	121	95	26	27%
Amortization of subscriber acquisition costs	383	181	202	111%
EBITDA	6,693	5,832	861	15%
EBITDA Margin	62.0%	61.1%		

Exhibit 2: Quarterly Operational Performance Summary

	2023			2024			2025
	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Residential							
Revenues (In PHP millions)	7,595	7,812	8,167	8,469	8,806	8,969	9,109
Customers	2,048,286	2,128,052	2,252,845	2,351,803	2,459,851	2,563,458	2,701,336
Homes Passed ¹	16,736,629	16,850,877	16,897,965	16,947,181	17,005,261	17,070,741	17,141,925
Ports	8,795,965	8,853,089	8,876,633	8,901,241	8,930,281	8,963,021	8,998,613
Household Coverage (%) ²	62.93%	63.36%	63.54%	63.72%	63.94%	64.19%	64.46%
ARPU ³	1,196	1,195	1,189	1,170	1,160	1,133	1,107
Fiber Port Utilization (%) ⁴	24.2	25.3	26.9	28.2	29.6	31.1	34.4
Enterprise							
Revenues (In PHP millions)	1,292	1,299	1,373	1,511	1,613	1,691	1,687

Notes:

- (1) 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) Household coverage is calculated as total homes passed over total number of homes in the Philippines, which is estimated at ~27 million, extrapolated from MPA data.
- (3) 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.
- (4) Our fiber port utilization rates is the number of fiber subscribers, including residential and enterprise subscribers, as a percentage of total ports.

Exhibit 3: Summary Balance Sheet

	As of the period			Change %
	Mar 31, 2025	Dec 31, 2024	Change	
In PHP millions				
Current assets				
Cash and cash equivalents	13,977	8,454	5,523	65%
Short-term cash placements	4,024	8,527	(4,503)	-53%
Trade and other receivables, net	4,598	4,132	466	11%
Due from related parties, net, current portion	129	116	13	11%
Network materials and supplies, net	1,323	1,560	(237)	-15%
Deferred contract costs, current portion	1,461	1,395	66	5%
Other current assets	1,858	1,663	195	12%
Noncurrent assets				
Property, plant and equipment, net	69,692	70,053	(362)	-1%
Right of use assets, net	2,134	2,237	(103)	-5%
Intangible assets, net	1,892	2,046	(154)	-8%
Due from related parties, net of current portion	145	146	(1)	-1%
Advances to fixed assets suppliers	3,857	3,811	46	1%
Other noncurrent assets	3,001	2,914	87	3%
Total assets	108,090	107,054	1,036	1%
Current liabilities				
Trade and other current liabilities	12,984	14,513	(1,529)	-11%
Due to related parties	75	29	47	161%
Borrowings, current portion	5,706	5,573	133	2%
Lease liabilities, current portion	427	426	1	0%
Other current liabilities	7,201	2,996	4,205	140%
Non-current liabilities				
Borrowings, net of current portion	22,550	23,942	(1,393)	-6%
Retirement benefit obligation, net	24	17	7	43%
Other non-current liabilities	4,534	4,868	(334)	-7%
Total liabilities	53,501	52,364	1,137	2%
Total equity	54,589	54,691	(102)	-0%
Total liabilities and equity	108,090	107,054	1,036	1%

Exhibit 6: Summary Cash Flow

	For the three months ended March 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Cash flow from operating activities				
Profit before income tax	3,997	3,424	573	17%
Adjustments for operating income	3,345	2,778	567	20%
Adjustments for assets and liabilities	(2,277)	(1,455)	(822)	56%
Cash from operations	5,065	4,746	319	7%
Interest received and income taxes paid	88	71	17	24%
Net cash from operating activities	5,152	4,817	335	7%
Cash flow from investing activities				
Acquisition of property, plant, and equipment and intangible assets	(2,591)	(2,963)	372	-13%
Short-term cash placements	4,575	-	4,575	N/M
Proceeds from disposal of assets	175	-	175	N/M
Net cash used in investing activities	2,160	(2,963)	5,123	N/M
Cash flow from financing activities				
Payments of borrowings	(1,267)	(1,040)	(226)	22%
Interest paid on borrowings	(406)	(467)	61	-13%
Others	(110)	(87)	(23)	27%
Net cash used in financing activities	(1,783)	(1,595)	(188)	12%
Net increase in cash and cash equivalents	5,529	259	5,270	N/M%
Cash and cash equivalents, beginning	8,454	13,694	(5,240)	-38%
Effects of exchange rate changes in cash and cash equivalents	(7)	111	(117)	N/M%
Cash and cash equivalents, ending	13,976	14,064	(88)	-1%

Exhibit 7: Liquidity and Capital Resources

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	Change (%)
Balance Sheet Data (in P millions)			
Total Assets	108,090	107,054	1%
Total Debt	28,255	29,515	-4%
Total Stockholders' Equity	54,589	54,691	0%
Financial Ratios			
Total Debt to EBITDA (gross)	1.1x	1.2x	
Total Debt to EBITDA (net)	0.4x	0.5x	
Debt Service Coverage	3.2x	3.1x	
Interest Coverage (gross)	13.7x	12.8x	
Debt to Equity (gross)	0.5x	0.5x	
Debt to Equity (net)	0.2x	0.2x	
Return on Invested Capital	18.4%	18.3%	

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

###