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(Company's Full Name)

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B O N I F A C I O G L O B A L C I T Y T A G U I G

(Business Address: No. Street City / Town / Province)

ROSEMARIE MANIEGO-EALA

Contact Person

7797-2000

Company Telephone Number

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Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. Of Stockholders

Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

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**SECURITIES AND EXCHANGE COMMISSION****SEC FORM 17-C****CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATIONS CODE (SRC)  
AND SRC RULE 17(a)-1(b)(3) THEREUNDER**

1. **November 3, 2020**  
Date of Report (Date of earliest event reported)
2. **1177** SEC Identification Number 3. **000-768-480-000** BIR Tax Identification Number
4. **GLOBE TELECOM, INC.**  
Exact Name of registrant as specified in its charter
5. **PHILIPPINES** Province, country or other jurisdiction of incorporation 6.   (SEC Use Only) Industry Classification Code
7. **27/F, The Globe Tower, 32nd Street corner 7th Avenue,  
Bonifacio Global City, Taguig** Address of principal office **1634** Postal code
8. **(02) 7797-2000**  
Registrant'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 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of September 30, 2020)
<b>COMMON SHARES</b>	133,432,727
<b>TOTAL DEBT (in Millions of Pesos)</b>	165,911

Indicate the item numbers reported herein : **Please refer to attached**

**Re: Quarterly Results Press Release**

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**GLOBE TELECOM, INC.**

Registrant

Date : **3 November 2020**

DocuSigned by:

**ROSEMARIE MANIEGO-EALA**  
Chief Finance Officer




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## **GLOBE ANNOUNCES 3<sup>rd</sup> QUARTER/9M 2020 RESULTS:**

***NATIONWIDE HIGH-SPEED INTERNET ROLL-OUT AND CELL SITE UPGRADES  
CONTINUE AMIDST GLOBAL HEALTH CRISIS***

***GLOBE NAMED AS ONE OF THE MOST IMPROVED TELCOS  
IN THE WORLD IN TERMS OF VIDEO EXPERIENCE***

***GLOBE REMAINS ON TRACK TO MEET FULL YEAR CAPEX GUIDANCE  
OF ₱50 BILLION; EBITDA MARGIN SAME LEVEL AS 2019 DESPITE COVID-19***

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Heeding the government's call to improve internet services especially during these times when connectivity is a critical need, Globe invested a total of ₱33.4 billion in capex for the first nine months of 2020. This capex spend is 4% higher than last year and represents 31% of gross service revenues and 59% of EBITDA. Majority of the capex investment or about 81% went to data-related requirements and is a testament to Globe's commitment to expand its network and improve its service. This likewise shows Globe's dedication to support the 10 of 17 United Nations Sustainable Development Goals (SDG), specifically SDG No. 9 on Industry, Innovation, and Infrastructure where investments in infrastructure are crucial for the country's economic growth and development.

As internet connectivity serves as a lifeline and an essential need of Filipino families, schools, and businesses, Globe has laid out a three-part network roll-out strategy that includes (1) aggressive cell site builds, (2) upgrade of all its sites to 4G/LTE, and (3) fast-track the fiberization of Filipino homes nationwide. As of September 2020, and notwithstanding the restrictions of health and quarantine protocols, Globe already exceeded its performance in terms of cell site upgrades by over 26% year-on-year. These cell sites are now 4G or LTE ready to give its customers faster connectivity and better mobile experience. Likewise, Globe is continuously accelerating its 5G deployment and is now available in over 11 cities within Metro Manila<sup>1</sup>. Globe, being the first telco provider to roll out 5G for homes in Southeast Asia, deployed 5G SIMs and its suite of 5G-ready devices to ensure that Filipinos can enjoy the power of 5G.

Globe's investments and improvements in its network has benefitted its customers as evidenced in the latest global report of Opensignal<sup>2</sup> naming Globe as one of the most improved telcos in the world in

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<sup>1</sup> Following its initial roll out of its 5G network in Bonifacio Global City (BGC), Makati CBD, Rockwell Center, Ortigas CBD, and strategic areas along EDSA and C5, the new 5G ready cities now include Taguig, Pasig, Mandaluyong, Marikina, Paranaque, Muntinlupa, Las Piñas, Valenzuela, and Caloocan.

<sup>2</sup> Opensignal Awards – Global Mobile Network Experience Awards 2020 based on independent analysis of mobile measurements recorded during the period January 1 – June 28, 2019 & 2020 © 2020 Opensignal Limited. Opensignal, a mobile analytics company, is the global standard for measuring real world mobile network experience. Using billions of measurements collected 24/7 from tens of millions of smartphones, Opensignal analyzes real-world mobile network experience at the largest scale and frequency in the wireless industry by operator and country, regionally and worldwide. Opensignal believes measuring how the network performs directly through users' eyes is key to building better wireless networks. Network operators, telecoms regulators, equipment makers and analysts use Opensignal's mobile analytics insights to inform industry analysis and make key business decisions. For more information, please visit the Opensignal website (<https://www.opensignal.com/philippines>).

terms of Video Experience. Analysis showed that Globe has improved its average Video Experience by about 32.7% year-on-year (1H'2020 vs. 1H'2019) and in further Philippines analysis<sup>3</sup> by 40.1% from 3Q'2018 to 1Q'2020. Latency for Globe likewise improved by 20.6% (1Q'2020 vs. 3Q'2018), while an impressive improvement in terms of Globe's average download speed and 4G availability was also reported by Opensignal.

Despite the global health crisis and its negative impact on the Philippine economy, Globe's third quarter consolidated service revenues improved versus last quarter's performance by 3%. This brought the total consolidated service revenues for the first nine months of 2020 to reach ₱109.1 billion, slightly down by 1% from the record ₱110.6 billion achieved a year ago. Total data revenues across mobile, broadband and corporate data accounted for 75% of total service revenues from 70% last year. The performance of the company is still driven by increasing data consumption, arising from the shift of Filipinos to more online activities and adopting to the new ways of working, learning, shopping, banking, and entertaining from their homes.

Consolidated EBITDA stood at ₱56.3 billion, 3% lower than a year ago due to the 3% decline in operating revenues, but EBITDA margin remained at par with last year's performance at 52%. The drop in EBITDA and higher depreciation charges for the period, which fully offset the decline in non-operating charges, led to net income dropping by 10% from ₱17.7 billion a year ago to ₱15.9 billion this period. Similarly, core net income posted a year-on-year decrease of 13% from ₱17.9 billion in the same period of 2019.

*Ernest L. Cu, President and CEO of Globe Telecom Inc., commented, "We are pleased with the performance Globe delivered this period, especially considering the extraordinary circumstances our country is facing. Driving this result was the resiliency of our network, and the unwavering dedication of our employees, which allowed us to sustain the growth of our data-related products and continue to serve our customers during this period of transition and adjustment to the new normal. COVID-19 has changed the way we interact with our customers, suppliers and employees but at the same time has created opportunities for us to emerge from this crisis stronger. We believe, on the back of our continued network investments, that we are ready to seize these opportunities to help our customers and the nation succeed in this new environment."*

*Mr. Cu further added, "We remain committed to deliver our planned site builds for 2020, despite the varying degrees of community quarantines and our limited workforce out in the field. With the easing of requirements, we were able to secure over 700 permits last August and September, which consists of both building and Certificates of Final Electrical Inspection (CFEI) permits. These permits complement our target network expansion and will help us continue the momentum of our aggressive cell site rollout."*

Mobile business revenues for the third quarter grew by 2% from ₱25.0 billion in the second quarter, bringing total revenues for the first nine months of the year to ₱77.3 billion, 6% lower than a year ago. The improvement in the third quarter was due to the increasing level of prepaid top-ups and subscriber acquisitions, as Metro Manila and majority of the country was placed under General Community Quarantine, which allowed more businesses to reopen and public transportation more widely available, thus increasing public mobility and enabling more Filipinos to return to work and earn their livelihood. Total mobile revenues comprised 71% of the total service revenues, with total mobile subscriber base of 78.2 million.

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<sup>3</sup> Analysis in Opensignal insight "Video Experience in the Philippines has improved by nearly 30% since Q3 2018", published in September 2020 © 2020 Opensignal Limited.

From a product view, mobile data revenues generated ₱53.4 billion in the first nine months of 2020 from ₱52.1 billion of same the period last year, as consumers turned to online platforms to shop, telework, and connect with families and friends. Mobile data now accounts for 69% of mobile revenues from 63% a year ago. Mobile data traffic jumped from 1,200 petabytes in the first nine months of 2019 to 1,762 petabytes this period, or a 47% growth year-on-year. Meanwhile, mobile voice and mobile SMS revenues ended at ₱15.3 billion and ₱8.6 billion, lower year-on-year by 16% and 29%, respectively, as the COVID-19 pandemic further accelerated the shift to data-based services.

Home broadband posted ₱7.0 billion in revenues this quarter, up 28% versus the same quarter last year and 4% higher than last quarter. This allowed the Home broadband business to maintain its upward momentum by posting a 22% year-on-year revenue growth to reach ₱19.5 billion this period, from ₱16.1 billion last year. Total home broadband subscriber base now stands at over 3.4 million, up 82% from the first nine months of 2019, driven mainly by the sustained increase of fixed wireless broadband users, now up by 119% from last year. Home Prepaid Wi-Fi (HPW) likewise increased its traction with a 226% growth in users from the same period last year. As of end-September of 2020, HPW data traffic soared to 352 petabytes from 77 petabytes in same period of 2019. The stellar performance of the home broadband business was also attributed to the greater demand for faster and reliable internet connection as more companies pivoted towards work from home arrangements, and educational institutions shifted to online classes as a result of COVID-19.

Corporate Data revenues, on the other hand, tapered by 3% year-on-year with total revenues of ₱9.3 billion as of end-September 2020, largely coming from lower domestic and international services. This was partly cushioned by higher information and communication technology (ICT) revenues, given that enterprises are prioritizing their digital transformation now more than ever to thrive in this new normal.

Meanwhile, total operating expenses including subsidy posted ₱52.8 billion for the period, relatively flat year-on-year as the increases in provisions, subsidy costs and repairs & maintenance were muted by the declines from interconnection fees, services, utilities and rent.

Consolidated EBITDA for the first nine months this year stood at ₱56.3 billion, down by 3% versus 2019 due mainly to the reduction in the topline. With the drop in EBITDA and the sustained increase in depreciation charges fully offsetting the decline in non-operating expenses, net income stood at ₱15.9 billion or lower by 10% from the ₱17.7 billion reported last year. Accordingly, core net income, which excludes the impact of non-recurring charges, and foreign exchange and mark-to-market charges, posted ₱15.6 billion, or 13% down from a year ago.

Globe's balance sheet remained strong and gearing comfortably within bank covenants despite the increase in debt from ₱136.3 billion in 2019 to ₱165.9 billion. Globe's gross debt to equity is at 1.92x while gross debt to EBITDA is at 2.29x; Net debt to equity ratio is at 1.54x while net debt to EBITDA is 1.84x; and debt service coverage ratio is at 3.45x.

***Recent Developments:***

***Risks and Impact of COVID-19 on Globe's Business Operations and Commitment to Service:***

As the country continues to fight the COVID-19 outbreak, Globe's business continuity and proactive response to managing the risks of the pandemic kept operations for the third quarter of the year on a Work from Home (WFH) with Critical Skeletal Force operations scheme. This is to keep the employees safe while maintaining essential network operations and IT services to support customer needs.

As of end-September 2020, 97% or 194 total Globe Stores were operational to serve its customers' mobile and internet needs. As a precautionary measure, the Globe stores strictly adhere to the

government's health protocols such as physical distancing, disinfection and sanitization of the premises, wearing of Personal Protective Equipment (PPE) of all store personnel, installation of plastic and acrylic boxes at transaction counters, and shortened operating hours.

Given the different levels of community quarantine in the country, Globe is continuously pushing for more self-serve channels to empower its customers for easier and convenient ways to do transactions. All Globe Postpaid customers, including business and enterprise clients, are automatically shifted to paperless billing and will be notified of their monthly bill via text and/or their registered email address. This is in compliance with the National Telecommunications Commission (NTC) guidelines on electronic billing. Globe is encouraging its customers to download and install the GlobeOne app (for mobile and broadband) and Globe At Home app (for broadband only) from Google Play or App Store or through their computer browser. This move was also done to ensure the safety of its customers and even messengers, preventing risks of COVID-19 infection caused by person-to-person or surface transmission.

Beyond its business operations, Globe ensured that it is doing its part in supporting its customers and the nation through these challenging times. Since the pandemic started, Globe was at the forefront connecting donors and frontliners, bringing help where it's needed. Globe was able to come up with over ₱1.3 billion in combined services and assistance package for COVID-19. This consists of support for Globe employees and vendor partners, services and promos, external fund-raising efforts, and monetary and in-kind donations. There were numerous services and promos offered by Globe to assist both the government and its customers, ranging from toll-free hotlines and zero-rated access to select government websites and relevant apps, increased data allocation to customers, free unlimited Wi-Fi services to hospitals, airports, and supermarkets, free or discounted access to work-from-home tools for businesses, free telehealth, and mental health services, free preloaded mobile phones for hospital and government frontliners, and free SMS broadcast, among others. Globe launched donation drives to help frontliners, hospitals, and relevant government and non-government organizations. Likewise, the company provided financial assistance for the conversion of the World Trade Center into a temporary healthcare facility and for the provision of relief packs for underprivileged communities.

To help its postpaid customers nationwide (including enterprise customers) who may still be financially challenged due to the impact of the pandemic, Globe extended the enrollment to its installment payment program option until August 31, 2020 for their unpaid bill balances.

Globe further enhanced its support to the Department of Education (DepEd) by helping public school educators keep up with the demands of the new normal through free professional development training designed to provide teachers with essential knowledge and skills on digital literacy, blended learning and 21st century learning methods. The program is part of Globe's Global Filipino Teachers (GFT) initiative and is being implemented through a combination of webinars and downloadable self-paced materials for teachers to apply their learnings. Likewise, in partnership with the Department of Education (DepEd) and in collaboration with Habi Education Labs, Teach for the Philippines and the Philippine Mental Health Association, Globe also came up with learning modules covering tech literacy, blended learning, 21st century learning approaches, early childhood literacy, and mental wellness. The modules are currently being shared through webinars, panel discussions and in-digital training sessions. Moreover, as connectivity is vital in distance education. Globe donated 1,000 Globe At Home Prepaid WiFi modems under the WiFi2Teach Program to equip selected public school teachers with connectivity. At the same time, Globe assists schools and universities with prepaid WiFi kits, a SchoolSURF lineup of internet promos specifically designed for students and instructors, and a customizable suite of apps to aid the learning process.

Being constantly online, however, makes children and young adults more vulnerable to online exploitation and abuse. Globe's Digital Thumbprint Program (DTP) aims to keep the youth safe from the

threats lurking online by helping teachers, parents, and students understand the value of digital citizenship, online safety, and the responsible use of the internet. Globe modified the in-class DTP workshop modules and is tackling them through a series of webinars for teachers and parents.

In addition, Globe officially launched the School Bus WiFi program last October in Manila, which marks a new, bigger vision of Globe and KonekTayo WiFi to provide fast, reliable and low-cost home internet connectivity in underserved markets in the locality. The use of KonekTayo WiFi service will be free for the first hour for public school students and teachers in Manila who were provided 289,000 Globe SIM cards. Through the School Bus WiFi campaign, Globe also extends support to school bus operators whose main source of livelihood was put at stake by the pandemic. With the School Bus WiFi Project, students or people who work from home can avail of the KonekTayo WiFi service for as low as Php15 a day.

Globe continues to find ways to empower every Filipino to help provide support to the marginalized and most vulnerable communities in the country, starting with Metro Manila. Globe recently partnered with Walang Iwanan Alliance, a new citizen-led initiative that seeks to mitigate the effects of poverty and hunger among communities amid the current situation. This is part of Globe's ongoing initiatives to assist those whose means of livelihood were gravely affected by COVID-19. Globe will support 5,000 families starting with Mandaluyong and Parañaque - two of the seven identified areas by Walang Iwanan Alliance. Globe also enjoins its subscribers to donate their Globe Rewards points to Walang Iwanan Alliance starting September 17, 2020. Each point donated is equivalent to Php1. The amount collected will then be used to buy meals worth approximately Php25 each or Php875 per family of five, good for 1 week of meal support.

As the pandemic accelerates the shift towards a digital landscape, Mynt's GCash, Globe's fintech arm, aims to be a holistic finance app offering essential services for every Filipino. Aside from payments, users can buy load, get insured, save money, borrow money, buy game credits, and even play games. In September this year, GCash recently launched GInsure inside the app in partnership with Singlife, which offers a medical coverage for Dengue and COVID-19 for as low as 300 pesos a year, providing convenience and relevance to our users today. Furthermore, GCash launched GLife, where users can now find and interact with their favorite brands to play, shop and eat via miniprograms embedded inside the app. Effectively, GCash can help businesses create their digital presence without them having to build their own app, and immediately accelerating adoption across GCash's 26 million registered base.

Lastly, Globe is also making significant headway with KonsultaMD to provide services beyond connectivity to help Filipinos adapt to the new reality. With the recent launch of *GoHealth*, Globe Prepaid and TM customers may now avail of medical insurance coverage with telemedicine service from KonsultaMD and health insurance provided by Pacific Cross at an affordable price. This also includes emergency out-patient treatment or emergency in-patient treatment due to accident, diagnosed COVID-19 requiring in-patient treatment, in-patient or out-patient treatment diagnosed Dengue or Leptospirosis as well as telemedicine services with unlimited access to licensed Filipino doctors 24/7 via voice call.

For recent updates on how Globe is responding to COVID-19, you may access the Globe website via this link: <https://www.globe.com.ph> and the Globe #StayAtHome page via this link: <https://www.globe.com.ph/stay-safe-at-home.html>

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### **About Globe**

Globe Telecom, Inc. is a leading full-service telecommunications company in the Philippines. The company serves the telecommunications and technology needs of consumers and businesses across an entire suite of products and services including mobile, fixed, broadband, data connectivity, internet and managed services. It has major interests in financial technology, digital marketing solutions, venture capital funding for startups, and virtual healthcare. In 2019, Globe became a signatory to the United Nations Global Compact, committing to implement universal sustainability principles. Its principals are Ayala Corporation and Singtel, acknowledged industry leaders in the country and in the region.

It is listed on the Philippine Stock Exchange under the ticker symbol GLO and had a market capitalization of US\$5.7 billion as of the end of September 2020.

For more information, visit [www.globe.com.ph](http://www.globe.com.ph). Follow @enjoyglobe on Facebook, Twitter, Instagram and YouTube.