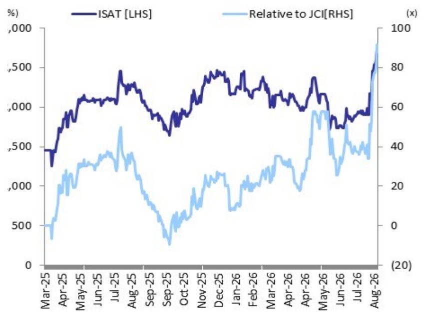
Overweight

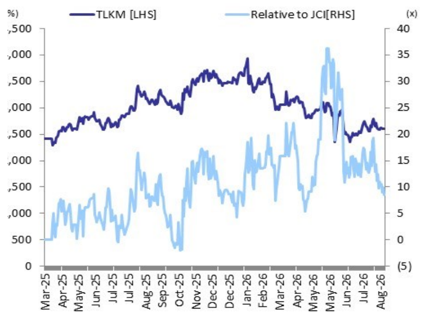
(Maintained)

Tactical (3M): **OW**

ISAT relative to JCI Index



TLKM relative to JCI Index



Source: Bloomberg

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Data Center

Mapping Indonesia's Data Center Race: Early-Stage Growth with a Deep Pipeline

- **Indonesia's total installed data center IT capacity stood at 580 MW and projected to reach 3.5GW by 2030.**
- **Jakarta carries 1.7GW of total pipeline against 322MW live today; while Batam adds a 1.4GW pipeline on a 126MW operational base.**
- **TLKM, ISAT, DSSA and DCII offer the most direct listed exposure; MGLV, INET and BNBR are earlier-stage names worth monitoring.**

Indonesia as the third leg of regional DC spillover
Indonesia's total installed data center IT capacity stood at approximately 580 MW as of 1H26 with 55% still located in Jakarta, and market research projected the capacity to reach 3.5 GW by 2030, a 56.7% CAGR over FY26-30F. This build-out is driven by rising cloud and GPU-dense AI infrastructure needs, combined with Singapore rations new capacity under its DC-CFA regime and Johor, the first overflow node, facing tightening power constraints.

Jakarta as a dominant hub, while Batam is building a sizeable pipeline
Jakarta and Batam data center markets remain in an early-growth phase, with capacity still heavily skewed toward the forward pipeline: Jakarta carries a 5.3x pipeline-to-operational ratio, implying 1.7GW of total pipeline against 322MW live today; while Batam adds a 1.4GW pipeline on a 126MW operational base. Batam is a regional-spillover play, with hyperscale dominating the mix (71%), overwhelmingly private and foreign led. Meanwhile, Jakarta is a domestic-demand story where hyperscale is also present (34%) but skewed toward cloud over AI.

Largest pipelines are foreign-backed; Listed names still in early stage
The largest capacity commitments and under-construction assets remain concentrated among private and foreign-backed operators, including DAMAC Digital's planned 163MW, Princeton Digital's planned 360MW, ST Telemedia 322MW, GDC's 200MW, DayOne's 450MW, EdgeConneX's 200MW, BW Digital 120MW, and Racks Central 95MW. Meanwhile, several local listed names also offer sizeable growth proxies, with meaningful capacity pipelines yet to be developed.

Early-stage growth with deep pipeline; power and scale are key factors
TLKM (Buy, TP Rp3,500), **ISAT** (Buy, TP Rp2,500), **DSSA** (Not Rated) and **DCII** (Not Rated) offer the most direct listed exposure to the build-out. TLKM's 70% NeutraDC divestment at a US$1.0-1.5bn valuation implies 4.5% upside to our TP of Rp3,650; ISAT's estimated 30% stake in neocloud Zankore, at 5x EV/EBITDA, implies 35% potential upside from our base-case TP of Rp2,500; DSSA's SMX01 reaches RFS in 4Q26 (18MW, scalable to 60MW); and DCII, the largest pure-play at 128MW live, holds the deepest pipeline, led by the >1,000MW in Bintan. At the frontier, **MGLV**, **INET** and **BNBR** are earlier-stage names worth monitoring as their DC asset bases build. Overall, we are positive on the theme as we see the growth as structural and multi-year. With the market still in its first innings, secured power and operating scale will separate the winners.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x) 2026F	P/E (x) 2027F	P/BV (x) 2026F	P/BV (x) 2027F	ROE (%) 2027F
Telkom	TLKM IJ	BUY	3,500	258,552.4	13.4	12.2	2.0	2.1	16.8
IOH	ISAT IJ	BUY	2,500	88,044.7	15.4	17.1	2.3	2.2	13.0
XLSmart Telecom Sejahtera	EXCL IJ	BUY	3,600	51,505.6	n/m	15.8	1.8	1.6	10.8

Mapping Indonesia's Data Center Race: Early-Stage Growth with a Deep Pipeline

A Market in Its First Growth Innings

The third leg of regional DC spillover

Indonesia's total installed data center IT capacity stood at approximately 580 MW as of 1H26 with 55% still located in Jakarta, and market research projected to reach 3.5 GW by 2030, a 56.7% CAGR over FY26-30F. This build-out is driven by rising cloud and GPU-dense AI infrastructure needs, combined with Singapore rations new capacity under its DC-CFA regime and Johor, the first overflow node, hits tightening power constraints.

Exhibit 1. Southeast Asia data center development pipeline in 1H26

Country	Primary markets	Operational capacity (MW)	U/C (MW)	Planned (MW)
Singapore	Singapore	1,043	20	237
Malaysia	Johor	1,110	602	3,088
Indonesia	Jakarta	322	395	1,699
Thailand	Bangkok	134	895	2,084

Source: Cushman & Wakefield

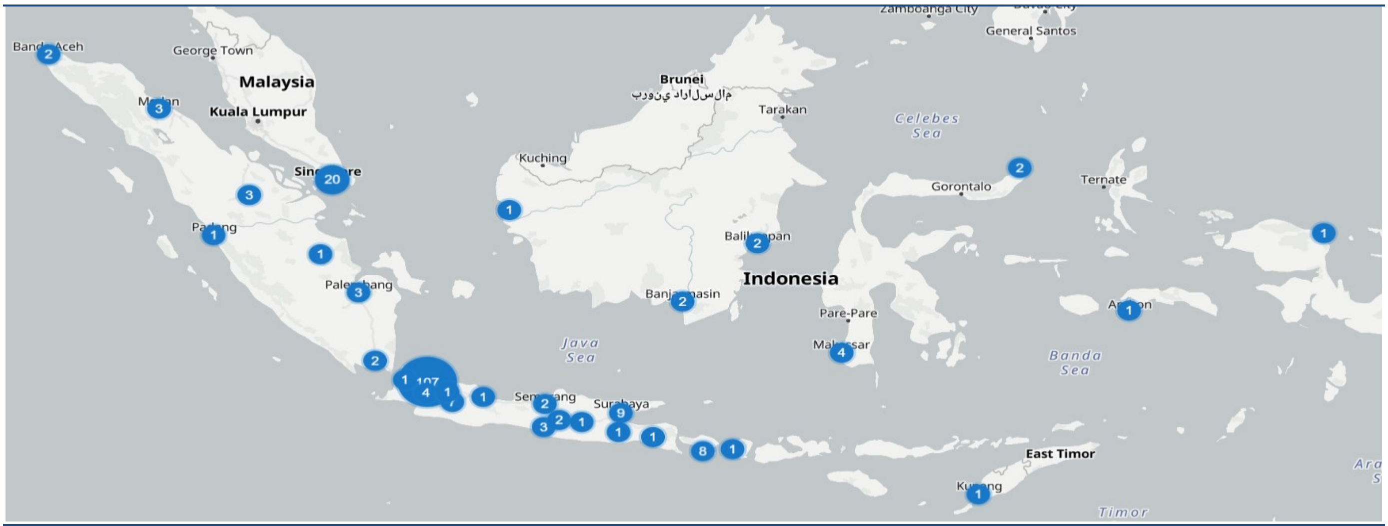
Jakarta as dominant hub, while Batam is building a sizeable pipeline

Indonesia hosts 217 data centers (DataCenterMap), led by Jakarta at 116 (54%) and Batam at 21 (9.7%). Both markets remain in an early-growth phase, with capacity still heavily skewed toward the forward pipeline: Jakarta carries a 5.3x pipeline-to-operational ratio, implying 1.7GW of total pipeline against 322MW live today; while Batam adds a 1.4GW pipeline on a 126MW operational base.

The two markets represent distinct investment theses.

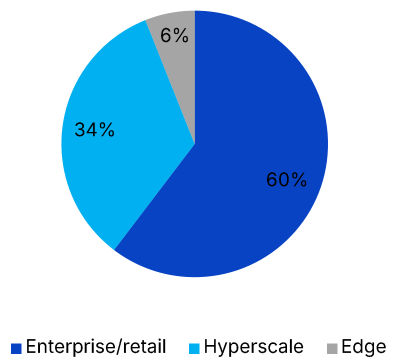
- **Batam** is a regional-spillover play. Hyperscale dominates the mix (71%), overwhelmingly private and foreign-led (DayOne, BW Digital, Princeton Digital Group, Global Data Center, Racks Central) and increasingly AI-anchored rather than cloud (DayOne's 450MW Kabil campus, is anchored by AI-compute player Firmus). Also the market advantaged by subsea-connectivity proximity to Singapore.
- **Jakarta** is a domestic-demand story. Hyperscale is also present (34%) but skewed toward cloud over AI. However, an increasing number of operators are now developing AI-ready capacity in Jakarta as connectivity matures.

Exhibit 2. Indonesia data center distribution



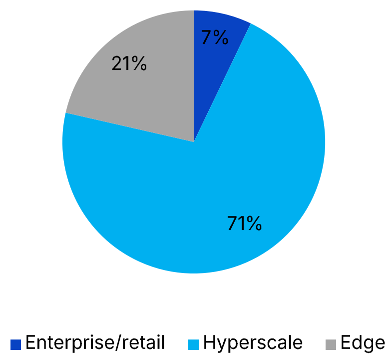
Source: DataCenterMap

Exhibit 3. Jakarta data center composition



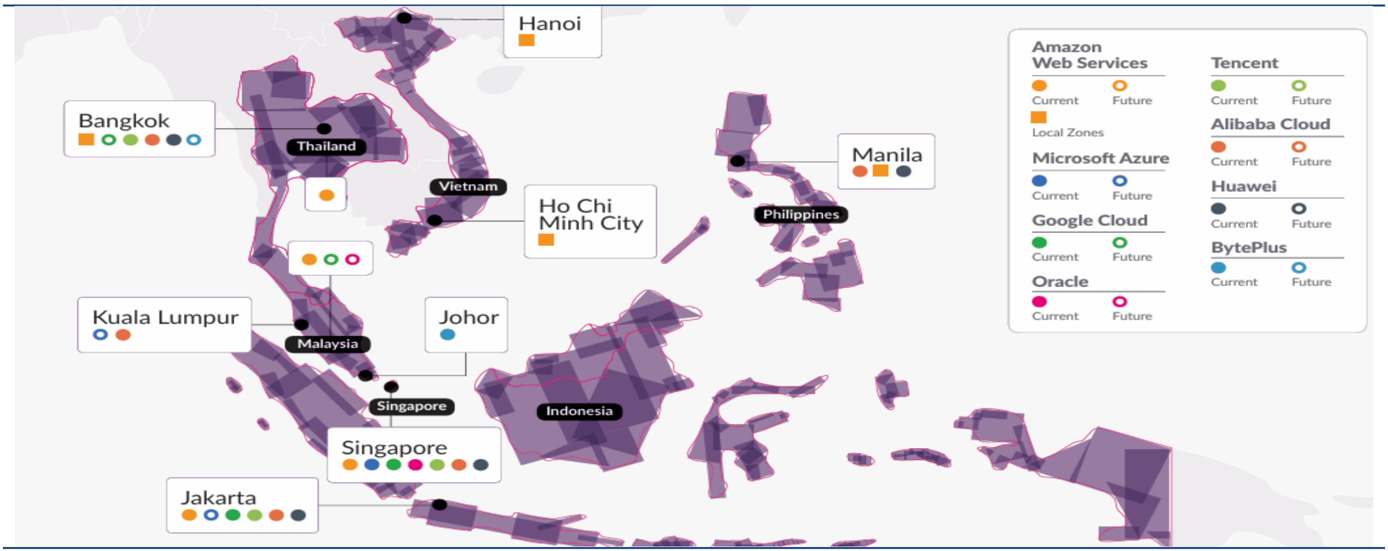
Source: DataCenterMap

Exhibit 4. Batam data center composition



Source: DataCenterMap

Exhibit 5. Hyperscale deployment map



Source: DCByte

Exhibit 6. Batam data center distribution

DC Operator	Group/Parent	IT Load (MW)	Planned (MW)	DC Type
Gaw Capital Partners	Gaw Capital (HK) JV Sinar Primera	5	20	Edge
NeutraDC	TLKM	18	51	Hyperscale
Global Data Centre (GDC)	Global Data Centre Sdn Bhd	-	200	Hyperscale
Nongsa Digital Park Campus	DayOne	72	-	Hyperscale
Kabil Tech Park	DayOne	-	450	Hyperscale
Racks Central Pte Ltd	Racks Central (SG)	-	95	Hyperscale
Nusantara Data Center	Nusantara DC	20	-	Edge
Princeton Digital	Princeton Digital Group	-	96	Hyperscale
BW Digital	BW Group	-	120	Hyperscale
AESLER-GREENIX Mark 1	PT. Aesler Group International Tbk	-	16	Hyperscale
Omni DC	PT Omni Data Center Indonesia	1.2	-	Enterprise/Retail
Quantum AI Data Center	WorldVuer iByond	-	50	Hyperscale
Range IDC Batam	Range IDC	-	360	Hyperscale
SM+ Batam SME14	DSSA	10	-	Edge
Total		**126**	**1,458**	

Source: DataCenterMap, BRIDS

Listed DC names also remain in the early growth phase

The largest capacity commitments and under-construction assets remain concentrated among private and foreign-backed operators, including DAMAC Digital's planned 163MW, Princeton Digital's planned 360MW, ST Telemedia 322MW, GDC's 200MW, DayOne's 450MW, EdgeConneX's 200MW, BW Digital 120MW, and Racks Central 95MW.

That said, several local listed names also offer sizeable growth proxies, with meaningful capacity pipelines yet to be developed.

- At one end sits DCII, the only listed pure-play with genuine operating scale (128MW live) and the largest committed expansion pipeline.
- In the middle sits a cohort of platform builders leveraging existing infrastructure: TLKM (NeutraDC), ISAT (JV with BDX), and DSSA (SM+).
- At the frontier also sit the emerging and story names like MGLV and INET. We view these names as still being in the early stages of their data center growth cycle, with substantial capacity pipelines providing meaningful room for future expansion.

Exhibit 7. Private and foreign-backed DC operators live capacity and planned pipeline in Indonesia

DC Name	DC Operator	Group/Parent	IT Load (MW)	Planned (MW)	DC Type	City	Adress
DAMAC Digital JKT01	DAMAC Digital	DAMAC (Dub	-	19.2	Hyperscale	Jakarta	Jakarta, MT Haryono
DAMAC Digital JKT02	DAMAC Digital	DAMAC (Dub	-	144	Hyperscale	Bekasi	GIIC
Princeton Digital JC1 & JC2	Princeton Digital Group	PDG	28	-	Hyperscale	Bekasi	Jl. Sumba Blok A-B Kav. B12-1 Kawasan Industri MM2100, Bekasi
Princeton Digital JC3	Princeton Digital Group	PDG	-	120	Hyperscale	Bekasi	GIIC
Princeton Digital JC4	Princeton Digital Group	PDG	-	240	Hyperscale	Bekasi	GIIC
STT Jakarta 1	ST Telemedia GDC	ST Telemedia	18	-	Hyperscale	Bekasi	GIIC
STT Jakarta 2	ST Telemedia GDC	ST Telemedia	24	-	Hyperscale	Bekasi	GIIC
STT Jakarta 3	ST Telemedia GDC	ST Telemedia	-	24	Hyperscale	Bekasi	GIIC
STT Jakarta 4	ST Telemedia GDC	ST Telemedia	-	48	Hyperscale	Bekasi	GIIC
STT Jakarta 5	ST Telemedia GDC	ST Telemedia	-	40	Hyperscale	Bekasi	GIIC
STT Jakarta 6	ST Telemedia GDC	ST Telemedia	-	40	Hyperscale	Bekasi	GIIC
GDC Batam (BTM1)	Global Data Centre (GDC)	Global Data C	-	200	Hyperscale	Batam	Jl. Perumahan Cemara Park, Belian, Batam
DayOne Nongsa Digital Park	DayOne	DayOne	72	-	Hyperscale	Batam	Jl. Hang Lekiu, Batam
DayOne Kabil Tech Park	DayOne	DayOne	-	450	Hyperscale	Batam	Kabil Integrated Industrial Estate, Batam
EdgeConneX Jakarta Campus	EdgeConneX	EdgeConneX	6	194	Hyperscale	Bekasi	Jl. Mataram No.6a, Cikarang
BW Digital NDP1	BW Digital	BW Group	-	120	Hyperscale	Batam	Nongsa Digital Park, Batam
Racks Central RCBI	Racks Central Pte Ltd	Racks Central	-	95	Hyperscale	Batam	Nongsa Digital Park, Batam
Digital Edge - CGK Campus	Digital Edge DC	Digital Edge	23	500	Hyperscale	Bekasi	GIIC

Source: DataCenterMap, BRIDS

Exhibit 8. Listed DC operators in Indonesia

DC Name	DC Operator	Company	IT Load (MW)	Planned (MW)	DC Type	City	Adress
JKT-1 (HDC Cikarang)	NeutraDC	TLKM	3.5	18	Hyperscale	Bekasi	GIIC
JKT-2 (HDC Cikarang)	NeutraDC	TLKM	-	120	Hyperscale	Bekasi	GIIC
DC Batam	NeutraDC	TLKM	18	33	Hyperscale	Batam	Kabil Integrated Industrial Estate, Batam
DC Singapore	NeutraDC	TLKM	17.4	-	Hyperscale	Singapore	Singapore
Serpong DC	NeutraDC	TLKM	16	-	Enterprise	Jakarta	Jl. Kapten Soebiantho, Tangerang
Sentul DC	NeutraDC	TLKM	6.5	-	Enterprise	Bogor	Cijayanti, Sentul, West Java
Surabaya DC	NeutraDC	TLKM	3	-	Enterprise	Surabaya	Jl. Raya Bukit Bali Lakarsantri, Surabaya
SMX01	SM+	DSSA	18	42	Hyperscale	Jakarta	Jl. Menteng Atas, South Jakarta City
Edge Data Centers — SME01-24	SM+	DSSA	10	-	Edge	Across Indonesia	-
DCI Indonesia H1 Campus	DCI Indonesia	DCII	73	147	Hyperscale	Bekasi	St Jawa, Block GG5-1, MM2100 Industrial Area, Bekasi
DCI Indonesia H2 Campus	DCI Indonesia	DCII	27	573	Hyperscale	Karawang	Pertiwi Lestari Industrial Estate, Blok A-V1 No 1C, Karawang
H3 DC Park	DCI Indonesia	DCII	-	1000	Hyperscale	Bintan	Bintan Data Center Park
DCI Indonesia E1	DCI Indonesia	DCII	19	-	Edge	Jakarta	Jl. Mesjid Darul Blok B No. 7, Jakarta
DCI Indonesia E2	DCI Indonesia	DCII	9	-	Edge	Surabaya	Jl. Jend. Basuki Rachmat, Surabaya
BDx CGK1	BDx	ISAT	10	-	Enterprise	Jakarta	Jl. Medan Merdeka Barat No.21, Jakarta
BDx CGK2	BDx	ISAT	3	-	Enterprise	Tangerang	Jl. Raya Serpong No.255, Tangerang Selatan
BDx CGK3	BDx	ISAT	17	-	Enterprise	Jakarta	Jalan TB Simatupang Kav. 10, Jakarta Selatan
BDx CGK4	BDx	ISAT	72	428	Hyperscale	Jatiluhur	Jl. Ir. H. Juanda, Purwakarta
BDx CGK5	BDx	ISAT	-	110	Hyperscale	Karawang	Suryacipta City of Industry
Jakarta EDGE1	Digital Edge DC	EDGE	6	-	Edge	Jakarta	Cyber Building, Jl. Kuningan Barat Raya No.8, Jakarta
Jakarta EDGE2	Digital Edge DC	EDGE	23	-	Edge	Jakarta	Jl. Kuningan Mulia, 12980 Jakarta
CGK Campus	Digital Edge DC	EDGE	-	500	Hyperscale	Bekasi	GIIC

Source: DataCenterMap, BRIDS

Company Exposure

Telkom (TLKM, Buy, TP Rp3,500) – NeutraDC

NeutraDC currently has 90.4MW of live IT capacity and targets to expand its total load capacity to 300MW by 2030. Cikarang Campus 1 has a designed IT load of 21.5MW, of which only 3.5MW is currently operational, while the remaining 18MW has been constructed and fully contracted but is still undergoing tenant customization. Adjacent land has been earmarked for Campus 2, bringing the Cikarang site's total planned IT load capacity to 120MW. Beyond Cikarang, NeutraDC's hyperscale footprint includes an 18MW facility in Batam, targeted for Ready-for-Service this year and already fully committed, with Gorilla Technology as its anchor tenant, while its Singapore facility is fully operational with 17.4MW of IT load. TLKM has also signed an MoU with the Singapore government to support further expansion of NeutraDC's presence in Singapore. (see our NeutraDC site visit report for further details).

TLKM is currently in the process of divesting a 70% stake in NeutraDC, with media reports indicating a targeted valuation of US$1.0-1.5bn. Management aims to bring in a global DC operator as a strategic partner to strengthen operational capabilities, particularly in serving hyperscalers. TLKM indicated that it has shortlisted the final candidates and expects to complete the transaction this year. Given the sizeable expansion ahead, we think the deal may lean more toward a capex commitment to fund the build-out (subject to the final structure); Nonetheless, the entry of a global DC operator at a US$1.0–1.5bn could unlock value for TLKM, implying 4.5% upside to our TP of Rp3,650 (from Rp3,500), assuming NeutraDC valued at TLKM's blended 5.4x EV/EBITDA.

Exhibit 9. NeutraDC data center footprint and expansion plan

Source: Company

Indosat (ISAT, Buy, TP Rp2,500) – BDx Indonesia – Zankore

ISAT's data center exposure runs through two distinct vehicles. The first is BDx Indonesia, in which ISAT holds a 25% stake. BDx operates 30MW across three edge campuses, plus 72MW of hyperscale capacity at CGK4 Jatiluhur, and carries a sizeable pipeline: CGK4 is designed to scale to 500MW, while the newly under-construction CGK5 is expected to add 110MW. Underpinning this build-out, BDx has secured a 1.2GW PLN power commitment.

The second is Zankore, an AI neocloud JV with parent Ooredoo in which ISAT holds a potential 30% stake. Location remains unconfirmed: recent media reports point to a first-phase AI Factory in Batang, commencing 1H27 at 200MW and scaling toward 1GW over three years, while others suggest capacity will be sourced across multiple data-center providers nationwide. Management has yet to formally disclose where Zankore will operate, indicating only that Batang is one confirmed site but that additional locations are required to accelerate delivery. We believe BDx assets will be utilised, though current live capacity appears insufficient to absorb the 200MW build alone.

ISAT-Zankore calculation

We apply Zankore's guided cumulative five-year revenue and EBITDA of US$13bn/US$9bn, implying annual EBITDA of US$1.8bn (Rp30.6tr), against US$25mn/MW of capex for the GPU Blackwell build, and value the business at a 5x EV/EBITDA multiple (benchmarked to CoreWeave FY27F). Attributing ISAT's 30% stake yields an equity value of US$1.7bn (Rp28.7tr), a 35% uplift on our current ISAT equity value of Rp79.7tr, which potentially lifts our TP from Rp2,500 to Rp3,350.

Exhibit 10. ISAT-Zankore SOTP valuation

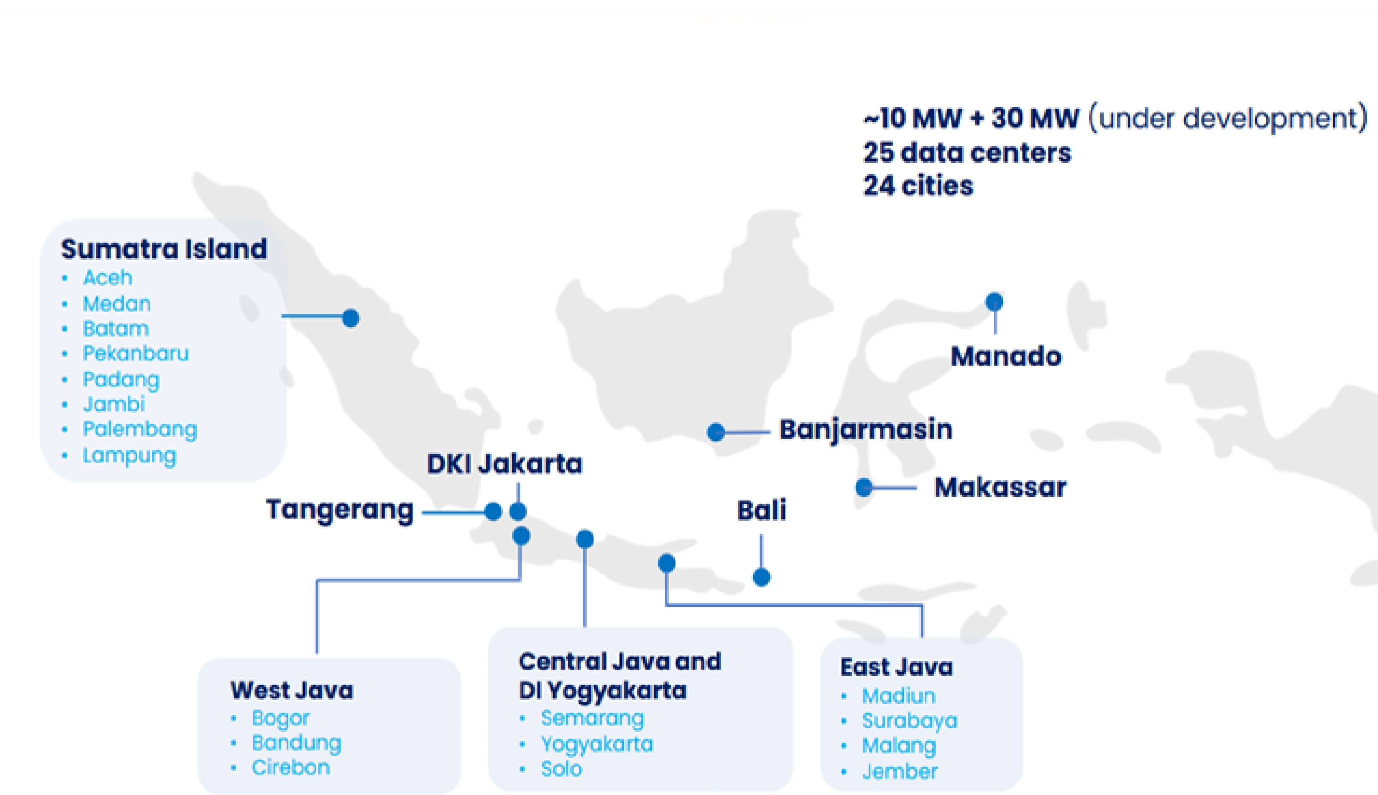
Assumptions		
Phase-1 capacity	200	MW
Capex per MW	25	US$mn/MW
Guided 5-yr revenue	13,000	US$mn
Guided 5-yr EBITDA	9,000	US$mn
Capital structure Zankore		
Equity funded (Ooredoo US$800mn -49%)	27,755	Rpbn
Net debt	57,245	Rpbn
Zankore valuation		
Enterprise value (5x EV/EBITDA)	153,000	Rpbn
Less: net debt	(57,245)	Rpbn
Equity value (100%)	**95,755**	Rpbn
ISAT stake value (30%)	**28,727**	Rpbn
SOTP		
ISAT core equity value	79,719	Rpbn
Add: Zankore stake (30%)	28,727	Rpbn
Total equity value	**108,446**	Rpbn
Shares outstanding	32.25	bn
Implied target price	**3,363**	/share
Current base TP (ex-Zankore)	2,500	/share

Source: Company, BRIDS Estimates

Dian Swastatika Sentosa (DSSA, Not Rated) – SM+

DSSA operates 24 edge data centers across Indonesia, offering a combined capacity of 10MW. The company is also developing SMX01, a hyperscale data center in Jakarta through a JV with LG, representing a US$300mn investment. The facility is targeted for RFS in 4Q26, with Phase 1 offering 18MW of IT capacity and scalability to 60MW. SMX01 is positioned as an AI-ready facility, featuring advanced liquid-cooling technology to support high-density AI workloads and designed to Tier IV standards. While no tenant has been publicly disclosed to date, we believe SMX01 appears to follow a merchant data center model rather than a built-to-suit approach, suggesting that the project was not developed specifically around a pre-committed anchor tenant.

Exhibit 11. Locations of data center SM+



Source: Company

DCI Indonesia (DCII, Not Rated)

DCII operates 128MW of live IT capacity across four facilities, comprising two hyperscale campuses, H1 Cibitung (73MW, scalable to 220MW) and H2 Karawang (27MW, scalable to >600MW), alongside two edge facilities, E1 Jakarta (19MW) and E2 Surabaya (9MW). H1 is Tier IV-certified and colocates with six global cloud providers, while H2 is situated on an 86ha land bank and features an on-site solar PV farm with up to 30MW of capacity. Longer term, DCII's key strategic optionality lies in H3 Sky DC Park in Bintan, which is positioned to capture spillover demand from Singapore amid constrained data center supply. The campus has scalable capacity of >1,000MW and is backed by a ~700ha land bank developed with Gallant Venture, although it remains at the pipeline stage. More recently, DCII secured a Rp17tr (US$976mn) loan facility from BCA to fund its data center expansion, providing significant funding headroom for its planned capacity build-out.

Exhibit 12. DCII data center portfolio

Source: Company

NexAI Digital Infrastruktur (MGLV, Not Rated)

NexAI Digital Infrastruktur (MGLV, formerly PT Panca Anugrah Wisesa) is former household-goods trading and leasing company being repurposed into a data center platform, 75.7% controlled by PT Nextier Datamate Center (NDC). Subject to EGM approval on 3 September 2026, MGLV is changing its core business to data center and acquiring two Nextier assets, namely PT Nextier Askara Center (NAC, 36MW, operating as "MettaDC" in Cikarang) and PT Nextier GenAI Center (NGC, 60MW, in the Batang Integrated Industrial Estate), for a combined 96MW. The capex plan for this of Rp13.4tr for FY26 & 27F. The acquisitions, an early repayment of debt to NDC, and working capital and development capex are to be funded via a rights issue of up to 285.7mn new shares.

Sinergi Inti Andalan Prima (INET, Not Rated)

INET through its subsidiary PT Sinergi Inti Data Indonesia (SIDI) inaugurated its first facility, JKT01, an interconnection-focused colocation data center on the Gedung Cyber 1, South Jakarta, positioned at one of Jakarta's main network traffic and interconnection hubs. Looking ahead, SIDI plans a substantially larger green data center on a 180-200ha estate in the Jatiluhur area of Purwakarta, West Java.

Bakrie & Brothers (BNBR, Not Rated)

BNBR through its subsidiary PT Multi Kontrol Nusantara (MKN) has acquired around 1.67 hectares of land in Kalideres, West Jakarta, earmarked for the development of an inner-city data center. The transaction is valued at around Rp500bn. The company has indicated that the project would only proceed once the company secures a strategic partner experienced in the data center space.

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INVESTMENT RATING	
BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period