Folago Global Nusantara (IRSX IJ)

Building An Integrated Entertainment Ecosystem

Highlights

- **IRSX is building an integrated entertainment ecosystem.** The Rp3.7t rights issue will help secure commercial rights to 500 top Indonesian talents and expand into content, concerts and movies.
- **FolaPlay is evolving into a one-stop entertainment application.** Its 1.2m subscribers provide a base for expansion into microdramas, AI-generated content and other entertainment.
- **IRSX is building FolagoPro into a major live entertainment platform.** It targets 10-15 shows through 2027, with concerts also planned to stream on FolaPlay and exclusive access offered through Folago Prive.

Analysis

- **Rights issue to build an integrated entertainment platform.** Folago Global Nusantara (IRSX) will hold an Extraordinary General Meeting of Shareholders on 24 September to seek approval for a rights issue of up to 12.39b new shares and 1.86b Series II warrants. The 1:2 ratio means existing shareholders face potential dilution of 66.67% if they do not participate. The final issue price and terms have not yet been disclosed, although the initial proposal was set at Rp300 per new share and Rp350 per warrant, with potential proceeds of around Rp3.7t. The controlling shareholder will act as the standby buyer for the rights issue. The initial plan was to use the proceeds to secure the commercial rights of 500 top Indonesian talents, including rights to their brand endorsements and monetisation across Instagram, TikTok and YouTube, alongside expansion into short-drama content production, concerts and movies and other entertainment businesses.

  IRSX is positioning itself as an integrated entertainment platform in Indonesia, with the ambition to bring together artistes, creators, content, advertising, streaming, movies and live entertainment under one ecosystem. Its participation in the Solusi Sinergi Digital (WIFI) ecosystem could further extend this reach through bundled connectivity and entertainment, while its access to these talent rights could also support AI-enabled marketing solutions for consumers and SMEs, including affordable advertising featuring IRSX -managed artistes and creators.

Key Financials

Year to 31 Dec (Rpb)	2021	2022	2023	2024	2025
Net turnover	8	162	249	842	410
EBITDA	1	3	(2)	(0)	39
Operating profit	1	2	(3)	(1)	35
Net profit (rep./act.)	1	4	(2)	(1)	25
EPS (Rp)	n.a	n.a	(0.5)	(0.1)	4.6
PE (x)	n.a	n.a	(966.0)	(5,675.0)	98.7
P/B (x)	n.a	n.a	13.8	13.9	9.4
EV/EBITDA (x)	2,586.5	985.8	(1,138.9)	(7,206.5)	68.4
Dividend yield (%)	n.a	n.a	n.a	n.a	0.0
Net margin (%)	7.1	2.5	(0.9)	(0.1)	6.2
Net debt/(cash) to equity (%)	(65.4)	(10.1)	(17.4)	(17.5)	(42.6)
Interest cover (x)	46.2	400.2	(204.1)	(159.7)	812.1
ROE (%)	11.1	11.1	(2.0)	(0.3)	10.9

Source: IRSX, Bloomberg, UOB Kay Hian

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NOT RATED

Share Price	Rp454
Target Price	n.a.
Upside	n.a.

Stock Data

Sector	Information Technology
Bloomberg ticker	IRSX IJ
Shares issued (m)	6,195
Market cap (Rpb)	2,813
Market cap (US$m)	158
3-mth avg daily t'over (US$m)	1.2

Price Performance (%)

52-week high/low				Rp880/Rp188
1mth	3mth	6mth	1yr	YTD
20.7	57.6	6.1	70.7	(27.4)

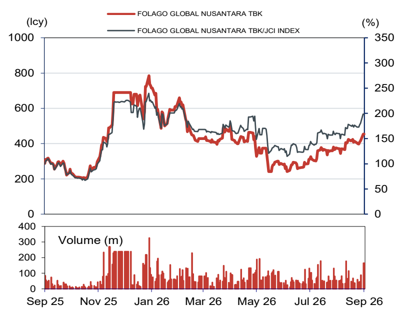
Major Shareholders (%)

Matra Tri Abadi	63.95

Balance Sheet Metrics

FY26 NAV/Share	n.a.
FY26 Net Debt/Share	n.a.

Price Chart



Source: Bloomberg

Company Description

Folago Global Nusantara (IRSX) is a digital entertainment company focused on talent monetisation, social commerce, content production and live entertainment. The company operates FolaPlay as its streaming platform and is expanding into short dramas, concerts, movies and digital advertising.

Upcoming And Previous Concerts

Source: IRSX

- **FolaPlay is evolving into a one-stop entertainment application.** FolaPlay was initially developed as the streaming platform for FIFA World Cup 2026 coverage in Indonesia and has since built a user base of around 1.2m subscribers. The platform now carries a growing library of Chinese microdramas, including titles produced by IRSX. Following the rights issue, IRSX 's access to the commercial rights of 500 top Indonesian talents could also allow it to use the artistes' likenesses in AI-generated videos and short dramas, subject to the relevant agreements. This could support faster content production and expand FolaPlay's entertainment library. IRSX is also finalising a partnership with Kereta Api Indonesia to provide content onboard its trains, while its Memorandum of Understanding (MoU) with iQIYI makes IRSX a content provider for original iQIYI series and an advertising partner for iQIYI International. Together, these initiatives could help FolaPlay develop into a broader one-stop entertainment platform covering sports, dramas and other content.
- **IRSX is building FolagoPro into a major live entertainment platform.** Following its successful Westlife and Brian McKnight events, IRSX is targeting 10-15 shows in 2027 across major venues, including Gelora Bung Karno (GBK), Jakarta International Stadium and indoor venues. The Westlife 25 Years of Hits concert at GBK for 23 Jan 27 sold out within hours. The company is looking to bring more international artistes to Indonesia, like Andy Lau, Avenged Sevenfold and Bon Jovi mentioned in its broader pipeline.

  Beyond ticket sales, IRSX plans to stream selected concerts through FolaPlay, allowing it to monetise each event through digital content and advertising while extending its reach beyond the physical venue. IRSX also has Folago Prive, an exclusive programme for IRSX shareholders that provides early access to selected concert ticket sales and premium entertainment experiences. The Westlife presale alone saw around 9,200 tickets purchased by shareholders through the privilege programme. This creates a closed-loop entertainment ecosystem, where IRSX can promote the event, monetise ticket sales and sponsorships, distribute the concert through FolaPlay and deepen engagement with its shareholders.

Valuation

- **IRSX currently trades at an 81.38x trailing 12-month PE,** a slight premium to the WIFI group average of 80x and a significant premium to asian agencies, concert promoters, and micro-drama platforms at around 28x, 12x, and 17x, respectively. However, this does not fully reflect its ongoing transformation and potential earnings contribution from its new entertainment businesses.

Risk/Catalyst

- **Risk:** a) Execution risk, and b) delay of corporate actions.
- **Catalyst:** Announcement of corporate actions.

Folago And iQiyi MoU Signing

Source: IRSX

CEO In TikTok Global Summit

Source: IRSX

Profit & loss

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Net turnover	162	249	842	410
EBITDA	3	(2)	(0)	39
Deprec. & amort.	0	1	1	4
EBIT	2	(3)	(1)	35
Total other non-op. income	2	0	1	1
Associate contributions				
Net interest income/(expense)	0	0	0	0
Pre-tax profit	5	(3)	(1)	35
Tax	(1)	0	0	1
Minorities	0	(0)	(0)	(12)
Net profit	4	(2)	(1)	25
Net profit (adj.)	4	(2)	(1)	25

Balance Sheet

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Fixed assets	0	0	0	3
Other LT assets	1	10	9	46
Cash/ST investment	7	3	3	110
Other current assets	66	155	155	201
Total assets	75	168	167	360
ST debt	0	0	0	1
Other current liabilities	7	3	2	43
LT debt	0	0	0	1
Other LT liabilities	0	1	1	0
Shareholders' equity	68	164	163	301
Minority interest	0	0	0	15
Total liabilities & equity	75	168	167	360

Cash Flow

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Operating	(24)	(68)	0	29
Pre-tax profit	5	(3)	(1)	35
Tax	(1)	0	0	1
Deprec. & amort.	0	1	1	4
Working capital changes	n.a	n.a	n.a	n.a
Non cash items	n.a	n.a	n.a	n.a
Investing	(59)	(34)	0	(30)
Capex (growth)	(0)	(0)	0	(34)
Investments	0	0	0	0
Others	(59)	(34)	0	4
Financing	87	98	(0)	109
Dividend payments	0	0	0	0
Issue of shares	58	98	0	109
Proceeds from borrowings	0	0	0	0
Loan repayment	(0)	(0)	(0)	(0)
Others/interest paid	29	0	0	1
Net cash inflow (outflow)	3	(4)	(0)	108
Beginning cash & cash equivalent	4	7	3	3
Ending cash & cash equivalent	7	3	3	111

Key Metric

Year to 31 Dec (%)	2022	2023	2024	2025
Profitability				
EBITDA margin	1.7	(0.9)	(0.0)	9.5
Pre-tax margin	2.8	(1.1)	(0.1)	8.6
Net margin	2.5	(0.9)	(0.1)	6.2
ROA	10.1	(1.9)	(0.3)	9.6
ROE	11.1	(2.0)	(0.3)	10.9
Growth (% yoy)				
Turnover	2,029.4	53.8	238.2	(51.3)
EBITDA	162.4	n.a	84.2	n.a
Pre-tax profit	619.0	n.a	78.2	n.a
Net profit	654.5	(157.1)	(76.7)	(4,767.9)
Net profit (adj.)	654.5	(157.1)	(76.7)	(4,767.9)
EPS	n.a	n.a	83.0	n.a
Leverage				
Debt to total capital	0.0	0.1	0.0	0.6
Debt to equity	0.0	0.1	0.0	0.6
Net debt/(cash) to equity	(10.1)	(17.4)	(17.5)	(42.6)
Interest cover (x)	400.2	(204.1)	(159.7)	812.1