NexAI Digital Infrastruktur (MGLV IJ)

Transforming Into An AI Data Centre

Highlights

- **MGLV is building an AI-focused data centre platform.** NDC now owns 67.1% of MGLV, while the company has acquired NAC and NGC to consolidate its data centre operations.
- **MGLV has secured around 1.2GW of contracted power.** The company currently operates 6MW and targets 102MW of phase-one capacity across Jababeka and Batang by 2Q27.
- **The Rp2.54t rights issue support expansion.** NDC will subscribe to Rp1.65t of its entitlement, while proceeds will mainly fund the 96MW Jababeka and Batang expansion.

Analysis

- **MGLV is transforming into an AI-focused data centre platform.** NexAI Digital Infrastruktur (MGLV), formerly Panca Anugrah Wisesa, has undergone a backdoor transformation following the entry of Nextier Datamate Center (NDC), which now owns 67.1% of MGLV. The company has since acquired 99.9% of Nextier Askara Center (NAC) and Nextier GenAI Center (NGC), shifting its focus entirely toward data centres. The transformation is backed by several industry and investment figures, including Glenn Sugita (ex- Northstar) and the Thohir family. Patrick Walujo also remains closely linked to the ecosystem through his role as Indosat's commissioner and involvement in Zankore's development. Zankore by Indosat is targeting up to 1GW of AI factory capacity, with MGLV expected to supply part of its data centre requirements.
- **MGLV has secured significant power capacity across Jababeka and Batang.** The company has contracted power capacity of around 900MW in Jababeka and around 270MW in Batang. It currently operates 6MW in Jababeka and plans to complete an additional 36MW in Jababeka and 60MW in Batang by 2Q27, bringing phase-one capacity to 102MW. PLN charges industrial customers around Rp1,100/kWh, while its stated tariff for data centres has been Rp1,600/kWh since Jun 26. Despite the higher tariff, management said Indonesia remains competitive against regional players. Contract pricing varies by end user, with higher rates for AI startups and lower rates for world-class customers, while longer contracts generally command lower pricing. All end users are international, and MGLV expects data centres to generate over US$1m/MW of EBITDA at steady state.

Key Financials

Year to 31 Dec (Rpb)	2021	2022	2023	2024	2025
Net turnover	110	167	211	209	128
EBITDA	n.a.	25	40	28	(3)
Operating profit	n.a.	19	31	19	(7)
Net profit (rep./act.)	7	15	18	7	(9)
EPS (Rp)	3.7	8.1	9.5	3.5	(4.7)
PE (x)	3,854.5	1,768.1	1,510.0	4,142.7	(3,039.1)
P/B (x)	n.a.	247.0	211.7	201.1	215.3
EV/EBITDA (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend yield (%)	n.a.	0.0	0.0	n.a.	n.a.
Net margin (%)	6.5	9.3	8.6	3.2	(7.1)
Net debt/(cash) to equity (%)	n.a.	32.1	21.1	(1.8)	(2.5)
Interest cover (x)	n.a.	3.3	4.6	1.9	(2.5)
ROE (%)	n.a.	15.2	15.1	5.0	(6.8)

Source: MGLV, Bloomberg, UOB Kay Hian

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NOT RATED

Share Price	Rp14,625
Target Price	n.a.
Upside	n.a.

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	MGLV IJ
Shares issued (m)	1,905
Market cap (Rpb)	27,859
Market cap (US$m)	1,577
3-mth avg daily t'over (US$m)	0.6

Price Performance (%)

52-week high/low				Rp16,450/Rp346
1mth	3mth	6mth	1yr	YTD
46.6	72.1	266.5	948.4	564.8

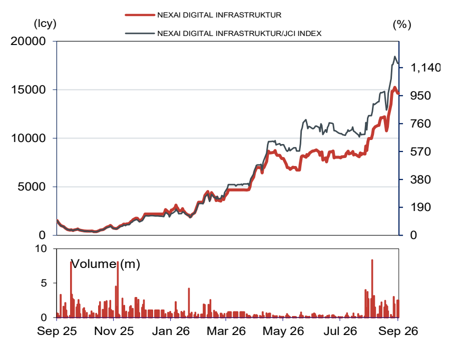
Major Shareholders (%)

Nextier Datamate Center	67.08
Trinugraha Thohir Harmoni	4.89

Balance Sheet Metrics

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

Price Chart

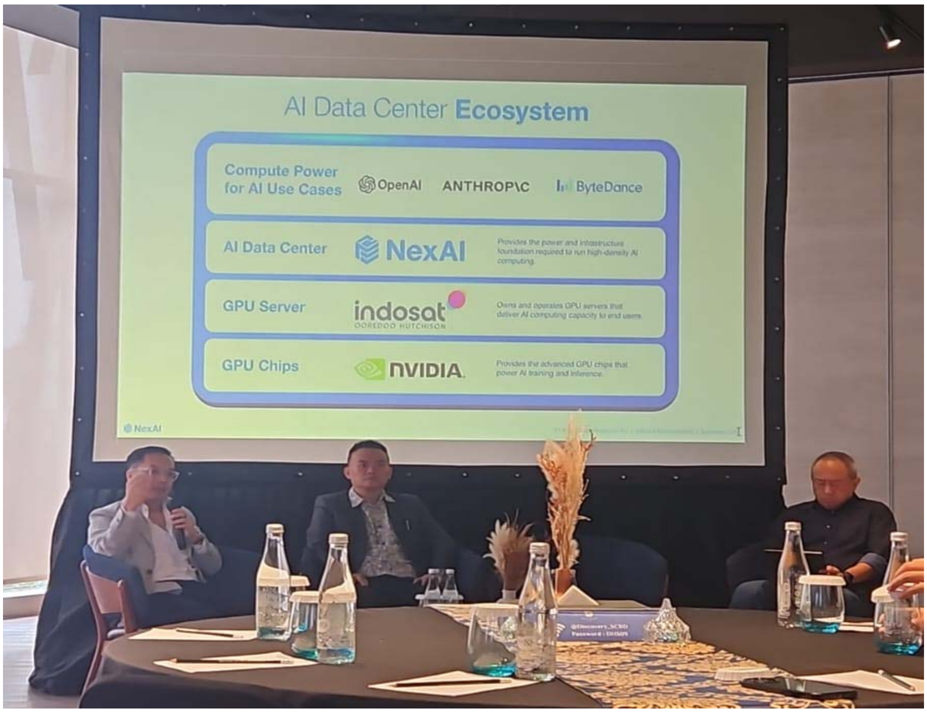


Source: Bloomberg

Company Description

NexAI Digital Infrastruktur (MGLV) is an Indonesia-based data centre company focused on developing AI-ready digital infrastructure. Following its transformation, MGLV is expanding its data centre footprint across Jababeka and Batang and is positioned to support AI infrastructure demand, including from Zankore by Indosat.

Analyst Meeting



Source: UOB Kay Hian

- **The Rp2.54t rights issue will mainly fund MGLV's data centre expansion.** MGLV will issue up to 285.7m new shares at Rp8,880/share, equivalent to 15 new shares for every 100 existing shares and maximum dilution of 13.04%. NDC, MGLV's 67.1% controlling shareholder, has committed to take up its full entitlement of 186m shares for Rp1.65t, providing support for the transaction. Of the Rp2.54t proceeds, around Rp669b will acquire receivables from NDC, while Rp1.6t will be injected into its subsidiaries for the 60MW Batang and 36MW Jababeka data centres. The remaining funds will support working capital. At MGLV's Rp14,625 share price, the Theoretical Ex-rights Price (TERP) is at around Rp13,800, implying that the Rp8,880 subscription price is at a discount of around 36% to TERP. The rights issue is expected to become effective on 22 October, with cum-HMETD on 30 October, ex-HMETD on 2 November and recording date on 3 November. HMETD trading and exercise will run from 5-18 Nov 26.

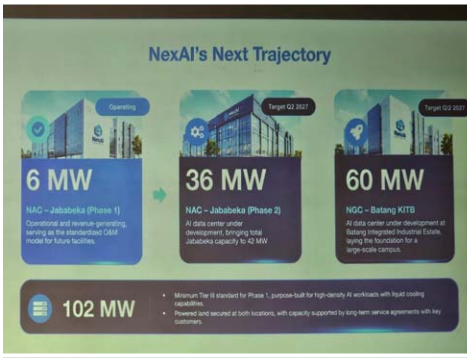
Valuation

- **MGLV currently trades at a negative PE ratio.** However, this is not a meaningful representation given that its current earnings base does not reflect the potential earnings contribution from its future data centre business.

Risk/Catalyst

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

Project Pipeline



Source: MGLV

Zankore AI Factory

Source: ISAT

Profit & loss

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Net turnover	167	211	209	128
EBITDA	25	40	28	(3)
Deprec. & amort.	6	9	9	4
EBIT	19	31	19	(7)
Total other non-op. income	(0)	(7)	(8)	(1)
Associate contributions				
Net interest income/(expense)	0	0	0	0
Pre-tax profit	19	23	11	(8)
Tax	(3)	(5)	(4)	(1)
Minorities	(0)	(0)	(0)	(0)
Net profit	15	18	7	(9)
Net profit (adj.)	15	18	7	(9)

Balance Sheet

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Fixed assets	50	43	16	8
Other LT assets	23	32	15	8
Cash/ST investment	9	7	8	3
Other current assets	186	218	230	168
Total assets	268	299	268	188
ST debt	12	5	0	0
Other current liabilities	107	127	115	48
LT debt	32	29	5	0
Other LT liabilities	6	8	11	12
Shareholders' equity	111	129	136	127
Minority interest	0	1	1	1
Total liabilities & equity	268	299	268	188

Cash Flow

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Operating	19	19	(21)	(33)
Pre-tax profit	19	23	11	(8)
Tax	(3)	(5)	(4)	(1)
Deprec. & amort.	6	9	9	4
Working capital changes	n.a.	(27)	7	4
Non cash items	n.a.	19	(43)	(32)
Investing	(10)	2	38	2
Capex (growth)	(10)	(1)	(8)	(0)
Investments	0	0	43	0
Others	0	3	2	2
Financing	(8)	(23)	(16)	26
Dividend payments	0	0	0	0
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	(7)	(11)	(16)	25
Others/interest paid	(1)	(13)	0	1
Net cash inflow (outflow)	1	(2)	1	(5)
Beginning cash & cash equivalent	n.a.	9	7	8
Ending cash & cash equivalent	1	7	8	3

Key Metric

Year to 31 Dec (%)	2022	2023	2024	2025
Profitability				
EBITDA margin	14.9	19.0	13.5	(2.5)
Pre-tax margin	11.2	11.1	5.1	(6.6)
Net margin	9.3	8.6	3.2	(7.1)
ROA	6.4	6.4	2.3	(4.0)
ROE	15.2	15.1	5.0	(6.8)
Growth (% yoy)				
Turnover	51.6	27.0	(1.3)	(38.8)
EBITDA	26.9	61.9	(29.9)	n.a.
Pre-tax profit	123.1	25.4	(54.7)	n.a.
Net profit	118.2	17.2	(63.6)	(236.6)
Net profit (adj.)	118.2	17.2	(63.6)	(236.6)
EPS	93.6	17.1	(63.6)	n.a.
Leverage				
Debt to total capital	28.7	20.8	3.7	0.0
Debt to equity	40.3	26.3	3.8	0.0
Net debt/(cash) to equity	32.1	21.1	(1.8)	(2.5)
Interest cover (x)	3.3	4.6	1.9	(2.5)

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