

THE OIC GROUP

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Monthly Report

February 2026



OIC Research Group | Analyst Group Report

Director: Alexander Edbert Analysts: Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

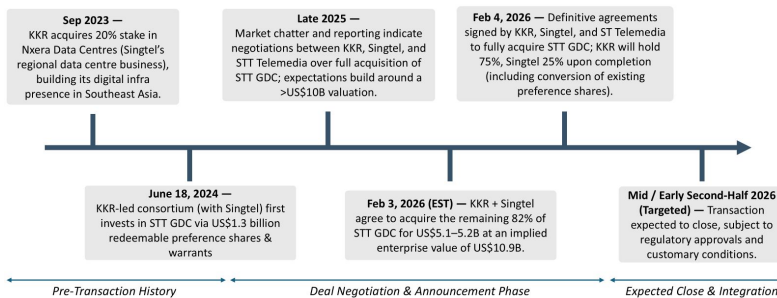
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ST Telemedia Global Data Centres Raises US\$6.4 Billion from KKR-Led Consortium

Transaction Summary

Latest Announcement Date	February 4, 2026
First Announcement Date	June 18, 2024
Transaction Size	US\$6.4B
Implied Enterprise Value	US\$10.8B
Transaction Status	Ongoing (have signed definitive agreement)
Transaction Type	Majority growth investment
Use of proceed	Data centre expansion and growth initiatives
Deal Structure	RPS with detachable warrant

Transaction Timeline



Deal Background

- KKR and Singtel have raising their holding in ST Telemedia Global Centers (STT GDC) to 100%. Back in June 2024 the consortium invested in about **US\$ 1.3B** for 18% stake. Today KKR-led consortium with Singtel has announced the signing of definitive agreements **to acquire the remaining 82% stake** in STT GDC at a valuation of approximately **US\$5.1B**. Upon completion of this transaction, the consortium will acquire full ownership in STT GDC. A move that would align with Singtel's strategy to make AI-ready data centers its core growth engine.
- The transaction implies an enterprise value of approximately US\$10.9bn, significantly higher than the equity consideration, **reflecting existing debt and committed capital expenditures** typical of large data-centre platforms. The acquisition is being funded through a combination of sponsor equity and approximately S\$5bn of new debt facilities, indicating a **leveraged buyout structure**.

Acquirer

KKR & Co. Inc. (NYSE: KKR)



KKR is a leading global asset manager specializing in private equity, infrastructure, and real assets, with extensive experience in digital infrastructure and partnering with platform-scale operators.

Founded Year	1976
HQ	New York City, USA
Sector	Alternative Asset Management
AUM	US\$580B
Revenue	US\$22.25B
P/B Ratio	3.89x
EV/Revenue	1.61

Singtel



Singtel is Singapore's largest telecommunications operator and a leading digital infrastructure provider across Asia Pacific. **Led by KKR** to acquire ST Telemedia Global Data Centres

Target

ST Telemedia Global Data Centres



ST Telemedia Global Data Centres (STT GDC) is a leading global digital infrastructure provider, owning and operating a premier portfolio of over 100 data centers in more than 20 business markets. Previously owned by ST Telemedia, a Temasek-linked infrastructure platform that established and grew the company.

Founded Year	1879
HQ	Paya Lebar, Singapore
Sector	Wireless Telecommunication Service
Business Footprint	100+ data centres across 20+ markets
Installed IT Load Capacity	2.0 GW (2,000 MW)
EV	US\$13.8B

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Deal Rationale

Acquirer

- **Structural growth exposure in digital infrastructure:** The acquisition provides KKR with scaled and controlling exposure to **long-term demand from cloud adoption and AI workloads** through a scarce, platform-scale data centre operator with secured power and land positions in **high-growth, supply-constrained Asian and European markets**, supporting durable infrastructure-like cash flows.
- **Conviction-driven transition to full ownership:** KKR's move to full ownership reflects **increased conviction in STT GDC's operating performance, hyperscaler relationships, and cash flow visibility**, enabling full participation in equity upside from AI-ready expansion and operational value creation.
- **Platform-quality asset with enhanced exit optionality:** STT GDC's global scale, diversified footprint, deep hyperscale relationships, and simplified ownership structure position it as a **premium digital infrastructure platform with multiple monetisation pathways**, including an IPO, partial stake sell-down, or strategic sale to long-duration capital providers.

Target

- **Strategic monetisation of a mature, scaled platform:** The transaction allows ST Telemedia to fully monetise STT GDC at an **attractive valuation following years of platform build-out and expansion**, crystallising value from a capital-intensive asset while exiting at scale rather than through incremental stake sales.
- **Reallocation of capital and risk offload:** The sale reflects a **strategic decision to reduce long-duration capex exposure and execution risk** associated with large-scale AI-driven data centre expansion in a high-rate environment, while transferring funding and **risk to a global sponsor with deeper capital resources**.
- **Separation of ownership from operational continuity:** While ST Telemedia fully exits its equity ownership, transitional operational continuity **ensures platform stability, protects customer relationships, and preserves asset value through handover**, enabling a **clean monetisation** while **transferring long-term capital and execution risk to KKR and Singtel**.

Precedent Transaction

Announce Date	Target	Acquirer	Target Location	% Acquired	Deal Size (US\$)	EV / EBITDA
Feb 04, 2026	STT GDC	KKR; Singtel	APAC	100%	10.8bn	n.a.
Sep 4, 2024	AirTrunk	Blackstone; CPP	Australia	100%	16.0bn	~25.5x
Mar 25, 2022	CyrusOne	KKR; GIP	United States	100%	15.0bn	~23.0x
Aug 31, 2021	QTS Data Centers	Blackstone	United States	100%	10.0bn	~26.1x
Dec 6, 2022	Switch	DigitalBridge; IFM	United States	100%	11.0bn	~31.3x
Mean					11.2bn	~23.8x
Median					11.0bn	~25.0x

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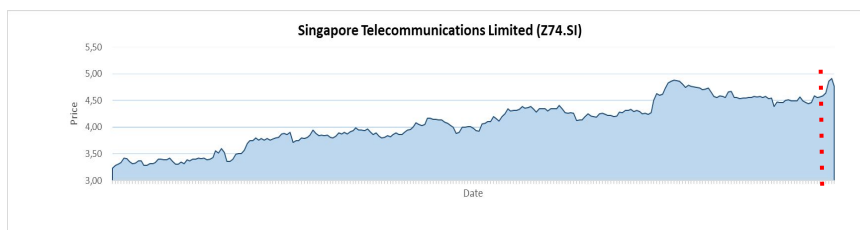
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Short-term Implications

- **Access to capital and Accelerated Expansion:** Since its initial investment, STT GDC has **expanded from 1.4GW** in 2024 to over **1.7GW, operating 95 data centers** with 33 more under development across Asia and Europe. The new funding aims to **accelerate construction to meet AI and cloud demand**. The full acquisition also draws interest from sovereign investors like GIC and Mubadala, highlighting growing global investment in Asia's digital infrastructure.
- **Strategic Alignment:** The investment solidifies KKR and Singtel's **involvement in leading digital infrastructure** players and deepens their existing collaboration. In addition, news of the potential full acquisition also caused Singtel's **shares to increase exponentially**, where singtel's share have increased 7% from \$4.59 in January 30th to \$4.91 by February 4th, 2026, showing immediate investor optimism.

Singapore Telecommunications Stock Price Movement



This graph shows **Singapore Telecommunication Ltd.'s** stock price over a one year period (January 2025 - February 2026), based on provided closing prices.

- February 3, 2026: **Anticipation** drove stock up by **4.7%** to close at **\$4.86**.
- February 4, 2026: After deal was announced, shares opened at a record of **\$4.95 (+1.9%)** and closed at **\$4.91 (+1%)**

At the end of the graph, a sharp upward spike is visible, showing the **two day 5.7% total gain** from February 3-4. Peak occurs around February 4, 2026 with prices then **dropping slightly** in following session.

Long-term Implications

- **Future Value Creation:** KKR brings global investment expertise and infrastructure scale, while Singtel brings regional market access and customer relationships. Their **aligned ownership could lead to more operational synergies** across markets. Although **long-term value creation depends more on execution risks** such as power availability, construction timelines, and capex discipline
- **Leveraged Buyout Risk:** The consortium has secured **\$5bn of debt facilities** to fund the transaction and future capital expenditures. While STT GDC benefits from contracted and recurring revenues, **higher interest rates increase debt servicing and refinancing risk**, particularly given the **capital-intensive nature** of data-centre expansion.

Potential Risks & Challenges

- **Customer concentration risk:** Dependence on a few hyperscale clients **strengthens their bargaining power**, which can compress pricing, tighten terms, and constrain margins and returns over time.
- **Execution risk:** Construction delays, cost overruns, or power constraints can **postpone commissioning and customer onboarding**, delaying revenue and reducing project IRRs and cash flows.

Conclusion

- This transaction represents a full buyout of a scaled, AI-ready digital infrastructure platform, positioning KKR and Singtel to **capture long-term growth from cloud adoption and accelerating AI workloads**. At an implied enterprise value of approximately US\$10.8–10.9 billion, the deal is broadly in line with global data centre precedent transactions and reflects confidence in STT GDC's contracted cash flows and secured power pipeline. Overall, the acquisition strengthens strategic exposure to a high-growth, infrastructure-like asset class.