



# The muscle behind the magic

How to play the AI revolution from a different angle.

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Sundar Pichai, CEO of Alphabet, once remarked that “AI is one of the most profound things we’re working on as humanity. It’s more profound than fire or electricity.” It may still be in its infancy but AI is already reshaping the global economy at an unprecedented pace.

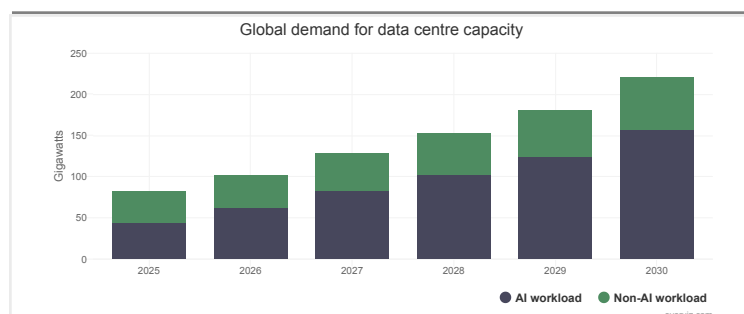
This rapid growth is placing extraordinary demands on infrastructure, from power and connectivity to data processing capacity. The newly-launched ChatGPT-5 alone reportedly guzzles an estimated 45 GWh of electricity every day, enough to power 1.5 million US households, while Alphabet and Microsoft both used more energy in 2023 than over 100 nations (according to energy statistician Michael Thomas).

These vast energy and computing needs underline a simple reality: the future of AI depends as much on the infrastructure build-out as the cutting-edge models themselves. In short, digital infrastructure has become the indispensable ‘fourth utility’.

## Feeding the beast

Global data centre demand is entering a new era, increasingly driven by AI rather than traditional cloud and enterprise IT needs. As the chart below shows, demand from AI workloads is forecast to more than triple over the next five years.

**Fig.1: AI Is Driving Soaring Demand For Data Centres**



Source: RBC, Generative AI Update (June 2025)

Cloud services providers such as Alphabet, Amazon and Microsoft are fuelling much of this demand for AI-ready data centres, thanks to the colossal computing power needed to train and run large-scale models like Gemini and ChatGPT. In the space of a decade, the benchmark for a ‘large’ data centre has leapt from 30 to 200 megawatts.

## Analysts:

Jo Groves

[Jo@keplerpartners.com](mailto:Jo@keplerpartners.com)



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As a result, the race is on to build sufficient infrastructure to keep up with surging demand. McKinsey estimates that twice the data centre capacity built since 2000 will need to be delivered in less than a quarter of the time to avoid a severe supply deficit.

Hyperscalers have responded with record levels of capex and RBC is forecasting that AI-related spending will rise by 35% to over \$360 billion in 2025. With power, land and fibre in short supply, the US technology mega-caps are increasingly partnering with third party ‘colocation’ providers to meet surging demand.

The challenge extends well beyond data centres. Fibre networks and interconnectivity are critical to moving the vast volumes of data generated by AI between facilities and end-users. Global fibre provider Zayo estimates AI could require nearly 200 million miles of additional fibre by 2030, enough to circle the Earth almost 8,000 times.

In short, AI will require major upgrades, not only to data centre capacity but also the power and global communications networks providing the backbone of the digital economy.



## Getting a piece of the action

One route into investing in the AI mega-trend is via an active digital infrastructure strategy such as **Cordiant Digital Infrastructure (CORD)**.

Cordiant owns a diversified portfolio of critical digital infrastructure assets, including data centres, fibre networks and towers, across the US, Ireland and central Europe, via several portfolio companies. It employs a 'buy, build and grow' investment strategy, using extensive in-house operational and private equity expertise to drive earnings growth.

The trust targets an annual return of at least 9% and delivered a 12% total NAV return in the last financial year, supported by a 9% year-on-year growth in EBITDA.

Cordiant's 13 data centres in Belgium and 8 in the Czech Republic are particularly well-positioned to capture the high growth opportunities in Europe, where CBRE forecasts demand will exceed supply for the third consecutive year in 2025. Europe is also investing heavily to close its capacity gap against the US, alongside reshoring facilities to protect data sovereignty.

Access to power, fibre, water and land are key supply constraints, particularly given the acute power shortages in the 'big five' hubs of London, Paris, Frankfurt, Dublin and Amsterdam. As a result, nearly half of new European data centre supply last year came from secondary markets.

### Czechia's strategic gateway

The Czech Republic offers attractive dynamics: strong outsourcing growth, a low density of existing facilities and a central European location, underpinned by robust fibre infrastructure, with further support from the current 5G rollout.

Cordiant acquired CRA in 2021 and has since built it into a leading data centre and cloud services provider. CRA has delivered 30% annual revenue growth since acquisition, maintaining high occupancy rates while adding rack capacity only once demand is secured, thereby avoiding the risks of a "build it and they will come" model.

Their flagship development, Prague Gateway, is repurposing a brownfield site already offering power and fibre connectivity to build the largest data centre in the Czech Republic. CRA has already obtained the necessary planning permission and permits, with significant works due to commence once an anchor tenant has been secured.

## Belgium's digital edge

Cordiant has also established a leading data centre position in Belgium, created by the acquisition of DCU earlier this year. Belgium is emerging as a prime edge and colocation market, supported by both IT outsourcing and demand from institutions, such as the EU and NATO.

The combined group offers significant expansion potential and benefits from long-term, inflation-linked revenues contracted with blue-chip clients including Proximus, Pfizer and the European Commission.

Both the Belgian and Czech portfolios highlight Cordiant's strategy of combining acquisitions with targeted organic development to create scalable, independent providers in markets where demand is strong but supply is constrained.

Looking ahead, cloud adoption, 5G and data sovereignty will continue to fuel digital infrastructure demand across Europe and beyond, yet AI promises to be the most profound change of all. Cordiant offers direct exposure to this mega-trend, with the potential for resilient returns underpinned by powerful long-term secular growth drivers.



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