

Introducing: Companies of Danantara Indonesia, A New Series

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Danantara Indonesia Investor Relations Team

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"The most dangerous kind of waste
is the waste **we do not recognize.**"

SHIGEO SHINGO, the Japanese engineer who
helped develop the Toyota Production System

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Start with the ordinary.

Every morning, our alarm rings from a phone charged overnight by PLN. WhatsApp hums on Telkomsel data. At the train station, a tap of Mandiri e-money, or BRI's Brizzi, or BNI's TapCash pulls you through KAI's turnstile. Or you fuel up at Pertamina, hoping the Pertalite queue moves quickly.

Before our morning meetings even begin, a network of state-owned enterprises (SOEs) have already choreographed our day. Quietly. Reliably. Almost invisibly.

This is not a rarity. It is the architecture of everyday life in Indonesia.

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Photo credit: Hanindito Prabandaru / Unsplash

There are more than a thousand SOEs operating across the country, spanning banking, telecommunications, logistics, mining, agriculture, insurance, hospitality, and others. These firms are deeply woven into the national fabric.

Yet a majority of total dividends come from a group of major SOEs. Many others are in the midst of enhancing operational and financial sustainability. This diversity within the SOE ecosystem means the ongoing reforms and strategic initiatives are critical.

The challenge is not about being present, but about performing with purpose. In today's fast-changing world, this means transformation. Not a rejection of what SOEs have built, but a continuation, strengthened by clarity, capital, and capability.



Introducing Danantara Asset Management

This is the role entrusted to Danantara Asset Management (DAM), the institution now managing the reorganized group called Companies of Danantara Indonesia.

Unlike sovereign funds that draw from oil revenues or current account surpluses, Danantara Indonesia's capital comes from the enterprises it supports.

Danantara Indonesia's Structure, Explained

Danantara Indonesia was not born out of resource windfalls, but from a strategic desire to consolidate, catalyze, and deliver. This is clear from our twin-engine structure.

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Our Operational Holding, **Danantara Asset Management (DAM)**, serves as the asset executor. It consolidates the ownership of state-owned enterprises (SOEs), drives constructive interaction and performance, and leads the restructuring of legacy institutions. The Companies of Danantara Indonesia series is more about DAM, which is now the parent company of Telkom and other SOEs.

Our Investment Holding, **Danantara Investment Management (DIM)**, acts as the capital allocator. It builds investment platforms, brings in global co-investors, and channels capital into strategic sectors such as energy transition, industrial downstreaming, and digital infrastructure.

Together, this structure allows us to orchestrate transformation, not simply manage portfolios. Danantara Indonesia and the SOE ecosystem are separate from the state budget, and once we achieve our goal of streamlining SOEs, this circular model lets us be self-sustaining.

The relationship is mutual. As these companies strengthen, through improved governance, higher margins, and modern operations, Danantara Indonesia gains momentum. As Danantara Indonesia moves faster, the cost of reform becomes cheaper, making the next round of progress even easier.

This is not demolition. It is design.

Inevitably, this next phase requires trimming the number of SOEs, prioritizing the most competitive ones in a bid to optimize and release trapped capital. It is akin to sculptors chiseling away at stone to reveal form. A process reminiscent of the Borobudur Temple, which was built, stone by stone, before being carved by a process of subtraction.

That is how progress happens. First through careful addition, then through selective subtraction. Less could be more.

Reform, not as disruption, but as renewal.



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A Look at Telkom, a Case in Point

Last weekend, one of our investor relations team members was relaxing at home, carrying out our weekend ritual: reviewing investor decks of Danantara Indonesia companies.

It is our Indonesian style of weekend healing, complete with *pisang goreng* and a cup of black coffee. That was when we stumbled upon an interesting deck: Telkom's.

This time, they have taken a whole new approach. Unlike the usual roadshow deck, the first dozen pages are not about financials at all. They are about transformation and a shift in modus operandi.

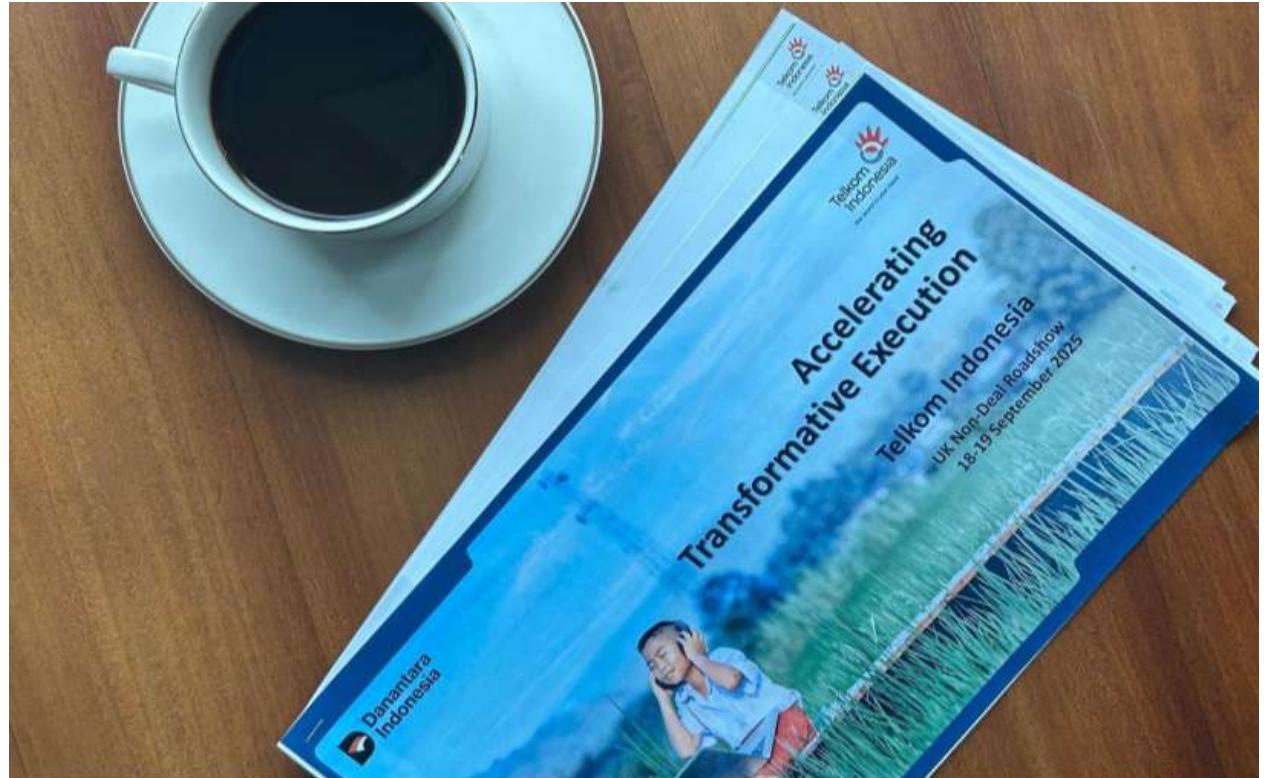
As if to hammer down the point, the word "transformation" was mentioned 13 times in their September 2025 public exposé.

Among Danantara Indonesia companies, Telkom is one prime example, as one of the largest by market capitalization. Essentially a public utility, not just a listed company. More than 150 million subscribers across the nation, connected through mobile arm Telkomsel. Supported by an already built digital infrastructure, with mission-critical assets such as data centers, towers, fiber, satellites, and subsea cables that underpin Indonesia's digital economy.

The telco industry itself is attractive for foreign direct investment (FDI). Particularly appealing for investors are the country's growing middle class and rising tech adoption. Theoretically, this should push up data yields and sector revenues. In fact, there are more SIM cards in Indonesia than the total population.

All three major Indonesian telcos count foreign shareholders among their owners. Singapore's Singtel is a minority owner in Telkomsel. Qatar's Ooredoo Group and Hong Kong's CK Hutchison joined forces in Indosat. Malaysia's Axiata Group recently merged with local conglomerate Sinarmas in XLSmart.

Going forward, consolidation might yield a healthier pricing outlook and higher investor returns, with broad positive multipliers to sub-sectors such as towers, data centers, and broadband.



We curated the words and phrases Telkom used in the first 12 pages of their deck.

Transformative/transformation (even the title says so).

Modus-operandi shift.

Board of Directors: six out of nine are from non-SOE background, representing more balanced governance.

Board of Commissioners: ≥30% are Independent.

Digital ecosystem leadership.

Reforming corporate culture and governance.

Prudent capital allocation for both capex and opex.

Consolidate overlapping business.

Refocus time, effort, and resources.

Core strength.

Divesting non-core business.

Unlocking values, accelerate monetization.

Unlocking infra business, spanning from the sky above to the sea below.

Crystallizing embedded value.

From legacy telco to digital telco.

Transitioning. Optimizing value creation and Total Shareholder's Return.

Integrity and Service Excellence.

Prudent. Return-based. Discipline.

Consolidate overlapping business units.

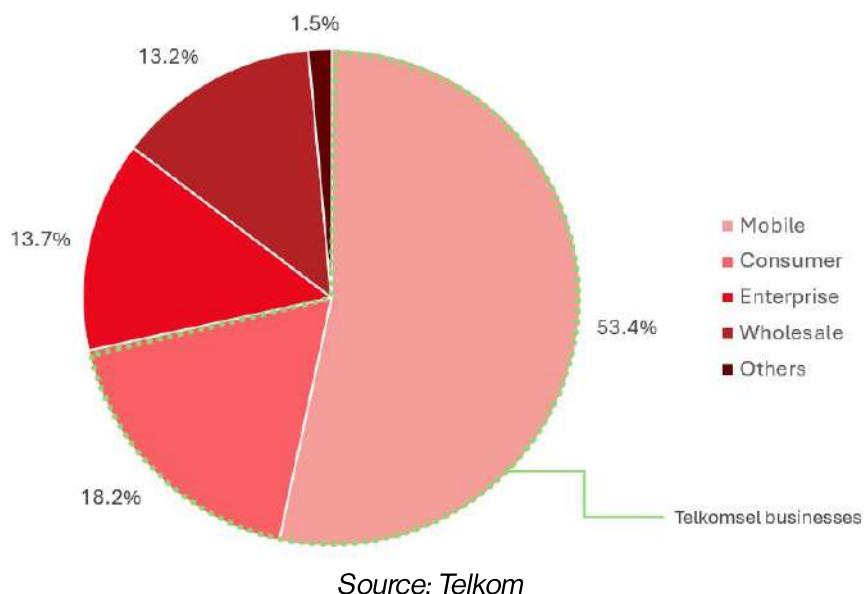
A lean parent. Productivity.

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Recently, we spoke to analysts before meeting Telkom's management. But all everyone talked about was Telkomsel. Its ARPU. Its competition. Its capex.

Telkom 1H2025 Revenue Mix
Telkom revenue sources by product segmentation

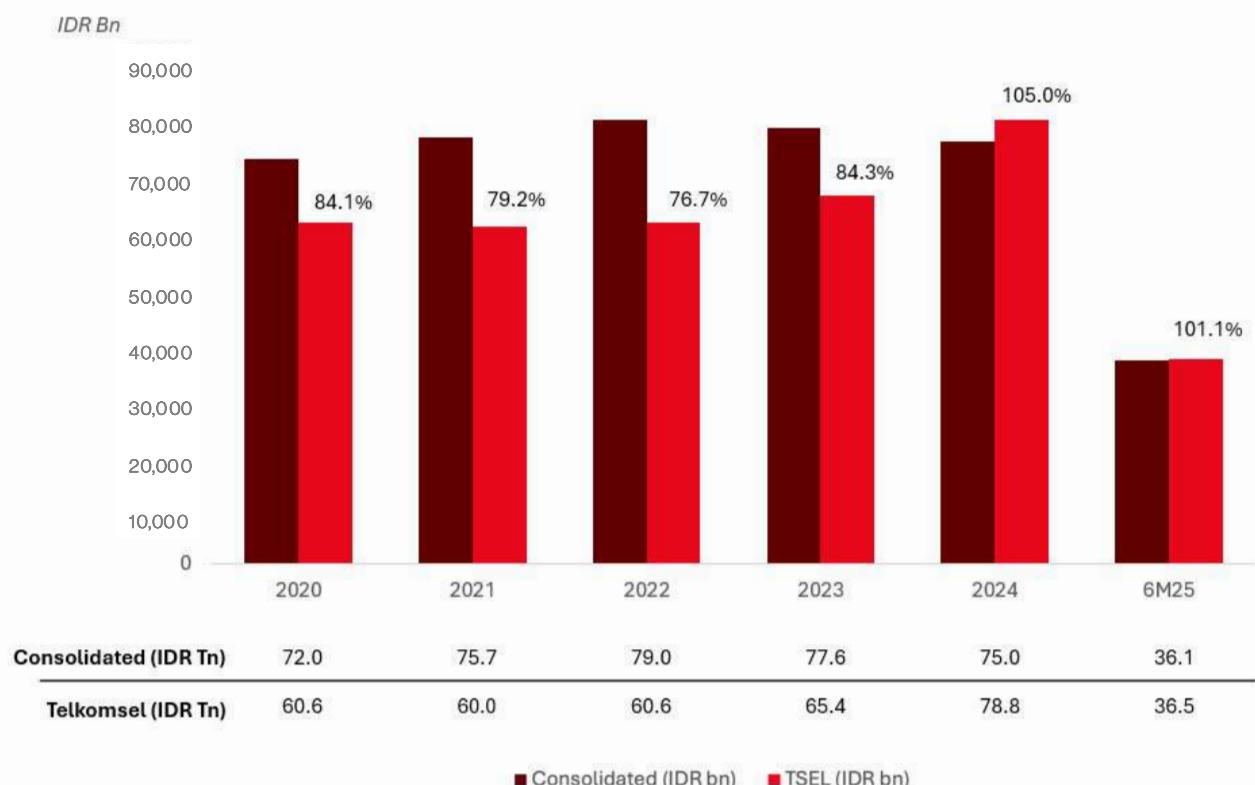


Telkom is so much more than Telkomsel. But for years, the market has reduced Telkom to "Telkomsel plus liabilities."

The new goal? "Telkomsel plus infrastructure."

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Telkom's Consolidated EBITDA vs. Telkomsel's



That means optimizing total expenditures, unlocking infrastructure value, streamlining the business, and eventually shift to a strategic holding company, with strong, well-managed subsidiaries focusing on core business lines.

It will take time. Deadlines will not be exact. But governance is the hinge that makes the rhetoric real.

Decoding Telkom's Leadership Changes

Telkom's comparatively late annual general meeting, which took place in May 2025, allowed for relatively earlier reform. With new joiners, four out of nine directors came from outside the SOE system. A recent extraordinary general meeting added two more, bringing the total to six of nine.

Leading the charge are new CEO Dian Siswarini, who comes from Indonesia's third-largest telco, XL Axiata, and Arthur Angelo Syailendra, the new Director of Finance and Risk Management, who previously led data center firm Digital Realty Bersama. Both joined in May 2025.

For them, the low-hanging fruits are obvious. Going from 62 subsidiaries and affiliates to 22 in four focus business lines: B2C (Telkomsel), B2B infrastructure, B2B IT services, and B2B international business. Delivering efficiency by centralizing procurement processes and policies. Bringing in even more fresh talents to enhance the company's human capital, while elevating existing young talents with high potential.



The Telkom CFO's joke cap is an acknowledgment of the issues the company is facing, while signaling an openness to fundamental change / Photo credit: Danantara Indonesia Investor Relations Team

Danantara Indonesia's investor relations team believes the new leadership faces massive tasks ahead. But that is precisely why the management overhaul happened: a team designed to confront these very challenges.

Among the immediate tasks are ensuring KPIs are aligned, from parent to subsidiary. Preparing for transactions, since streamlining involves mergers, divestments, or liquidations.

Then there is governance, a pivotal area as Telkom begins its ambitious transformation, especially with the company's past issues with rogue employees committing fraud. In another sign of strengthening, the Board of Commissioners also meets the 30% independence threshold.

Telkom Board of Directors

Name	Position	Previous Position
Dian Siswarini	President Director	President Director and CEO, PT XL Axiata Tbk (2015-2025)
Arthur Angelo Syailendra	Director of Finance and Risk Management	President Director, Digital Realty Bersama (2022-2025)
Veranita Yosephine	Director of Enterprise and Business Service	CEO, AirAsia Indonesia (2019-2025)
Nanang Hendarno	Director of Network	CEO, PT Infrastruktur Telekomunikasi Indonesia (2022-2025)
Seno Soemadji	Director of Strategic Business Development and Portfolio	Executive Vice President, Indosat Ooredoo Hutchison (2023-2025)
Faizal Rochmad Djoemadi	Director of Digital IT	President Director, PT Pos Indonesia (2020-2025)
Honesti Basyir	Director of Wholesale and International Service	Director of Group Business Development, PT Telkom Indonesia (Persero) Tbk (2023-2025)
Willy Saelan	Director of Human Capital Management	Director of Human Capital, Unilever (2015-2025)
Andy Kelana	Director of Legal and Compliance	Founding Partner, Adnan Kelana Haryanto & Hermanto

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These are not cosmetic changes. They reflect a deeper cultural shift: from entitlement to accountability, from tradition to performance, from static structures to systems that evolve.

If the reforms work, there is clear upside. Even now, Telkom still delivers 17% ROE, 50% EBITDA margin, and 6.6% dividend yield.

In essence, you are being paid to wait.

How We Work

Danantara Indonesia's role is long-term. Focused. Urgent when needed, patient when required.

We begin by reviewing the fundamentals.

We restructure capital where appropriate.

We combine some firms with stronger ones.

We refine mandates so that every company has a meaningful role.

This work is collaborative. It recognizes the legacy SOEs have built and further builds on it, not against it.

Danantara Indonesia's goal is to help state-owned champions become globally competitive, not just locally significant. That means making them sharper, more agile, and more focused.

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Photo credit: Faisal Hanafi / Unsplash

What This Series Offers

Companies of Danantara Indonesia is a new series that brings us into this process. Some stories will focus on structure. Others on leadership or incentives. All will be about transformation that matters. And it will talk about impact.

We start by observing what already works. Then we explore how better decisions and governance can unlock more.

A Final Thought

The real work always starts at home. Growth cannot lean on others forever, it must come from within; from stronger ties, and from the courage to do the hard things now before the window closes. The choice is clear: let the clock run out, or pick up the tools.

Howard Marks, co-founder of Oaktree Capital and author of “Mastering the Market Cycle,” often reminds us that survival is not the same as success. Abundant credit may keep companies alive, but it does not guarantee progress, and may turn them into zombies.

That is, hopefully, not our story.

The anti-zombie recipe is simple, but not necessarily easy: the right alignment, discipline, and vision.

Cari tahu dengan jarimu

Lengkap, cepat, mudah dengan jari, hanya di yellow pages



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Mintalah kartu pengenal petugas kami ketika mendatangi Anda.*



**If you would like to know more about Telkom, please
reach out to their friendly Investor Relations team
or your favorite research analyst.**

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Did You Know?



Telkom's BaliCamp villa complex / Source: Telkom

Some of Telkom's holdings look like they came from a telecom giant. Others... not so much.

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178,000 km of fiber cables. Enough to circle the Earth four times.

BaliCamp, a villa meant for coding camps. Now defunct, the sprawling complex still exists, empty, on 27,000 sqm of land. The size of four football fields.

16,000 vehicles in Telkom's fleet. More than half of Bluebird's, an actual taxi company.

And finally, an ATM services business. Even though Telkom is not in the banking business.

Danantara Indonesia Diaries is a newsletter produced by Danantara Indonesia's investor relations team.

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