Abstract

Applying the Discounted Cash Flow (DCF) as the most commonly used methodology to valuate company, this paper analyze Inspira Televisi Indonesia's value as a new digital television company by using Net Present Value (NPV) and Internal Rate of Return (IRR) calculation. Those methods are calculated at three assumptions (Optimist, Moderate, and Pessimist) as the measurement to know in which assumption is this project to be a feasible investment. As this company is a new brand company, the analysis would like to know how much the company is worth to the investor, therefore, the valuation is being applied in calculating company's value. The analysis uses Free Cash Flow to Firm (FCFF) model as a part of DCF method, with Weighted Average Cost of Capital (WACC) as a discounting factor. Based on NPV calculation, this project concludes that this company is a feasible investment for investor at two assumptions (Optimist and Moderate) as those two assumptions show positive NPVs. Meanwhile, based on IRR calculation, this project conclude that this company is a feasible investment for investore at two assumptions as well (Optimist and Moderate) as those two assumptions show higher number of IRR more than the company's WACC.

Keywords: valuation, discounted cashflow, net present value, internal rate of return, weighted average cost of capital free cashflow to firm