

ANALYSIS THE FAIR VALUE OF PT. ADARO ENERGY BY USING VALUATION: DISCOUNTED CASH FLOW MODEL

ABSTRACT

Recent years, valuation of company become more demanded rapidly. Globalization and financial market have favored business growth. Investment becoming more interesting, mergers and acquisition becoming phenomenon. Continued business flow in market nowadays is followed by demand to investment from stocks, loan or the other capital instrument. The goal of company valuation is to give owner, potential buyers, stakeholders and other interested buyer the measurement of a company value. PT. Adaro Energy is the biggest coal producer in Indonesia Unfortunately coal price start decreases in 2011. The current weak coal price is mainly due to undisciplined supply growth on the back of excess liquidity and overinvestment made in the recent years. Supply contraction is slowly underway but the market has not yet rebalanced. So author wants to find out the fair value of PT Adaro Energy Tbk, using valuation Discounted Cash Flow method using PT Adaro Energy Tbk, historical financial statement,

Type of this research are data time series to analyze and evaluate time performance over comparison of current to past performance, using ratios, enables analysts to assess the firm's progress of PT. Adaro Energy Tbk, step by step to get the fair value of PT Adaro Energy. In this research the result would be differentiate into three scenarios based on growth using CAGR as the growth assumption , into pessimistic , moderate (most likely) and optimistic. From analysis that already conducted the fair value of PT Adaro Energy Tbk, are . For the Growth by 3.23% (pessimistic scenario), the firm value is **\$ 9,413 million**, where its equity value is **\$ 8,264 million**. For the Growth by 4.8% (moderate scenario), the firm value is **\$ 9,540 million**, where its equity value is **\$ 8,389 million**. For the Growth by 6.6% (optimistic scenario), the firm value is **\$ 9,682 million**, where its equity value is **\$ 8,531 million**.

Keywords: Valuation , DCF , WACC , Adaro , CAGR

