

## **ABSTRACT**

*The recent growth in the tourism industry has had an impact on the aviation industry. This can be seen in the increase in the number of aircraft users from the last few years in Indonesia. PT. Garuda Indonesia Tbk (GIAA) as one of the airlines in Indonesia certainly has to take part in enjoying the growth of flight service users. But the fact is not matched by the performance of GIAA shares in recent years. This study aims to evaluate the fair value of GIAA shares in comparison with prices in the market. This research is also intended to determine whether prices in the market are undervalued or overvalued. The analytical method used in determining the fair value of shares is Discounted Cash Flow (DCF) and Relative Valuation in three scenarios: moderate, optimistic and pessimistic. DCF uses the Free Cash Flow to Firm (FCFF) approach. The Relative Valuation analysis is comparing companies in the same sub-sector with GIAA using the industry ratio Price Earning Ratio (PER), Price to Book Value (PBV) and Price to Sales ratio (P / S). The results showed that using DCF in the moderate scenario GIAA shares were overvalued. Likewise in optimistic and moderate conditions GIAA shares are also in an overvalued condition. While using Relative Valuation in moderate conditions, optimistic and pessimistic GIAA shares are in an undervalued condition.*

**Keywords** : *Free Cash Flow to Firm, Relative Valuation, Price to Earning Ration, Price to Book Value, Price to Sales Ratio, Garuda Indonesia*