ABSTRACT

State revenues in the crude petroleum & natural gas production sub-sector or those we are familiar with in the oil and gas sub-sector are still very high, so it is not surprising that investing in companies engaged in the oil and gas sub-sector is still very promising. Investment in the form of shares requires a stock valuation analysis to estimate what the intrinsic value or fair price for a stock is based on its fundamental data. This study uses the Discounted Cash Flow (DCF) method with the Free Cash Flow to Firm approach and the Relative Valuation method with the Price to Book Value (PBV) and Price to Earning Ratio (PER) approaches. In this study there are three scenarios, namely the pessimistic scenario (the condition of the industry average), the moderate scenario (the most likely condition) and the optimistic scenario (conditions above industrial growth) using historical data from 2013 to 2017 as the basis for year projections 2018 - 2022..

The results of this study indicate that by using the DCF method with a market price comparison of shares on January 1, 2019 in the pessimistic scenario of MEDC's fair price in overvalued conditions, ENRG's fair price is overvalued, and ELSA's fair price is undervalued, while in the moderate scenario MEDC's fair price under overvalued conditions, ENRG's fair price is undervalued, and ELSA's fair price is undervalued, then in an optimistic scenario MEDC's fair price is undervalued, ENRG's fair price is undervalued, and ELSA's fair price is undervalued. So the shares of companies with overvalued conditions are feasible for sale and for undervalued conditions worth buying. Then the results of the study using the Relative Valuation method with the Price to Earning Ratio (PER) pessimistic scenario MEDC has a value of 2.42 times, ENRG has a value of 0.13 times, and ELSA with 6.59 times, whereas in the moderate scenario MEDC has a value of 5 , 22 times, ENRG has a value of 0.46 times, and ELSA with a value of 7.78 times. Furthermore, in the optimistic scenario MEDC has a value of 6.78 times, ENRG has a value of 0, .63 times, and ELSA with a value of 8.43 times. Then using the Relative Valuation method with the Price Book Value (PBV) approach in the pessimistic scenario MEDC has a value of 4.35 times, ENRG has a value of 1.76 times, and ELSA with a value of 0.88 times, whereas in the moderate scenario MEDC has a value of 9, 36 times, ENRG has a value of 6.41 times, and ELSA with a value of 1.04 times, then in the optimistic scenario MEDC has a value of 12.15 times, ENRG has a value of 8.83 times, and ELSA with a value of 1.12 times.

Keywords : Valuation; Discounted Cash Flow; Normal price; Relative valuation; Sub Oil and Gas Sector