

ABSTRACT

State revenues in the pulp & paper production sub-sector or those we are familiar with in the “bubur kertas dan kertas” are still very high, so it is not surprising that investing in companies engaged in the pulp & paper sub sector is still very promising.

The purpose of this study is to valuate the intrinsic value or fair price for stock is based on is fundamental data as basic information for invesment in the form of shares.

This study uses the Discounted Cash Flow (DCF) – FCF method with the Price to Book Value (PBV) and Price to Earning Ratio (PER) approaches. In this study there are three scenarios, namely the pesimistic scenario (the condition of the industry average), the moderate scenario (the most likely condition) and the optimistic scenario (condition above industrial growth) using historical data from 2014 to 2018 as the basis for year projections 2019 - 2023.

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 pesimistic scenario of INKP’s, FASW’s and TKIM’s fair price in overvalued conditions, while in the moderate scenario INKP’s, FASW’s and TKIM’s fair price is overvalued conditions, then in a optimistic svenario INKP’s, FASW’s and TKIM’s fair prices are in overvalued condition. Then, result of the study using the Relative Valuation method with the Price to Earning Ratio (PER) in the pessimistic scenario INKP has value of 16,48 times, FASW has value of 12,72 times and TKIM has value of 9,65 times, whereas in the moderate scenario INKP has value of 18,82 times, FASW has value of 29,57 times and TKIM has value of 18,23 time. Furthermore, in the optimistic scenario INKP has value of 20,06 times, FASW has value of 41,77 times and TKIM has value of 20,82 times. Then using the Relative Valuation method with the Price to Book Value (PBV) approach in the pessimistic scenario INKP has value of 2,39 times, FASW has value of 0,75 times and TKIM has value of 1,26 times, whereas in the moderate scenario INKP has value of 2,73 times, FASW has value of 1,74 times and TKIM has value of 2,37 times. Furthermore, in the optimistic scenario INKP has value of 2,91 times, FASW has value of 2,46 times and TKIM has value of 2,71 times.

The conclusion of this research is the shares of companies are worth to sell or not worth to buy. From statistic test found that there is a significant difference between the market price and the fair price using the FCF and Relative Valuation PER methods. While there is no significant difference is using PBV method.

Keywords : Discounted Cash Flow, Normal Price, Pulp & Paper Sub Sector, Relative Valuation, Valuation.