

ABSTRACT

Investing in the Tire Sub-Sector is still promising. The shares of the tire sub-sector are considered the most prospective in 2018 along with the improving fundamentals of each issuer by increasing the level of tire exports, especially to Europe. GDYR, GJTL, and MASA are three issuers listed on the Indonesia Stock Exchange in 2014-2018.

This thesis analyzed the intrinsic price of the stocks in the Tire Sub-Sector using the Discounted Cash Flow Method - Free Cash Flow to Firm (FCFF) and Relative Valuation (RV) approaches, then gives recommendations to the investors whether these three stock values are overvalued, fairvalued, or overvalued and recommends the follow-up to the valuation results. The basis of estimation is the Analysis of the financial statements of the three companies in the period 2014 to 2018, to conduct a fair price valuation of shares in 2018 and the extension of the estimated share price in 2019. With the DCF-FCFF approach, the results show that GDYR shares are overvalued in all scenarios. GJTL's share price is also overvalued in the Optimistic and Moderate scenarios, but the Pessimistic scenario is overvalued. Meanwhile, MASA's share price is overvalued in all scenarios. With the PER approach, the results show that GDYR & MASA's shares are in an overvalued position in all scenarios. However, GJTL shares are overvalued in all scenarios. With the PBV approach, the results show that the share price of GDYR & MASA is in an overvalued position in all scenarios. But GJTL's share price is overvalued in all scenarios.

Keywords: DCF, FCFF, per, pbv, rv, tire, valuation