

## **ABSTRACT**

*The Tourism, Restaurant, dan Hotel Sub-sector has experienced rapid growth in the last 4-5 years, and projected to become a core economy of Indonesia. So it promised to be invested. There are three leading companies with ISSI indexed, namely KPIG, INPP and SHID.*

*This study aims to do valuation to these three companies and determine the company's stock price position whether undervalued, overvalued, or fairvalued, and serve as one of the basis for investment recommendations.*

*Three valuation methods were conducted, namely Discounted Cash Flow with Free Cash Flow to Firm (FCFF) approach, and Relative Valuation with Price to Earning Ratio (PER) and Price to Book Value (PBV) approaches. In three scenarios, optimistic, moderate, and pessimistic. To the historical data of the Annual Financial Report 2015-2019, used as the projection basis in 2020-2024.*

*The findings of FCFF method show that the three companies are in an overvalued position for all scenarios. The PER method shows the result of three companies in an overvalued position for all scenarios. The PBV method shows the result of three companies in an undervalued position in the three scenarios.*

*In the research process, it is implemented regarding selection of CAPEX rate for FCFF method. Based on the result obtained, the researcher considers that the investment decision cannot be based solely on the position of stock price and needs to consider other factors, such as the difference between companies stock price in market and the fair value of its shares.*

*So the investment decision recommended in this study is to buy KPIG shares, hold INPP shares, and sell SHID shares. The projection result obtained is not tremendously accurate, therefore it is recommended for future studies to use financial data with long time span. With hope it can provide a more precise valuation result.*

**Keywords:** *Valuation, DCF, FCFF, Relative Valuation, PER, PBV*