ABSTRACT

The retail trade industry in Indonesia is currently showing the ability to progress with the increasing number of retail stores in various places. Retail trade is a very popular industrial sector and has dominated the lives of Indonesians from generation to generation. This is indicated by the spread of stalls and grocery stores in almost every area, from remote villages to big cities. This industry is growing and developing very fast in line with the increase in population rate. This industry has grown in popularity since the entry of modern retailers in Indonesia, such as Indomaret, Alfamart, Carrefour, and Hypermart.

Prices and returns PT. Sumber Alfaria Trijaya, Tbk. with code "AMRT", PT. Ace Hardware Indonesia, Tbk. with code "ACES", and PT. Mitra Adiperkasa, Tbk. with code "MAPI" indicating that there is fluctuation, the high and low prices and returns indicate uncertainty in the future, it is necessary to calculate the intrinsic value of the share price which can provide information for investors. Investors in investing or investing in a business sector need to carry out analysis in the decision-making process and require several benchmarks to assess the company's performance and finances, one of which is valuation.

This study aims to project a fair price appraisal of the Retail Trading Industry shares in 3 companies with the highest Market Capitalization value listed on the Indonesia Stock Exchange in 2021. This study uses the Discounted Cash Flow (DCF) method with the Free Cash Flow to Firm approach (FCFF) and the Relative Valuation method with the Price to Book Value (PBV) and Price to Earnings Ratio (PER) approaches. In this study, three scenarios were used, namely the pessimistic scenario (the industry average condition), the moderate scenario (the most likely condition), and the optimistic scenario (the condition above the industrial growth). For the needs of the projection for the next five years, namely 2021 to 2025, data processed from historical data on financial performance from 2016 to 2020 are used.

Keywords: Discounted Cash Flow; Relative Assessment; Retail Trade Industry; Valuation