

ABSTRACT

This study aims to analyze changes in the fair value of stocks in the consumer goods sector listed in the LQ45 Index by comparing periods before and after the peak of the Covid-19 pandemic. The selection of this sector is based on its significant contribution to Indonesia's Gross Domestic Product (GDP) and its resilience during global economic disruptions. The research focuses on three companies with the largest market capitalization in the sector: PT Indofood CBP Sukses Makmur Tbk (ICBP), PT H.M. Sampoerna Tbk (HMSP), and PT Unilever Indonesia Tbk (UNVR).

The valuation methods applied include the Free Cash Flow to Firm (FCFF) approach, the Dividend Discount Model (DDM), and Relative Valuation using Price-to-Earnings (PER) and Price-to-Book Value (PBV) ratios. The analysis is based on corporate annual financial reports, macroeconomic indicators, and stock prices from 2018 to 2022. This study not only evaluates the intrinsic value of each stock but also assesses whether their valuation status (undervalued, fairly valued, or overvalued) changed between the pre- and post-pandemic periods.

The findings reveal significant differences in the valuation of the selected companies after the pandemic. For instance, ICBP showed improvement with a reduced degree of undervaluation, while HMSP and UNVR experienced stagnation or declining performance. These shifts were influenced by a combination of fundamental performance, responses to supply chain disruptions, dividend policies, and investor expectations regarding the recovery of the consumer sector.

This study contributes empirical evidence to the stock valuation literature in emerging markets, particularly within defensive sectors. The findings offer practical implications for investors in developing long-term investment strategies and for company management in designing adaptive financial strategies. Furthermore, this research highlights the importance of employing multi-method valuation approaches to improve accuracy, especially under volatile market conditions.

Keywords: stock valuation, consumer goods, Covid-19, LQ45 Index, FCFF, DDM, PER, PBV, fundamental performance