

**FAIR VALUE OF STOCK VALUATION ANALYSIS WITH THE METHOD OF
FREE CASH FLOW TO FIRM AND RELATIVE VALUATION ON
PROPERTY & REAL ESTATE ISSUERS**
(Case Studies PT. Ciputra Development Tbk., PT. Bumi Serpong Damai Tbk. dan
PT. Lippo Karawaci Tbk.)

ABSTRACT

Investment in the form of shares of stock valuation analysis required to estimate how the intrinsic value or a reasonable price for a stock based on fundamental data. This research aims to estimated the intrinsic value of the stock of PT. Ciputra Development Tbk., PT. Bumi Serpong Damai Tbk. and PT. Lippo Karawaci Tbk. with the approach of using the income method of Discounted Cash Flow (DCF) model with free cash flow to the firm (FCFF) and approach the market (relative valuation) methods comparison of companies listed on the stock exchange (a company publicly guideline method). This study uses three scenarios, namely pessimistic scenario (average industry condition), moderate scenario (most likely condition) and optimistic scenario (above industrial growth condition). Furthermore, the data is processed using historical data from 2013 to 2017. Historical data is used as the projection base year 2018 – 2022. The results show that by using DCF method in pessimistic scenario that intrinsic value of CTRA was undervalued, intrinsic value of BSDE was overvalued, and intrinsic value of LPKR was overvalued. In moderat scenario, intrinsic value of CTRA was undervalued, intrinsic value of BSDE was overvalued, and intrinsic value of LPKR was overvalued. In optimistic scenario, intrinsic value of CTRA was undervalued, intrinsic valued of BSDE was overvalued, and intrinsic value of LPKR was overvalued. Using the Relative Valuation Method with Price to Earning Ratio (PER) approach, in pessimistic scenario, intrinsic value of CTRA was 17,52 times, intrinsic value of BSDE was 3,54 times, and intrinsic value of LPKR was 1,32 times. In moderat scenario, intrinsic value of CTRA was 24,75 times , intrinsic value of BSDE was 5,62 times, and intrinsic value of LPKR was 3,74 times. In optimistic scenario, intrinsic value of CTRA was 28,28 times, intrinsic value of BSDE was 4,68 times, and intrinsic value of LPKR was 4,53 times. Using the Relative Valuation Method with Price Book Value (PBV) approach, in pessimistic scenario, intrinsic value of CTRA was 1,93 times , intrinsic value of BSDE was 0,52 times, and intrinsic value of LPKR was 0,10 times. In moderat scenario, intrinsic value of CTRA was 2,73 times, intrinsic value of BSDE was 0,83 times, and intrinsic value of LPKR was 0,28 times. In optimistic scenario, intrinsic value of CTRA was 3,12 times, intrinsic value of BSDE was 0,69 times, and intrinsic value of LPKR was 0,33 times.

Keywords: *intrinsic value, fair market value, free cash flow to firm, relative valuation, overvalued, undervalued.*