

ABSTRACT

Investor confidence in the company is often associated with the company's stock price. Valuation is an important measurement value in analyzing its fundamental aspects. The intrinsic value of different stock prices causes differences in the results of stock valuations of each investor

The aims of this study are to estimate the shares' fair value from technology-based companies listed on the NASDAQ namely Microsoft Corporation (MSFT), Alphabet Inc. (GOOG) and Apple Inc. (AAPL).

This study uses the Discounted Cash Flow (DCF) method with the Free Cash Flow to Firm approach and the Relative Valuation method using the Price to Book Value and Price to Earning Ratio approaches. This study uses three scenarios, namely the pessimistic, the moderate scenario and the optimistic scenario. Furthermore, the data is processed using historical data from 2013 to 2018. This historical data is used as the basis for projections for 2019 - 2023.

The results of this study using the DCF method show that in the pessimistic scenario, the shares' fair value of AAPL, GOOGL, and MSFT is overvalued. Then in the optimistic scenario, the MSFT and AAPL shares' fair value is overvalued, while the GOOGL shares' fair value is undervalued. Furthermore, in the moderate scenario, the AAPL, GOOGL, and MSFT shares' fair value is all overvalued.

The results of this study using the Relative Valuation method with Price to Earning Ratio (PER) pessimistic scenario, AAPL has a value of 10.82 times, GOOGL 27.19 times, and MSFT 22.14 times. Then in the moderate scenario, AAPL has a value of 12.51 times, GOOGL 36.06 times, and MSFT 24.08 times. Furthermore, in the optimistic scenario, AAPL has a value of 13.40 times, GOOGL 41.20 times, and MSFT 25.07 times. While the results of this study using the Relative Valuation method with the Price Book Value (PBV) pessimistic scenario, AAPL has a value of 5.09 times, GOOGL 3.21 times, and MSFT 5.23 times. Then in the moderate scenario, AAPL has a value of 6.16 times, GOOGL 4.73 times, and MSFT 5.84 times. Furthermore, in the optimistic scenario, AAPL has a value of 6.75 times, GOOGL 5.68 times, and MSFT 6.16 times.

Keywords: Valuation; Discounted Cash Flow; Intrinsic Value; Relative Valuation; Technology-based Company.