

ABSTRACT

State revenues in the textile & garment sub-sector are still very high, so it is not surprising that investing in companies engaged in the textile & garment sub-sector is still very promising. Investment in the form of shares requires a stock valuation analysis to estimate what the intrinsic value or fair price for a stock is based on its fundamental data. This study uses the Dividend Discounted Model (DDM) method and the Relative Valuation method with the Price to Earning Ratio (PER) and Price to Book Value (PBV) approaches. In this study there are three scenarios, namely the pessimistic scenario (the condition of the industry average), the moderate scenario (the most likely condition) and the optimistic scenario (conditions above industrial growth) using historical data from 2013 to 2017 as the basis for year projections 2018 - 2022.

The results of this study indicate that when using the DDM method with a market price comparison of shares on January 1, 2018 in a pessimistic scenario, the fair price of RICY is overvalued. Whereas in the moderate scenario, the fair price of the RICY is slightly below the fair price, relatively in fairvalued conditions. And in the optimistic scenario, the fair price of RICY is undervalued, so it is worth buying the stock. Whereas for all three TRIS, PBRX and SRIL companies, in all scenarios the conditions are overvalued so that it is feasible to sell the stocks. Then the results of the study used the Relative Valuation method with the Price to Earning Ratio (PER) and Price Book Value (PBV) approaches. All scenarios in the four RICY, TRIS, PBRX and SRIL companies showed values that were still in the IDX market range Q1 - 2018. For PER, market range (-9 up to 1,010.03 times) and for PBV market range (-0.32 to 4.49 times).

Based on the results of the study, it can be concluded that the right decision for new investors is to buy RICY shares because the optimistic scenario is undervalued and strengthened by the PER and PBV approaches in the market range. For TRIS, PBRX and SRIL shares, the right decision is to sell the shares of the three companies because they are in overvalued conditions in all scenarios.

Keywords : *Dividend Discounted Model; Normal Price; Relative Valuation; Textile and Garment Sub Sector, Valuation.*