

ABSTRACT

This study aims to conduct a projected valuation of the fair price of shares of animal feed sub-sector companies listed on the Indonesia Stock Exchange in 2018. This study took 3 companies in the animal feed sub-sector, namely PT. Charoen Phokpand Indonesia (CPIN), PT. Japfa Comfeed Indonesia (JPFA) and PT. Malindo Feedmill (MAIN).

This research uses Discounted Cash Flow (DCF) method with Free Cash Flow to Firm (FCFF) approach and Relative Valuation method with Price to Book Value (PBV) and Price to Earning Ratio (PER) approaches. Three scenarios were used in this study, namely the pessimistic scenario (average condition of the industry), moderate scenario (the most likely condition) and optimistic scenario (condition above industrial growth). And of the three scenarios multiplied by the probability of economic projections in 2018. For the projection needs of the next five years, from 2018 to 2022, data from historical historical performance data from 2013 to 2017 are used.

The results showed that using the DCF-FCFF method on CPIN stocks in overvalued conditions in the pessimistic and moderate scenarios, while in the optimistic scenario CPIN was undervalued. JPFA shares are undervalued in all scenarios, while MAIN shares are overvalued in all scenarios. Furthermore, by using the Relative Valuation method with the Price to Earning Ratio (PER) approach in the pessimistic and moderate scenario of CPIN and JPFA is included in the price range in the market, while MAIN shares are under the price range in the market. In the optimistic scenario CPIN, JPFA and MAIN are outside the price range in the market. With the Relative Valuation method with the Price Book Value (PBV) approach in the pessimistic scenario, the PBV of CPIN, JPFA and MAIN are within the price range in the market. In a moderate scenario, the PBV of CPIN and MAIN shares is within the market price range and JPFA shares are outside the market price range but not significant. In an optimistic scenario, MAIN's PBV shares are within the market price range and CPIN and JPFA shares are outside the market price range.

Keywords: Valuation; Discounted Cash Flow; Intrinsic value; Relative Valuation; Animal Feed Sub Sector.