

ABSTRACT

The World Health Organization (WHO) officially announced the outbreak of the corona virus or Coronavirus Disease 19 (Covid-19) in 2020. This has caused several companies to experience a decrease in income so that entrepreneurs can make operational savings. Several companies experienced a decrease in revenue, such as the media and entertainment industry in MNCN, SCMA and TMPO. As a result of the pandemic, many employees had to work from home which indirectly increased the need for home entertainment through streaming. Since streaming media became easily accessible, the need for cable television decreased. Thus, companies in the media and entertainment industry experienced a decline.

The purpose of this study was to analyze the projection of fair prices for companies in the media and entertainment industry such as MNCN, SCMA and TMPO by using the Discounted Cash Flow method along with the Free Cash Flow to Firm approach and the Relative Valuation method with the Price Earning Ratio and Price Book Value approaches for 2022.

This study used three scenarios, namely pessimistic, moderate and optimistic scenarios for each calculation method. The first calculation calculated FCFF for the next 5 years from 2022 to 2026 using data from financial statements over a 5-year period from 2017 to 2021. Then, the FCFF calculation was compared with the current share price. After that, the FCFF calculation was validated from the PER and PBV calculations.

For MNCN companies, the results for FCFF calculations were undervalued for all scenarios, while the PBV and PER calculations were undervalued for all scenarios as well. Second, SCMA companies obtained results from FCFF calculations in undervalued conditions for all scenarios, then PBV calculations in overvalued conditions for all scenarios, then PER calculations in overvalued conditions for optimistic and moderate scenarios, but for pessimistic scenarios undervalued conditions. Third, for TMPO companies, FCFF calculation results were obtained in overvalued conditions for all scenarios, whereas in PBV calculations were obtained in undervalued conditions for all scenarios, then in PER calculations obtained in overvalued conditions. All PBV and PER calculations fall into the range of the media and entertainment industry.

This research can provide additional information and positive input to a company so that it can increase the value of the company. If the company value increases, it will attract investors to invest. Before making an investment, the investor will evaluate the company. The results of the valuation calculations in this study can be used as a consideration for investors to buy, sell, or hold MNCN, SCMA and TMPO. The recommended advice for MNCN is to buy these shares for all scenarios. Second, it is recommended for SCMA to sell these shares in optimistic and moderate scenarios, but in pessimistic scenarios it is recommended to buy these shares. Third, TMPO is recommended to sell the shares for these three scenarios. The results of this valuation depend on assumptions so that future researchers can research using different periods and history, then they can also use different valuation methods such as FCFE and DDM or with contingent claims.

Keywords: *Covid-19, Free Cash Flow to Firm, Relative Valuation, Undervalued, Overvalued*