STOCK VALUATION USING FREE CASH FLOW TO EQUITY (FCFE) AND PRICE EARNING RATIO (PER)

(Study at Companies Listed on LQ-45 Index in Indonesia Stock Exchange Period August 2017- January 2018)

UNDERGRADUATE THESIS

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MOTTO

“Do your best as much as you can and leave all the results that you have done to Allah SWT. He knows the best for you”

يُحِبُّ اللهُ العَامِلَ إِذَا عَمِلَ أَنْ يُحْسِنَ .

” Allah mencintai orang yang bekerja apabila bekerja maka ia selalu memperbaiki prestasi kerja”

(H.R. Tabrani)

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I declare with truth and all of my knowledge, there is no scientific papers that have been asked by others to get the work and opinion which is has ever written or published by others, except for the written quotes in this undergraduate thesis, it is referred and mentioned in the source of references.

If evidently in this undergraduate thesis, may be proven elements og plagiarism, I am willing for this undegraduate thesis being disqualified and academica degree I have gained for Bachelor Degree (S-1) is canceled, then will be processed in accordance with the law in force (UU) No. 20 of 2003, Article 25 of Paragraph 2 or in the article 70.

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SUMMARY

Rani Rachmawati. 2018**. Stock Valuation Using Free Cash Flow to Equity (FCFE) and Price Earning Ratio (PER) (Study at companies listed on LQ-45 Index In Indonesia Stock Exchange Period August 2017-January 2018)**. Nila Firdausi Nuzula, Ph.D., 250 pages + xi

Stock is one of the most popular financial instruments in capital market. It can be seen from the increasing stock trading in capital market. As investment instrument, stock also contains risk that investor has to face. One of the ways to reduce the risk is conducting stock valuation to contribute in making decision. The stock valuation is using Free Cash Flow to Equity (FCFE) and Price Earning Ratio (PER) approach.

Research method in this research is descriptive qualitative approach. This research is used secondary data that obtain from Indonesia Stock Exchange (IDX) through official website www.idx.co.id. The population in this research is 45 companies listed on LQ-45 Index In Indonesia Stock Exchange Period August 2017-January 2018. The samples are 23 companies that obtained using purposive sampling method.

The result of research shows that 11 undervalued companies and 12 overvalued companies using FCFE approach, while 6 undervalued companies and 17 overvalued companies using PER approach. Recommendation of investment decision given to undervalued stocks is to buy or keep the stocks and the recommendation of investment decision for overvalued stocks is to sell the stocks. The difference between FCFE and PER approach occurs because both approaches have different variables and indicators. Based on the results of the research, either the recommendation of investment decision from FCFE or PER approach, both are well used in accordance with the investor's perspective in valuing the stock.

Keyword : Stock Valuation, FCFE, PER.

RINGKASAN

Rani Rachmawati. 2018. Penilaian Saham Menggunakan Free Cash Flow to Equity (FCFE) dan Price Earning Ratio (PER) (Studi pada perusahaan yang terdaftar pada Indeks LQ-45 di Bursa Efek Indonesia periode Agustus 2017-Januari 2018). Nila Firdausi Nuzula, Ph.D., 250 halaman + xi

Saham adalah salah satu instrumen keuangan paling populer di pasar modal. Hal itu bisa dilihat dari meningkatnya perdagangan saham di pasar modal. Saham mengandung risiko yang harus dihadapi investor. Salah satu cara untuk mengurangi risiko adalah melakukan valuasi saham untuk membantu pengambilan keputusan investasi. Penilaian saham menggunakan pendekatan Free Cash Flow to Equity (FCFE) dan Price Earning Ratio (PER). Metode penelitian yang digunakan dalam penelitian ini adalah deskriptif dengan pendekatan kualitatif. Penelitian ini menggunakan data sekunder yang diperoleh dari Bursa Efek Indonesia (BEI) melalui situs resmi www.idx.co.id. Populasi dalam penelitian ini adalah 45 perusahaan yang terdaftar pada Indeks LQ-45 di Bursa Efek Indonesia Periode Agustus 2017-Januari 2018. Sampelnya adalah 23 perusahaan yang diperoleh dengan menggunakan metode purposive sampling.

Hasil penelitian menunjukkan bahwa 11 perusahaan undervalued dan 12 perusahaan overvalued dengan menggunakan pendekatan FCFE, sedangkan 6 perusahaan undervalued dan 17 perusahaan overvalued. Rekomendasi keputusan investasi pada saham undervalued adalah membeli atau menyimpan saham, dan rekomendasi untuk saham overvalued adalah menjual saham tersebut. Perbedaan hasil pada pendekatan FCFE dan PER terjadi karena kedua pendekatan tersebut mempunyai variable dan indikator yang berbeda. Berdasarkan hasil penelitian, baik rekomendasi keputusan investasi dari pendekatan FCFE atau PER, keduanya baik digunakan sesuai dengan cara pandang investor dalam menilai saham.

Kata Kunci : Valuasi Saham, FCFE, PER.

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For the completeness of this undergraduate thesis, the researcher expected it to readers to give the suggestion. Hopefully this undergraduate thesis can be useful and give contribution to parties who need.

Malang, thFebruary 2018

Researcher

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