

Abstract

PT Japfa Comfeed Indonesia Tbk planned on a rights issue in 2021 when the stock market prices were affected by extraordinary event Covid-19. To maximize the action and provide a fair price to both parties (investor and corporate), it is necessary to estimate the fair value of PT Japfa Comfeed Indonesia Tbk shares.

The data that used in this research was secondary data that consist of PT Japfa Comfeed Indonesia Tbk financial report, risk free rate, Indonesian market risk premium, Indonesian economic growth, and stock market data. The estimation was done by discounted cash flow valuation method (FCFE, FCFF, DDM, and RIM) and relative valuation method (P/E, P/S, PBV and EV/EBITDA ratio as multiples). This research implemented three valuation scenarios (worst, base and best) to describe firm recovery periods from covid-19 pandemic impact.

The reconciliation results of discounted cash flow valuation (FCFE and FCFF) and relative valuation methods (P/E and EV/EBITDA ratio as multiples) showed the share intrinsic value of PT Japfa Comfeed Indonesia Tbk in the ranges of Rp1.640,00 to Rp1.671,00 per share. In short, to success the rights issue PT Japfa Comfeed Indonesia Tbk share must be priced below or in the ranges of Rp1.640,00 to Rp1.671,00 per share.

Keyword: stock valuation, discounted cash flow, relative valuation, rights issue