ABSTRACT

A public company may choose to go private for a number of reasons. Lately, Indonesia has an increasing numbers of public companies being private. For go private process, the companies usually will purchase shares directly from the public in a certain price through a tender offer process. This thesis made an example of one successful Indonesian company that already wanted to go private since 2001 but always failed, PT. Aqua Golden Mississippi (AQUA), due to disagreement from public shareholders. In December of 2010, AQUA finally successful became private again and bought all of their shares from public with through tender offer process. Even though most people believe in tender offer process the Company already given appropriate price, some public shareholders still believed that the offered bid price was too low and wasn’t reflected actual AQUA’s fair value. Through this thesis, author conduct a stock valuation of AQUA using DCF model to get the fundamental value of the firm. The fundamental value of the firm then will be compared with the given tender offer price to determine whether the tender offer price is undervalued or overvalued. From the valuation, AQUA’s fundamental stock price was IDR204,084/ share on December 31, 2010 and the tender offer price was IDR 500,000/ share. This condition indicated that the given tender offer price had overvalued compared with AQUA’s fundamental stock price.

Keywords: Tender Offer, AQUA, Valuation, Discounted Cash Flow.