ABSTRACT

Indonesia as one of developed countries in Asia has big players of companies of many industry sectors in capital market. The author discussed one sector of industry in Indonesia Stock Exchange and chooses one company from the industry to analyze. The author chooses retail industry as the observed industry and gives an analysis of PT Mitra Adiperkasa, Tbk (MAPI) as the observed company. Analysts use financial ratios because numbers in isolation typically convey little meaning. Thus, ratios are intended to provide meaningful relationship between individual values in the financial statement. Because the major financial statement report numerous individual items, it is possible to produce a vast number of potential ratios, many which will have little value. The author conducts analysis and stock valuation using Discounted Cash Flow model to determine the company intrinsic value. The result is then will compare with stock market price at end of year 2008 and found that the intrinsic value higher than the stock market price. It means the stock market price was undervalued and did not describe real company fundamental at that time.

Keyword: retail industry, industry analysis, company analysis, Discounted Cash Flow, intrinsic value