

**THE ANALYSIS OF INITIAL PUBLIC OFFERING SHARE
PRICE FOR PT ADARO ENERGY TBK BASED ON
DISCOUNTED CASH FLOW AND PRICE EARNINGS
MULTIPLE MODEL**

TESIS

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**UNIVERSITAS INDONESIA
FAKULTAS EKONOMI
PROGRAM STUDI MAGISTER MANAJEMEN
JAKARTA
FEBRUARI 2009**

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**Diajukan sebagai salah satu syarat untuk memperoleh gelar Magister
Manajemen**

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JAKARTA
FEBRUARI 2009**

STATEMENT OF ORIGINALITY

This final paper represents my own effort,
any idea or excerpt from other writers in this final paper, either in form of
publication or in other form of publication, if any, have been acknowledged
in this paper in accordance to the academic standard or reference procedures

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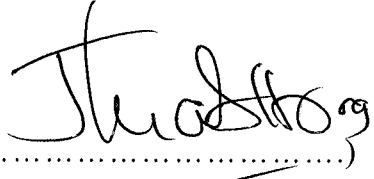
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Telah berhasil dipertahankan di hadapan Dewan Penguji dan diterima sebagai bagian persyaratan yang diperlukan untuk memperoleh gelar **Master of Business Administration** pada Program Studi **Magister Manajemen, Fakultas Ekonomi, Universitas Indonesia.**

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PREFACE

First, I want to thank God for given me the chance to take my master degree in University of Indonesia, guiding me throughout the classes and finally guiding me in finalizing this final paper. In writing this paper, I received much help and supports from several parties. I would like to express my sincere gratitude and appreciation to Mr. Thomas H. Secokusumo, MBA as my advisor in writing this paper, who given some of his time for consultation and advices.

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I realize that there are many limitations in this final paper. Hence, I really appreciate for any constructive critics and recommendations to make this final paper better. Finally, I hope this final paper can contribute mutual benefit to me, PT Adaro Energy Tbk and its subsidiaries, potential stock investors and readers.

Jakarta, 14 February 2009

Marvin Setiawan

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ABSTRACT

Name : Marvin Setiawan
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Title : The Analysis of Initial Public Offering Share Price for PT Adaro Energy Tbk Based on Discounted Cash Flow and Price Earnings Multiple Model

PT Adaro Energy Tbk went public on July 16, 2008 with its share price valued at IDR1,100 per share. Many brokers, stock investors and stock analysts thought that the IPO share price is below its potential and concluded that it was a good investment at that time. This thesis try to calculate the value of the IPO share price based on Discounted Cash Flow and Price Earnings Multiple Model to determine whether it is overvalued or undervalued. The data used in this stock valuation are obtained from several sources including, but not limited to, PT Adaro Energy Tbk's audited reports year 2005, 2006 and 2007, due diligence meeting and public expose, IDX monthly statistics and other sources found on the internet. The Discounted Cash Flow and Price Earnings Multiple Model both show different results. However both valuations did value the IPO share price above IDR1,100 per share. This concluded that the IPO share price is undervalued at that time.

Keywords: investment, IPO share price, Discounted Cash Flow, Price Earnings Ratio and stock valuation.

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