

Fundamental Analysis to Assess The Fair Price of PT. Antam Tbk. Shares

Astriwati Biringkanae

Faculty of Economic, Indonesian Christian University of Toraja

Korespondensi penulis: astribiringkanae07@gmail.com

Dedy Wanli

Faculty of Economic, Indonesian Christian University of Toraja

Abstract. The purpose of this study was to determine the price of shares in PT Antam Tbk. as a reference to determine the fair price of shares of PT. Antam on the Indonesian share exchange. Fundamental analysis is a method used to determine whether the share price on the Indonesian share exchange is already appropriate to the company's intrinsic value. The research method uses a quantitative descriptive approach, namely analyzing and processing numerical data obtained from the official website of the Indonesian share exchange to determine the level of fairness of the share price of PT Antam Tbk. Price Earning Ratio in the period 2020-2022 of PT. Antam Tbk. has increased and Price Book Value in the period 2020-2022 of PT Antam Tbk. is at a fair share price value position (undervalued).

Keywords: fair price of shares, price earnings ratio, price book value.

INTRODUCTION

Shares are one of the securities traded in the capital market that are ownership [1] Shares are also a sign of a person's or business entity's capital participation in a company or limited liability company. There are two types of analysis used to observe future share price prospects. Shares are one of the most popular financial market instruments [2] Issuing shares is one of the company's choices when deciding to fund a company. On the other hand, shares are an investment instrument that many investors choose because they are able to provide an attractive level of profit. Share prices can be divided into three, namely the nominal price, initial price, and market price [3] According to opinions of the experts above, it can be concluded that shares are securities as proof of ownership of capital or funds of a company. Share prices can change up or down in a matter of time so quickly. Share prices can change in minutes or even in seconds. This is possible because of the demand and supply between share buyers and share sellers. The fair price of the

share means the value of the share itself which is proportional to the company's fundamentals. Shareholders will receive a return on their capital in the form of dividends and capital gains.

There are two types of method used to analysis or observe future share price prospects. The two types are technical and fundamental analysis. Fundamental analysis is share analysis technique based on the performance and business prospects of a company [4] In order to predict share values for the next one to five years, fundamental analysis is typically utilized by investors who plan to make long-term investments. Fundamental analysis practices share prices in the future by estimating the value of fundamental factors that affect share prices in the future and applying the relationship between these variables [5] Financial statements of the company are given top priority in fundamental analysis. Investors will analyze the benchmark of the fair price of shares down to the company's micro and macro aspects, but technical analysis is a more advanced research method that looks at the chart of share price movements. Technical analysis which analyzes previous share price movements is more likely to predict share price limits for one to two days forward. This technical analysis is typically performed by traders or investors who make short-term investments. After a share price change, if the share price increases, the share will be sold right away (profit taking), but if the share price decreases, the share must also be sold to reduce further losses (cut loss) in accordance with the share price standard that has been established. One factor that influences the purchase of shares (demand) is based on fundamental considerations, namely the company's financial performance. With good financial performance, the company is able to generate high profits and at the same ime it can set aside a share of the profits as a high dividend, so it will affect the demand for shares. Share prices change (fluctuate) according to the strength of demand and supply [6]

A subsidiary of the state-owned mining firm Inalum, PT. Aneka Tambang or ANTAM (ANTM) is a business involved in the mining industry. Through the exploration and discovery of mineral reserves, this company produces high grade nickel ore or saprolite, low grade nickel ore, or limonite, ferronickel, gold, silver, and bauxite, which are then processed cheaply and then sold to long-term customers in Europe and Asia. When ANTAM listed its company name on the Indonesia Share Exchange in 1997, it first made 35% of its shares available to the general public (IDX). ANTAM offered

430,769,000 shares to the public, each with a nominal value of 500IDR and an initial offering price of 1,400IDR. By reaching 2,560IDR as of April 27, 2022, ANTAM's share price has climbed by 1,160IDR, or 82%, from November 27, 1997 to April 27, 2022. Aneka Tambang once more qualifies in 2022 as a Blue Chip share list and is included in the LQ45 share index. The fact that ANTAM Company's shares are listed on the LQ45 index shares shows that it is a market leader in its industry, which is the mining sector, and that there are a lot of transactions taking place.

The authors will conduct research on "*Fundamental Analysis to Assess the Fair Price of PT Antam Tbk. Shares.*" To predict how the share price of ANTAM will change in the coming years, a fundamental analysis must be performed. Understanding financial statements is required to conduct a fundamental analysis of a company's financial performance over at least two years. Following the financial statements, the macro elements that can impact the company's performance should be examined. Following a fundamental analysis, investors will determine whether the above shares are viable to use as long-term investment objectives.

RESEARCH METHODS

The type of research used in this study is quantitative aimed at providing data management techniques in the form of numbers and statistics. The data needed for this research can be accessed via the internet through the official website of the Indonesia Share Exchange (*BEI*). The data analysis techniques are 1) price earnings ratio (PER) approach with formula:

$$\text{PE Ratio} = \frac{\text{Price per share}}{\text{Earnings per share}}$$

2) price to book value (PBV) approach with formula [7]:

$$\text{Price to Book Value Ratio} = \frac{\text{Market Price per Share}}{\text{Book Value per Share}} \times 100$$

RESULTS AND DISCUSSION

In the PER approach, investors will calculate how many times the value of earnings in the price of one share. In other words, PER describes the ratio or comparison between the share price to the company's earnings.

Shares Price of PT Antam Tbk. (2020-2022)

No	Year	Share Price (IDR)	Net Profit (IDR)	Number of Shares Outstanding (IDR)
1	2020	1,935	973,101,000,000	16,730,000,000
2	2021	2,000	151,283,000,000	38,730,000,000
3	2022	1,934	1,150,000,000,000	67,840,000,000

Source: www.idx.go.id (2022)

Based on the table and the formula, the PE Ratio approach can be calculated as following:

PE Ratio Calculation Results

No.	Year	Ratio	(%)
1	2020	33.27	1.71
2	2021	512.02	25,6
3	2022	1140.9	59

Source: processed data (2022)

Based on the calculation of the PE Ratio for the 2020-2022 period, it is known that in 2020 the number of ratios was 33.26741 (1.71%) and in 2021 there was an increase in the number of ratios by 512.020518 (25.60%) and in 2022 there was also an increase in the number of ratios by 1,140.89155 (59%). This research is in line with Husain's research [8] which explained that PT Mayora Indah Tbk. proves that its intrinsic value is correct and is the same as the market price and is in the position of Correctly Valued that the price and intrinsic value are balanced. The ratio is used to determine the earnings of dividends to investors and those that are not distributed will be reinvested. The growth rate of the ratio, that is, the higher the prospect of the stock, the more promising the investment option. The share price of PT. Antam Tbk. experienced fluctuations during the 2020-2022 period which showed that this growth was an improvement in prospects and became a benchmark for PT. Antam Tbk.'s ability in making a profit.

PBV calculation to determine stock position; if the PBV (undervalued) is less than one, the stock price is undervalued; if the PBV (overvalued) is less than one, the stock price is overvalued. The formula for calculating a stock's PBV is as follows:

$$\text{Price to Book Value Ratio} = \frac{\text{Market Price per Share}}{\text{Book Value per Share}} \times 100$$

Stock and Capital Data of PT. Antam Tbk Year 2020-2022

No.	Year	Share Price (IDR)	Book Value (IDR)
1	2020	1.935	792,290
2	2021	2.000	867,100
3	2022	1.934	754,59

Source: www.idx.go.id (2022)

PBV Ratio Calculation Results

No.	Year	Ratio	(%)
1	2020	0.000244	0.024
2	2021	0.000231	0.023
3	2022	0.0002563	0.026

Source: processed data (2022)

Based on the calculation of PBV PT. Antam Tbk in 2020-2022 is known to have a stock position value in 2020 of 0.000244 smaller than the value of 1 ($0.000244 < 1$) and the stock position in 2021 of 0.000231 smaller than value 1 ($0.000231 < 1$) and the position of shares in 2022 of 0.0002563 smaller than value 1 ($0.0002563 < 1$). So it was concluded that the position of the share price value of PT. Antam Tbk is undervalued. The results of these calculations show that if the ratio is low, the stock price is cheap (underpriced) in comparison to other stocks, providing an opportunity for capital gains. The PBV ratio is used to calculate the market value of a stock based on its book value. According to Winata [9], the company is experiencing an undervalued condition in which the intrinsic value is greater than the stock price. As a result, the value of PT. Antam Tbk for the 2020-2022 period is known to be undervalued. This is a metric that investors use to determine which companies have low or cheap stock prices.

CONCLUSION

Based on the results of the fundamental analysis that has been carried out, the following conclusions can be drawn 1) Price Earning Ratio in the period 2020-2022 of PT. Antam Tbk. has increased 2) Price Book Value in the period 2020-2022 of PT Antam Tbk. is at a fair share price value position (undervalued).

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