

VALUATION OF BUMN CONSTRUCTION COMPANY STOCK PRICES AT THE TIME OF A BULLISH AT THE INDONESIAN STOCK EXCHANGE

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Abstract: This study provides an assessment of the stock prices of BUMN construction companies when the stock market in Indonesia is bullish. This study uses historical data for 2015-2018 to project stock prices in the next five years. The method used is the application of WACC, Cost of Equity, to terminate the value and value of the firm. The results showed that the company has high debt and sales costs, resulting in a decreased capital structure. The decline in capital structure performance affects investor valuations as reflected in the rise in stock prices. We are considering improving the capital structure. Future studies can develop micro aspects of valuing stock prices.

Keywords: Valuation, Capital Structure, Value of the Firm, Price to Book Value, Projection.

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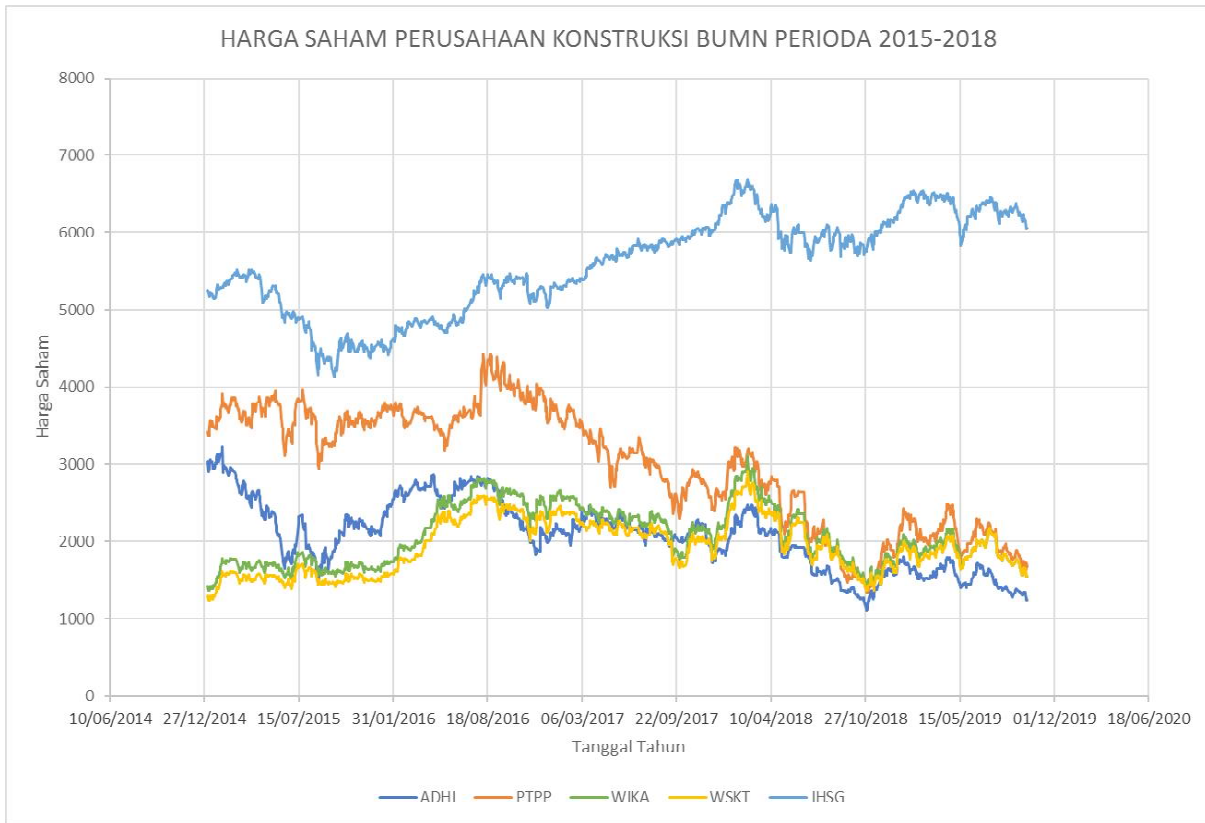
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Stock price valuation is a very interesting topic for investors amid information flow and fast-moving market prices. Information that continues to change and is very likely to change at any time is reflected in the price of each share. In general, investors will compare the stock prices with similar stock prices or companies with the Composite Stock Price Index (CSPI). This phenomenon also occurred in BUMN construction company stock prices from 2015 to 2018, when the Indonesian stock market is rising (bullish).

Sharafoddin and Emsia (2016) say that one of the most significant issues in investment management is stock valuation. Investors and shareholders can value their shares based on stock valuation models and make decisions on stock trading accordingly. The results of this study suggest that managers' success in stock valuation primarily depends on the correct understanding of influential resources and it is recommended that managers increase the value of their company's stock by the proper use and combination of factors effective in stock valuation according to the information of the company.

In 2015, the Indonesian government focused on infrastructure development (Humas Setkab, 2014). This is reflected in the preparation of the 2015 Revised State Revenue and Expenditure Plan (RAPBN-P). The focus of infrastructure development will certainly involve BUMN companies in the construction sector as holders of control and strate-



Source: Indonesia Stock Exchange, reprocessed

Figure 1 BUMN Construction Company Stock Price Chart 2015-2018

gic directions for the government’s policy at that time. For capital market players, the direction of government policy is relevant information and will affect the prices of shares of companies engaged in the construction sector, especially BUMNs. The movement of BUMN stock prices in the period of 2015-2018 is illustrated in the following graph:

BUMN construction companies are PT Waskita Karya (Persero), PT Wijaya Karya (Persero), PT Adhi Karya (Persero), and PT Pembangunan Perumahan (Persero). On the graph, it can be seen that the stock prices of the four BUMNs are below the value of the Composite Stock Price Index (CSPI). Information on the direction of government policy at the beginning of 2015 was responded positively by the market, but in October 2018 stock prices tended to fall to the lowest point. The condition of the stock price shows a paradoxi-

cal performance. The Composite Stock Price Index as a market risk identity (Hanafi, 2014) shows that market prices are moving in a favorable direction. Utamaningsih and Muharis (2020) found that the company’s ability to make a gross profit was very good, but it was not supported by good net profit. In general, the company has a sales expense and a large interest expense, so the acquisition of net profit margins is less supportive. Hutapea et al. (2014), said that the company’s net profit has a close relationship with the value of the company or the price of the company. If the company’s net profit increases, the company’s fair price increases. The company’s fair price can be seen from the company’s stock price.

The background encourages further research in connection with the valuation of BUMN construction company stock prices. The results of this study

provide an explanation that is a novelty in the field of Financial Management. The novelty is in the form of the intrinsic value of shares of BUMN construction companies when the Indonesian stock market is bullish. The intrinsic value of the share price has implications for investors' assessment of BUMN construction companies. This research is an attempt to predict the value of future shares based on financial data that has existed from 2015 to 2018 when the Indonesian stock market was bullish. Stock price valuation becomes very strategic to improve the financial performance of BUMN construction companies in the future so that the company's value can increase again and become a healthy company.

METHOD

This study establishes 4 (four) BUMN construction companies as research objects. The BUMN construction companies are PT Waskita Karya (Persero), PT Wijaya Karya (Persero), PT Adhi Karya (Persero), and PT Pembangunan Perumahan (Persero). The companies were selected as objects of research for a specific purpose in connection with the research objectives related to specific data held only by BUMN construction companies. This method is called purposive random sampling.

DATA SOURCE

Source of data collected from research objects is secondary data, which consists of:

- a. Financial statements, namely the Balance Sheet and Annual Income Statement for the period of 2015 to 2018
- b. Daily stock price data for the period of 2015 to 2018
- c. Daily Composite Stock Price Index (CSPI) for the period of 2015 to 2018.
- d. Macroeconomic data, such as Bank Indonesia Certificates (SBI), inflation rates, the exchange rate of the Rupiah against the Dollar, and the rate of economic growth.

RESULTS

PT WASKITA KARYA (PERSERO) SHARE VALUATION

Stock valuation or valuation must be following established financial theories. That is the conceptual foundation of fundamental analysis which is a supporting pillar from questions about correct or intrinsic stock prices, and questions about ownership valuation are closely related to the question of market efficiency. Thus, an appropriate problem analysis cannot be done without macroeconomic theories and considerations (Christensen and Feltham, 2009). This idea is the basis of this article.

Based on the historical data of PT Waskita Karya from 2015 to 2018, we can calculate the value of the WACC and capital costs or Equity Costs. Furthermore, the value of profit after tax can be projected in the next 5 years based on capital costs. Table 1 can show the estimated free cash flow in the next 5 years, namely in 2019, 2020, 2021, 2022, and 2023. Terminate value can be obtained by obtaining the present value profit after tax, then move it to the value of EV / EBITDA. EV or company value is one of the best for valuing a public company rather than valuing prices with an income ratio (P / E) (Amiri et al., 2016). In this case, EV also considers the amount borne by the company, and investors use the EV value to determine the stock price. Table 1 below summarizes the calculation of the intrinsic value of PT Waskita Karya shares:

Table 1 shows the estimation of the coming 5-year stock prices, while in Table 2 it describes the data 5 years ago, namely the 2015-2018 data. The situation is described in Table 2.

Table 2 contains share prices that rose in 2016 amounting to Rp2348 per share but declined in subsequent years to Rp2067 and Rp1609. The value of equity has increased from 2015-2018. The value of debt also increased larger from year to year from the value of Rp30,309,111,177,469 in 2015 to Rp 124,391,581,623,636 in 2018. This evaluation refers to value-based management (Trinh and Thao, 2017).

Table 1 Overview of Calculation of Intrinsic Value of Shares of Construction Company PT Waskita Karya

Information	2018	Projection with Ke=41.638%				
		2019F	2020F	2021F	2022F	2023F
		1st year	2nd year	3rd year	4th year	5th year
Earning After Taxes (EAT)	4,619,567,705,553	6,543,063,306,791	9,267,464,006,473	13,126,250,669,488	18,591,758,923,250	26,332,995,503,712
Interest (1-T)	3,948,757,040,420					
Interest(1-T)	0.75					
Free Cash Flow	2,961,567,780,315	4,194,705,372,683	5,941,296,795,760	8,415,133,955,579	11,919,027,432,003	16,881,872,074,140
	7,581,135,485,868	10,737,768,679,474	15,208,760,802,233	21,541,384,625,067	30,510,786,355,252	43,214,867,577,852
WACC	49.40271966					
WACC (Persen)	0.49403					
Cost of Equity (Ke)	0.41638					
The EAT is projected for the next five years with a value of Ke=0.41638						
Present Value		4,379,480,722,906	4,151,871,479,068	3,936,091,484,211	3,731,525,951,655	3,537,592,046,254
Terminate Value		11,492,509,813,532	10,895,224,054,336	10,328,980,276,738	9,792,165,174,867	9,283,249,289,169
Value of the Firm		15,871,990,536,439	15,047,095,533,404	14,265,071,760,949	13,523,691,126,522	12,820,841,335,424
Number of shares		13,573,951,000	13,573,951,000	13,573,951,000	13,573,951,000	13,573,951,000
Estimated stock price		1169.297763	1108.527321	1050.915224	996.2973291	944.518021
EV/EBITDA multiplier (Average)	2.62417					
EV= (kapitalisasi pasar+ Hutang)-kas						

Source: PT Waskita Karya's Financial Report, reprocessed

Table 2 Price to Book Value of PT Waskita Karya Share 2015–2018

Information	Year			
	2015	2016	2017	2018
Number of shares	13,573,951,000	13,573,951,000	13,573,951,000	13,573,951,000
Earnings (Loss) per share	90.18	147.48	284.14	291.95
Stock price	1527	2348	2067	1609
Total Equity	9,704,206,867,664	16,773,218,556,948	22,754,824,809,495	28,887,118,750,867
Total liabilities and equity	30,309,111,177,469	61,433,012,174,447	97,895,760,838,624	124,391,581,623,636
Book value	714.91	1,235.69	1,676.36	2,128.13
Price to book value	2.14	1.90	1.23	0.76
Conclusions:	overvalue	overvalue	overvalue	undervalue

Source: PT Waskita Karya's Financial Report, reprocessed

Increased debt value also results in large gross profit margins, but high-interest costs and selling costs make net profit margins of little value. This makes the value of price to book value go down over 2015-2018. In Table 2, we can conclude that the value of the comparison of stock prices with the book value of shares above 1, which means overvalued. In 2018, the BV value is 0.76 and means undervalued.

PT WIJAYA KARYA (PERSERO) SHARE VALUATION

The calculation method in Table 1 is the same as Table 3. Calculation results also show the ten-

dency of stock price estimation to increase every year. A large EV / EBITDA value allows the value of the company to increase each year. Assuming a fixed number of shares for the next 5 years, this results in an estimate of stock prices that increase each year. The following table 3 provides an overview of the intrinsic value of PT Wijaya Karya shares:

Table 3 Overview of Calculation of Intrinsic Value of Shares of Construction Company PT Wijaya Karya

Information	2018	Projection with Ke=41.630%				
		2019F	2020F	2021F	2022F	2023F
		1st year	2nd year	3rd year	4th year	5th year
Earning After Taxes (EAT)	2,073,299,864	2,936,421,653	4,158,863,979	5,890,213,205	8,342,329,006	11,815,268,959
Interest (1-T)	972,528,679 0.75					
Interest(1-T)	729,396,509	1,033,046,758	1,463,107,639	2,072,204,328	2,934,870,041	4,156,666,426
Free Cash Flow	2,802,696,373	3,969,468,411	5,621,971,618	7,962,417,533	11,277,199,047	15,971,935,385
WACC	4.505513783					
WACC (Persen)	0.04506					
Cost of Equity (Ke)	0.41630					
The EAT is projected for the next five years with a value of Ke=0.41630						
Present Value		2,809,824,617	3,807,994,452	5,160,756,887	6,994,078,376	9,478,674,038
Terminate Value		2,431,593,043,242	3,295,398,852,055	4,466,065,415,144	6,052,602,791,891	8,202,746,075,368
Value of the Firm		2,434,402,867,859	3,299,206,846,507	4,471,226,172,031	6,059,596,870,267	8,212,224,749,406
Number of shares		8,969,951,372	8,969,951,372	8,969,951,372	8,969,951,372	8,969,951,372
Estimated stock price		271.395325	367.8065476	498.4671585	675.5440045	915.526117
EV/EBITDA multiplier (Average)	865.38961					
EV= (kapitalisasi pasar+ Hutang)-kas						

Source: PT Wijaya Karya's Financial Report, reprocessed

Table 4 Price to Book Value of PT Wijaya Karya Shares in 2015-2018

Information	Year			
	2015	2016	2017	2018
Number of shares	8,969,951,372	8,969,951,372	8,969,951,372	8,969,951,372
Earnings (Loss) per share	158.64	162.21	134.1	193.02
Stock price	1670	2550	2210	1680
Total Equity	5,438,101,365	12,498,715,304	14,631,824,613	17,215,314,565
Total liabilities and equity	19,602,406,034	31,096,539,490	45,683,774,302	59,230,001,239
Book value	0.61	1.39	1.63	1.92
Price to book value	2,754.60	1,830.06	1,354.83	875.36
Conclusions:	overvalue	overvalue	overvalue	overvalue

Source: PT Wijaya Karya's Financial Report, reprocessed

Based on the calculation results contained in Table 3, the estimated share price of PT Wijaya Karya increased from 2015 in a row to 2018. The result was made possible from the calculation of the book value of the shares which increased from 2015 to 2018. These results allow the price to book the value is always above 1, and it is concluded that PT Wijaya Karya shares from 2015 to 2018 are always overvalued. Complete calculation results are shown in Table 4.

PT ADHI KARYA (PERSERO) SHARE VALUATION

The calculation method in Table 1 is the same as Table 5. Calculation results also show a similar trend between PT Wijaya Karya and PT Adhi Karya. Both companies have estimated share prices that increase each year. Although PT Adhi Karya's EV / EBITDA Value is not as large as PT Wijaya Karya's EV / EBITDA value, the company's value increases every year. This is due to the increased

Table 5 Overview of Calculation of Intrinsic Value of Shares of Construction Company PT Adhi Karya

Information	2018	Projection with Ke=44.071%				
		2019F	2020F	2021F	2022F	2023F
		1st year	2nd year	3rd year	4th year	5th year
Earning After Taxes (EAT)	645,029,449,105	929,299,669,247	1,338,850,305,922	1,928,893,553,915	2,778,974,113,746	4,003,692,743,538
Interest (1-T)	523,743,725,994					
Interest(1-T)	0.75					
Free Cash Flow	392,807,794,496	565,921,686,225	815,328,411,065	1,174,650,899,709	1,692,330,007,715	2,438,154,906,894
	1,037,837,243,601	1,495,221,355,472	2,154,178,716,986	3,103,544,453,625	4,471,304,121,461	6,441,847,650,432
WACC	21.112214					
WACC (Persen)	0.21112					
Cost of Equity (Ke)	0.44071					
The EAT is projected for the next five years with a value of Ke=0.44071						
Present Value		767,304,619,215	912,758,912,768	1,085,786,286,142	1,291,613,637,165	1,536,458,701,866
Terminate Value		1,266,736,074,347	1,506,865,217,582	1,792,514,502,382	2,132,312,965,859	2,536,525,410,716
Value of the Firm		2,034,040,693,561	2,419,624,130,349	2,878,300,788,525	3,423,926,603,024	4,072,984,112,582
Number of shares		3,560,849,376	3,560,849,376	3,560,849,376	3,560,849,376	3,560,849,376
Estimated stock price		571.2234579	679.5075767	808.3186017	961.5477212	1143.823757
EV/EBITDA multiplier (Average)	1.65089					
EV= (kapitalisasi pasar+ Hutang)-kas						

Source: PT Adhi Karya's Financial Report, reprocessed

Table 6 Price to Book Value of PT Adhi Karya Shares in 2015-2018

Information	Year			
	2015	2016	2017	2018
Number of shares	3,560,849,376	3,560,849,376	3,560,849,376	3,560,849,376
Earnings (Loss) per share	202.83	88.03	144.75	180.9
Stock price	2140	2080	1885	1585
Total Equity	2,184,469,703,709	5,442,779,962,898	5,869,917,425,997	6,285,271,896,258
Total liabilities and equity	11,598,931,718,043	20,037,690,162,169	28,332,948,012,950	30,118,614,769,882
Book value	613.47	1,528.51	1,648.46	1,765.10
Price to book value	3.49	1.36	1.14	0.90
Conclusions:	overvalue	overvalue	overvalue	undervalue

Source: PT Adhi Karya's Financial Report, reprocessed

projected profit after tax compared to PT Wijaya Karya. Assuming a fixed number of shares for the next 5 years, this results in an estimate of stock prices that increase each year. The following table 3 provides an overview of the intrinsic value of PT Adhi Karya shares:

Table 6 in the following section supports the estimation of increasing share prices from 2019 to 2023. These results are in line with the price to book value above 1 from 2015 to 2018, and the price to book value of PT Adhi Karya shares decreased to 0.9 it was concluded undervalued in 2018.

PT PEMBANGUNAN PERUMAHAN (PERSERO) SHARES VALUATION

The calculation method in Table 1 is the same as Table 7. Calculation results also show the same tendency. Utamaningsih and Muharis (2020) state that state-owned construction companies are generally able to generate good profits, but high-interest costs and high sales costs turn large gross profits into small net profits. This condition makes the EV value go down, which implies that the stock price estimate also dropped. Table 2 below gives an over-

Table 7 Overview of Calculation of Intrinsic Value of Shares of Construction Company PT Pembangunan Perumahan

Information	2018	Projection with Ke=45.100%				
		2019F	2020F	2021F	2022F	2023F
		1st year	2nd year	3rd year	4th year	5th year
Earning After Taxes (EAT)	1,958,993,059,360	2,842,489,326,526	4,124,438,079,457	5,984,539,436,095	8,683,537,386,719	12,599,770,183,110
Interest (1-T)	759,837,836,078					
Interest(1-T)	569,878,377,059	826,890,731,678	1,199,814,398,407	1,740,924,810,830	2,526,073,366,838	3,665,320,072,959
Free Cash Flow	2,528,871,436,419	3,669,380,058,205	5,324,252,477,864	7,725,464,246,925	11,209,610,753,558	16,265,090,256,069
WACC	120.0942858					
WACC (Persen)	1.20094					
Cost of Equity (Ke)	0.45100					
The EAT is projected for the next five years with a value of Ke=0.45100						
Present Value		1,291,487,107,790	851,426,676,382	561,312,134,580	370,051,022,790	243,960,091,066
Terminate Value		2,470,158,803,510	1,628,478,586,835	1,073,591,909,966	707,776,938,833	466,609,510,088
Value of the Firm		3,761,645,911,300	2,479,905,263,218	1,634,904,044,546	1,077,827,961,623	710,569,601,153
Number of shares		6,199,897,354	6,199,897,354	6,199,897,354	6,199,897,354	6,199,897,354
Estimated stock price		606.7271273	399.9913421	263.6985665	173.8460978	114.6098976
EV/EBITDA multiplier (Average)	1.91265					
EV= (kapitalisasi pasar+ Hutang)-kas						

Source: PT Pembangunan Perumahan Financial Report, reprocessed

Table 8 Price to Book Value of PT Pembangunan Perumahan Shares in 2015-2018

Information	Year			
	2015	2016	2017	2018
Number of shares	6,199,897,354	6,199,897,354	6,199,897,354	6,199,897,354
Earnings (Loss) per share	153	210	234	242
Stock price	3683	3810	2640	1805
Total Equity	5,147,295,946,386	10,778,128,813,138	14,243,110,484,597	16,315,611,975,419
Total liabilities and equity	19,158,984,502,925	31,215,671,256,566	41,782,780,915,111	52,549,150,902,972
Book value	830.22	1,738.44	2,297.31	2,631.59
Price to book value	4.44	2.19	1.15	0.69
Conclusions:	overvalue	overvalue	overvalue	undervalue

Source: PT Pembangunan Perumahan Financial Report, reprocessed

view of the intrinsic value of PT Pembangunan Perumahan shares:

Table 8 shows that the share price of PT Pembangunan Perumahan was the highest among BUMN construction companies of Rp3,683 in 2015. The price dropped in subsequent years to Rp3,810 in 2016, Rp2,640 in 2017, and Rp1,805 in 2018. From 2015 to 2017 the shares of PT Pembangunan Perumahan were overvalued, and in 2018 they were overvalued.

DISCUSSION

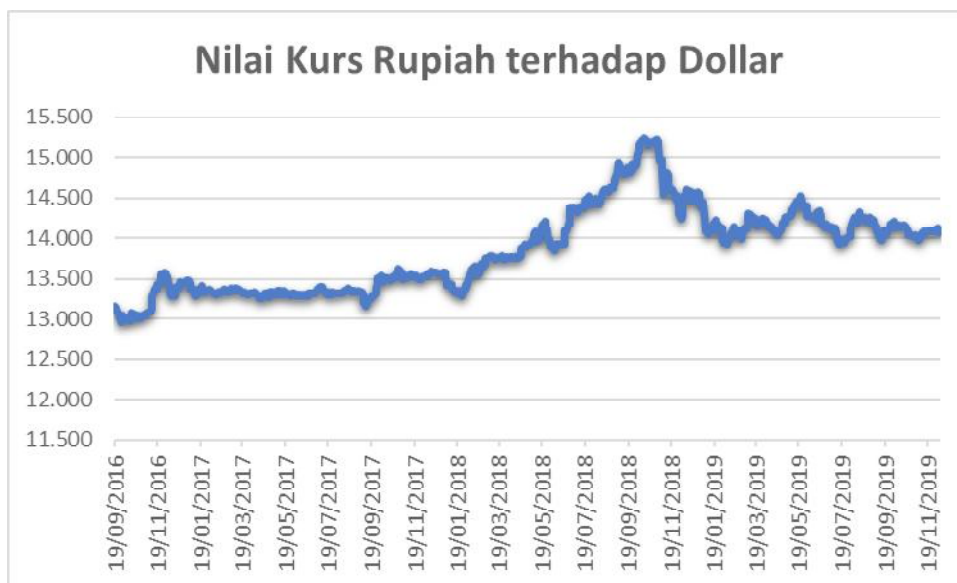
The period of 2015-2018 is a period of stock prices in the Indonesian capital market that is growing (bullish). However, shares of BUMN construction companies fell. This fact is a paradox because at that time the Indonesian government's policy to advance the infrastructure sector was very strong. This strategic policy is not supported by the positive performance of BUMN construction companies. This research wants to reveal this fact further. The

facts of the findings are the novelty of this research which will be discussed in this section.

INDONESIA MACROECONOMIC CONDITIONS 2015-2018

The discussion began with a look at Indonesia’s macroeconomic conditions in 2015-2018. In general, the three conditions are quite normal, with successive descriptions as follows:

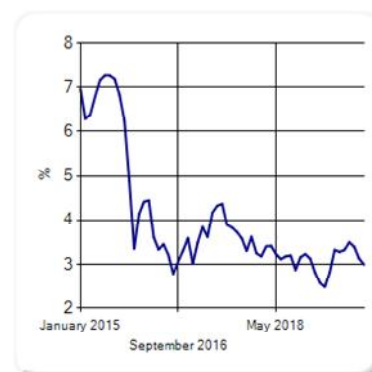
The background of macroeconomic conditions is important because it can assess the financial performance of BUMN construction companies objectively. Macroeconomic conditions that are being considered are the exchange rate of the Rupiah against the Dollar from 2015 to 2018, the condition of Indonesia’s inflation, and Gross Domestic Product or GDP in 2015-2018.



Source: Bank Indonesia exchange rates, reprocessed

Figure 2 Graph of Rupiah Exchange Rate Against Dollar 2016-2019

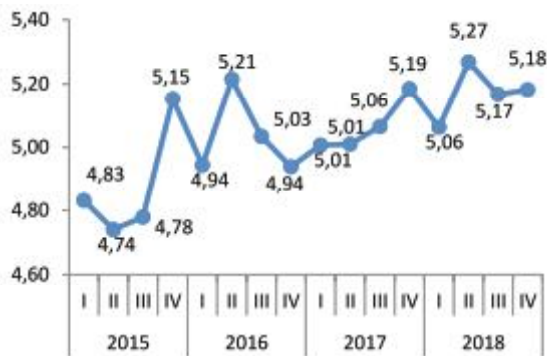
Based on Figure 1 it can be concluded, the exchange rate of the Rupiah against the Dollar tends to increase in the range of \$ 1 with Rp13,000-Rp.14,000, and never reaches its peak in August-September 2018 at the value of Rp15,000. In Figure 2 it can be seen that the inflation condition in Indonesia is quite stable in the range of 3-4.5% per year. Inflation needs to be considered in the valuation of stock prices because inflation gives a positive or negative economic signal in the future growth depends on time, thereby affecting the direction of changes in stock/bond prices (David and Veronesi, 2013). The following is a graphic image:



Source: Source: Bank Indonesia inflation, reprocessed

Figure 3 Indonesian Inflation Value Chart 2015-2018

The graph illustrated in Figure 3 shows the quarterly GDP growth rate in Indonesia from 2015 to 2018. Based on the structure of the economy it was reported that the Indonesian economy quarterly in the period 2015-2018 measured by GDP at current prices and GDP at constant prices shows a rising trend. The following is a graphic image:



Source: 2015-2015 Quarterly GDP

Figure 4 2015-2018 Quarterly GDP Growth Chart (y on y) (in percent)

IMPROVEMENT OF THE COMPANY CAPITAL STRUCTURE

Based on the above explanation, it can be concluded that the macroeconomic situation in Indonesia strongly supports the growth of companies in Indonesia. This condition is also supported by the condition of the Indonesian capital market which grew throughout 2015-2018. The explanation also explained that the economic situation in Indonesia was also very supportive of the growth of the construction business in Indonesia, in addition to policy support from the government in the field of construction in early 2015 as outlined in the Draft State Budget.

The paradox shown through the results of the study is an interesting phenomenon. The results of Utamaningsih and Muharis's (2020) research explained that the debt of BUMN construction companies from 2015 to 2018 continued to increase. The increase was accompanied by a high increase in gross profit. The burden of bank interest payments

and high sales costs made the increase in gross profit not accompanied by adequate net income. These results make investors' assessment of the company down. Evidence of a decline in the share prices of BUMN construction companies in Figure 1 shows this. The share prices of the four BUMN construction companies fell together in August 2018, after the company's debt increased in previous years.

Company value is the focus of consideration for investors. Enterprise value (EV) is a better formula for determining the value of a public company than the price to earnings ratio (P / E). The calculation of enterprise value also takes into account the element of debt, and will then be the relevant analytical material for stock investors in forming their investment portfolios. Enterprise Value is the total value of the company and includes both the equity in the company as well as the debt the company has. Enterprise value is generally thought of in the market value not book value terms. i.e. we want to know what someone would pay for the company (Donovan, 2017). In this case, investors use the EV comparison with EBITDA. EBITDA is income before deducting interest, tax, depreciation, and amortization expenses. Calculation with this ratio is useful for comparing public companies across countries. This calculation also eliminates distortion due to differences in tax policies between countries. Based on these relationships, attracting investments between public cross-country companies is very easy to compare. Based on this also the transfer of capital between cross-country capital markets is very easy and fast.

EV value that decreases should be immediately corrected by the management of BUMN construction companies, to avoid the threat of acquisition. Bouwman et al. (2009), said that the state of the stock market can influence managerial acquisition decisions and acquisition quality when the market is bullish. The basic consideration of the company when it wants to buy a company is 1) the amount of capital raised as a purchase fund and 2) the purchase price compared to past prices (Christensen and Feltham, 2009). Ferreira and Matos (2008) found that all institutional investors have a strong preference for buying shares of large companies and com-

panies in countries that have good governance. Khorana et al. (2005), said that institutional investors are the main players not only in developed markets; their role is developing rapidly in developing market countries. Companies that have a low EV / EBITDA can be seen as good prospective acquisition targets or a good investment location. EV-based calculations also consider corporate debt. Investors often also consider the value of EV to acquire companies that are still considered attractive. Compared to valuing companies by calculating the market capitalization value, EV is considered a better calculation because EV considers the company's debt.

The strategy to improve the soundness of BUMN construction companies is an important issue by improving a capital structure. Improvements to the capital structure are focused on improving the company's debt structure to reduce the company's fixed burden. Improvements were also directed at improving sales expenses. The control is expected to produce a better corporate financial structure. The improvement will have an impact on increasing the value of the company which is illustrated through the increased EV / EBITDA value, and will then be responded to by the market through rising stock prices.

CONCLUSIONS AND RECOMMENDATIONS

This paper has given the results of the valuation of each construction company. These results are also in line with research findings (Bouwman et al., 2009). In general, the company's debt burden creates a large bank interest expense. The company's selling expenses also corrected the company's gross profit margin and made a small net profit. This condition makes the company's value go down, in this case, the EV / EBITDA value decreases and the company becomes no longer competitive.

The value of the company that continues to decline makes the company lose its power. Improvement of capital structure can be focused on improving debt structure and controlling sales costs. Through the improvement of capital structure, it is

expected that the company's financial condition will be healthier, in this case, it can be demonstrated through an increase in share prices that will make the company more competitive. Future research can be developed in micro studies concerning stock price assessments.

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