

ABSTRACT

In Indonesia today, there are many companies that are trying to develop their business, in this case the company can develop their business by doing a business expansion. Expansion or also the expansion of a capital, in this case the expansion of a company's capital can be done one of them by selling the company's shares to the capital market, but sometimes in carrying out this stock offering, there is a phenomenon called underpricing, this phenomenon is an event that occurs when the stock price at one primary market is smaller or lower than a price in the secondary market. If this phenomenon occurs, there are parties who benefit and also those who are disadvantaged. In Indonesia, there is an increase in companies experiencing underpricing every year, even though there has been a decline in 2019 but this decline is not significant.

The purpose of this research is to determine the effect simultaneously and partially on factors such as company age, company size, return on assets, financial leverage, earnings per share and current ratio on the level of underpricing at the time of Initial Public Offering (IPO) on the Indonesia Stock Exchange period. 2018-2019.

This research was conducted on companies that conducted IPOs on the IDX in the 2018- 2019 period using the data method used, namely purposive sampling, which is a study in the form of sampling based on a member who meets certain criteria, there are 82 sample companies used and the method used is analysis multiple linear regression using SPSS software.

The results showed that company age, firm size, return on assets, financial leverage, earnings per share and current ratio had a simultaneous effect on the level of underpricing. Meanwhile, partially company size and earnings per share have a negative effect on the level of underpricing. company age, return on assets, financial leverage and current ratio do not affect the level of underpricing in this study.

Suggestions for further research are to add research with the latest year and use other variables and variables that have no influence in this study.

Keywords: Underpricing, company age, company size, return on assets, financial leverage, earning per share, current ratio