

ABSTRACT

Underpricing occurs when a stock price is set lower in the primary market than its price traded in the secondary market. The number of companies experiencing underpricing has been increasing year after year, although a slight decline occurred in 2022, but the decline was not significant. The purpose of this study is to determine the influence of financial and non-financial reports on the level of underpricing during initial public offerings (IPOs) on the Indonesia Stock Exchange. The sampling technique used in this study was purposive sampling, with a sample size of 193 companies conducting Initial Public Offerings on the Indonesia Stock Exchange during the 2018-2022 period. The data analysis method used was multiple linear regression with SPSS software. The results of this study indicate that profitability ratios and underwriters influence the level of underpricing, while liquidity ratios, leverage, company size, and company age do not. This research is expected to be beneficial for related parties, including investors and issuers. Investors can consider the value of return on assets and underwriters when purchasing shares. For issuers/companies, they need to pay attention to the return on assets and underwriters so they can get the expected profits and avoid underpricing.

Keywords : Underpricing, Current ratio (CR), Return on Asset (ROA), Debt to Equity (DER), Firm Size, Firm Age, Underwriter.