Underpricing of Stocks Affected by *Financial Performance, Company Size,* and *Company Age* in Companies IPO on the IDX for the 2019-2022 Period

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ABSTRACT

The purpose of this research is to determine the influence and analyze the Current Ratio (CR), Debt to Equity Ratio (DER), Total Asset Turnover (TATO), Return on Assets (ROA), Return on Equity (ROE), Company Size, and Company Age partially towards Stock Underpricing. This research uses secondary data obtaned from annual financial reports and company prospectuses listed on the Indonesia Stock Exchange for the 2019-2022 period. By using purposive sampling, 30 companies were obtaned based on predetermined criteria. The data analysis method uses descriptive analysis, classical assumption testing, multiple linear regression analysis, and hypothesis testing. The research results partially show that the Current Ratio (CR) and Company Size have no effect on Stock Underpricing. Debt to Equity Ratio (DER), Total Asset Turnover (TATO), Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM) and Company Age partially influence Stock Underpricing.

Keywords : Underpricing, Initial Public Offerinng, Financial Performance, Company Size, Company Age

ABSTRACT

The purpose is to determine and analyze the influence of *Current Ratio (CR), Debt to Equity Ratio (DER), Total Asset Turnover (TATO), Return on Asset (ROA), Return on Equity (ROE), Company Size,* and *Company Age* partially on Stock *Underpricing*. This research utilizes secondary data obtained from the annual financial balance sheet and the company's prospectus available on the Indonesia Stock Exchange for the 2019-2022 period. With the use of *purposive sampling*, a total of 30 companies were obtained based on the criteria that had been set. The data analysis method uses descriptive analysis, classical assumption test, multiple linear regression analysis, and hypothesis test. The results of the study show partially that *Current Ratio (CR)* and *Company Size*

have no effect on Stock *Underpricing*. *Debt to Equity Ratio (DER), Total Asset Turnover (TATO), Return on Asset (ROA), Return on Equity (ROE), Net Profit Margin (NPM)* and *Company Age* partially affect the Underpricing of Shares.

Keywords : ***Underpricing*, *Initial Public Offering, Financial Performance, Company Size, Company Age***

INTRODUCTION

Today's business world is developing more and more competitively, which makes the condition of the capital market continue to develop. This condition encourages many businesses (companies) to expand or expand to develop their business to overcome the problem of subsidies Funding or capital from outside through participation, namely selling company shares to the public *(public)* or also interpreted as *Go Public* (Sunariyah, 2011). Companies that plan to publish conduct their initial public offering transactions or what is often called *IPO*. *Underpricing* Stocks are one of the problems that occur when the first sale of shares (Initial Public Offering) is carried out, especially when the cost of the offering in the market of the underlying initial contribution is lower than when the cost of the offering is exchanged in the secondary market.

LITERATURE REVIEW

Signalling Theory

Signaling theory deals with the signals observed in various company policies, especially in listed companies, and those signals are captured by investors and support their decision-making. Leaders of organizations that have better data about their organizations will be affected or urged to provide data about the organization to potential financial supporters (investors) so that the portion of the organization's costs increases. .(Fahmi, 2015)(Ross, 1977)

Capital Markets

Capital market or *Capital Market* is the monetary market for current and long-term offers and obligations. Searching for injections through the capital market is one of the right financing options when requesting a loan from a bank for companies (Brigham & Houston, 2014)*go public.* With the company's participation in the capital market, it can strengthen its position in capital development which will ultimately strengthen its strength in similar businesses.

Initial Public Offering (IPO)

Initial Public Offering is the procedure for selling proof of company ownership and/or debt securities for the first time or also known as an initial public offering (*Initial Public Offering*). A public offering can be said to be a step to find a party who wants to participate in the company's investment (investing capital), in which the company will sell part of its ownership. The sale of ownership or wealth is carried out by selling company shares as securities to the wider community known as investors. In this process, the first company's shares are issued through a process called a public offering.

Underpricing

Underpricing according to Shaferi and Handayani is the situation when the current stock price (2011)*Initial Public Offering* (*IPO)* relatively lower than when traded in *Secondary Market*. Underpricing itself can occur due to information asymmetry. As a result, companies that *go-public* will suffer losses because the company cannot obtain sufficient funds from the public.

Financial Report

Financial statements are reports that show the financial position, performance, and changes of an organization that are valuable to the individuals who make economic decisions. The monetary state of an organization is affected by maturing assets, monetary construction, liquidity and solvency, as well as the ability to adapt to ecological changes. Financial statements describe the influence of exchanges and events and aggregate them into several large groups as indicated by the financial qualities that are important for financial statements. (Darminto, 2019)

Prospectus

According to Darmaji & Fakhrudin, the prospectus is written information related to (2011)*IPO* which is intended to encourage the other party to buy securities. The prospectus is also used as an archive that requires registration on the stock exchange, a document that requires registration with the OJK, and is also used in marketing documents that affect investor and financier decision-making.

Ratio Analysis

Ratio analysis is a very common or frequently used financial statement analysis technique in financial practices. *Current ratio* is a ratio that is intended to measure a company's ability to respond to its short-term liabilities. In the research Mahardika & Ismiyanti (2021), namely the influence of *the current ratio* variable on *Underpricing*, it is said that the *current ratio* variable has an effect on *Underpricing*. Which supports the statement that the *current ratio* variable is one of the indicators in determining a company's ability to meet its short-term obligations. *Debt to equity ratio* is a ratio that measures a company's ability to pay its obligations with its equity. Based on *signal* theory, companies with a high *DER* value will deliver negative signals for investors in avoiding the stocks of companies with a high *level of debt to equity ratio*. If a company has a high DER value, they may face difficulties meeting both long-term and short-term obligations, resulting in underpricing.

The total asset turnover ratio is a measure that measures how effectively a business uses its inventory and overall asset turnover. High company activity will thin the company's uncertainty in the future. Research by Renitia, et al. (2021) on the effect of *the total asset turnover ratio* variable on *the Underpricing* variable stated that the *total asset turnover* variable had an effect on *the underpricng*. The high value of *total assets turnover* illustrates the better the company is in managing the company's assets.

Probability is an advantage (*return*) obtained by the company within a certain period of time. A higher profitability value indicates that the company is well managed and will result in higher profitability as well. Examples of profitability ratios are: *Return on Asset, Return on Equity,* and *Net Profit Margin*. The higher the level *Profitability* a company, the lower the level *Underpricing* because investors will assess a *performance* A company is good and willing to buy the first stock at a high price which can reduce the chances of underpricing the initial stock at the time of the *IPO* (Mahardika & Ismiyanti, 2021). Pahlevi's research on profitability (2014)*Underpricing* shows that these variables have an effect on *Underpricing*. Which means, high profitability indicates the company's ability to generate profits in the future. High profitability can reduce IPO uncertainty, which in turn can reduce the rate of *Underpricing*. .(Loo, Lee, & Yi, 1999)

Company Size

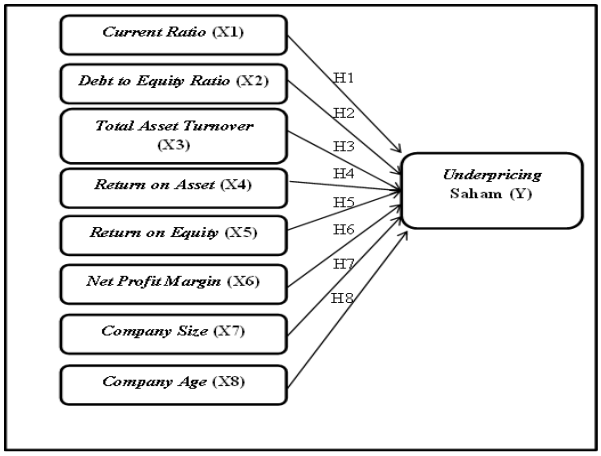
The size of an organization's resources is an estimation instrument used to determine the size of an organization. The more resources an organization has, the bigger the

organization will be. Research on company size variables on variables *Underpricing* by Maulidya & Lautania indicates that the variable size of the company has an effect on (2016)*Underpricing*. Investors believe that compared to small companies, hazard avoidance accommodations allow them to limit the risks they face when investing resources into the organization.

Company Age

The longevity of a company is the length of time a company is able to show or prove the success of the company in surviving, competing, and taking advantage of the business opportunities that exist since the company was established. Research Mahardika & Ismiyanti , (2021)hit variable *Company Age* to the variable *Underpricing* states that *Company Age* has an influence on the occurrence of phenomena *Underpricing*.

FRAME MIND



Source : Data processed by researchers

RESEARCH HYPOTHESIS

From the theoretical foundation, previous research and the framework of thought can be hypothesized as follows:

H1 : *Current Ratio* affects *Underpranking* Shares in companies IPO on the IDX for the period 2019 – 2022

H2 : *Debt To Equity Ratio* affects *Underpranking* Shares in companies IPO on the IDX for the period 2019 – 2022

H3 : *Total Asset Turnover* affects *Underpranking* Shares in companies IPO on the IDX for the period 2019 – 2022

H4 : *Return On Asset* affects *Underpranking* Shares in companies IPO on the IDX for the period 2019 – 2022

H5 : *Return On Equity* affects *Underpranking* Shares in companies IPO on the IDX for the period 2019 – 2022

H6 : *Net Profit Margin* affects Stock *Underpranking* in companies IPO on the IDX for the period of 2019 – 2022

H7 : *Company Size* affects *Underpranking* Shares in companies IPO on the IDX for the period 2019 – 2022

H8 : *Company Age* affects *Underpranking* Shares in companies that IPO on the IDX for the period of 2019 – 2022

RESEARCH METHODS

Quantitative research is used in this study, where the data is in the form of numbers or numbers. In this study, the population consists of all companies that conduct IPOs and are listed on the Indonesia Stock Exchange for the 2019-2022 period, a total of 218 companies. The sample that meets the criteria is sample data from 39 companies. The data analysis method in this study uses descriptive analysis, classical assumption test, multiple linear regression analysis, and hypothesis test.

RESEARCH RESULTS AND DISCUSSION

Result

Descriptive Analysis

Descriptive statistics is the statistical science that studies how the data collected in research is compiled and presented, such as the form of a frequency table or graph, which further calculates statistical values such as *arithmetic mean* and standard deviation.(Suliyanto, 2018, hal. 287)

Table 1 Descriptive Statistical Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CR	120	.22	36.22	2.6840	4.52658
DER	120	.02	11.87	1.0816	1.38557
TATO	120	.00	26.56	1.1188	2.72682
ROA	120	-.21	.25	.0451	.06229
ROE	120	-1.12	.33	.0718	.14643
NPM	120	-4.39	.42	.0028	.45066
Company Size	120	12.78	29.05	24.1978	5.32577
Company Age	120	1.79	4.30	2.8590	.59402
Underpricing	120	.07	3.18	.5660	.68813
Valid N (listwise)	120				

Source : SPSS 26 Output

Normality Test

The following are the results of the data normality test:

Table 2 *One-Sample Kolmogorov Smirnov Test*

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		120
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.23837261
Most Extreme Differences	Absolute	.070
	Positive	.044
	Negative	-.070
Test Statistic		.070
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source : SPSS 26 Output

From the results of the test in table 2 with *an Asymp. Sig. (2-tailed)* value of 0.200 greater than 0.05 or 5%, which means that the data is distributed normally.

Multicollinearity Test

The following are the results of the multicollinearity test

Table 3 Multicollinearity Test Results

Coefficients[a]			
		Collinearity Statistics	
Model		Tolerance	VIF
1	CR	.397	2.519
	DER	.880	1.136
	TATO	.433	2.309
	ROA	.273	3.659
	ROE	.261	3.832
	NPM	.810	1.235
	Company Size	.917	1.091
	Company Age	.777	1.287
a. Dependent Variable: Underpricing			

Source : SPSS 26 Output

Based on table 3, it can be concluded that the results of each variable have met the *tolerance value* of more than 0.10 and the Variance *Inflation Factor (VIF) value* is less than 10, so it can be said that the data does not have a correlation.

Heteroscedasticity Test

If the correlation coefficient of all variables is in the residual, then the regression model does not show hetersochidrosis. The following results show that this is a regression model in this study either:> 0,05

Table 4 Glacier Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.153	.112		1.367	.175
	CR	.016	.005	.451	3.197	.221
	DER	-.009	.011	-.082	-.862	.391
	TATO	-.025	.008	-.438	-3.241	.112
	ROA	-.025	.242	-.018	-.104	.917
	ROE	.057	.159	.062	.357	.722
	NPM	.007	.034	.020	.205	.838
	Company Size	.001	.003	.045	.482	.631
	Company Age	-.005	.027	-.020	-.193	.847
a. Dependent Variable: Underpricing						

Source : SPSS 26 Output

Autocorrelation Test

When observations are made sequentially, related to each other, and sequentially, and produce residual errors, a correlation test is performed. .(Ghozali, 2018)

Table 5 Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.973[a]	.948	.944	.050	1.919

a. Predictors: (Constant), CR, DER, TATO, ROA, ROE, NPM , Company Size, Company Age

b. Dependent Variable: Underpricing

Source : SPSS 26 Output

The *Durbin-Watson* test used in the autocorrelation test resulted in a calculation carried out with SPSS software with a number of 1.919 with variables and a known dU of 1.8461 while it was stated that the calculation of the $k = 8n = 120{,}4 - dU = (4 - 1{,}8461) = 2{,}1539$*Durbin-Watson test* which is between means that the regression model does not have an autocorrelation problem.$1{,}8461 < 1{,}919 < 2{,}1539$

Multiple Linear Regression Analysis

The following are the results of multiple regression analysis:

Table 6 Results of Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.974	.180		5.423	.000
	CR	-.015	.008	-.085	-1.860	.066
	DER	-.189	.017	-.333	10.912	.000
	TATO	-.063	.013	-.216	-4.975	.000
	ROA	-6.771	.388	-.956	17.448	.000
	ROE	1.794	.256	.393	7.016	.000
	NPM	-.367	.055	-.214	6.710	.000
	Company Size	-.003	.004	-.022	-.725	.470
	Company Age	-.476	.043	-.362	-11.138	.000

a. Dependent Variable: Underpricing

Source : SPSS 26 Output

From table 6, the linear regression equation can be obtained as follows:

$$UP = 0,976 - 0,015\ CR - 0,189\ DER - 0,063\ TATO - 6,771\ ROA + 1,794\ ROE - 0,367\ NPM - 0,003\ Company\ Size - 0,476\ Company\ Age$$

The regression equation can be interpreted as follows:

1. The constant value is 0.974, meaning if the (α)*current ratio, debt to equity ratio, total asset turnover, return on asset, return on equity, net profit margin, company size,* and *company age*. The value is constant or zero, then the *underpricing* value is 0.974%.
2. The Current Ratio *coefficient* is as large as which means $-0{,}015$ *that the Current Ratio* has increased by 1%, then *Underpricing* will decrease by 0.015%.
3. The Debt to Equity Ratio *coefficient* is as large as which means that if the $-0{,}189$*Debt to Equity Ratio* increases by 1%, Underpricing will decrease by 0.189%.

4. The Total Asset Turnover *Coefficient* is large, which means that if $-0{,}063$*the Total Asset Turnover* increases by a large amount, Underpricing 1% will decrease by 0,063%.
5. The Return on Asset *coefficient* is large, which means that if $-6{,}771$*the Return on Asset* increases by a large amount, Underpricing 1% will decrease by . 6,771%
6. The Return on Equity *coefficient* is large, which means that if $1{,}794$*the Return on Equity* increases by 1%, Underpricing will increase by 1.794%.
7. The Net Profit Margin *coefficient* is as large as which means $-0{,}367$ *that the Net Profit Margin* has increased by 1%, then *Underpricing* will experience a decrease of 0.367%.
8. The Company Size *coefficient* is large, which means that $-0{,}003$*the Company Size* has increased by 1%, then *Underpricing* will decrease by 0.003%.
9. The Company Age *coefficient* is as large as which means $-0{,}476$*that the Company Age* has increased by 1%, then *Underpricing* will experience a decrease of 0.476%.

Statistical Test t

The results of the t-test can be seen in the following table:

Table 7 Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.974	.180		5.423	.000
	CR	-.015	.008	-.085	-1.860	.066
	DER	-.189	.017	-.333	10.912	.000
	TATO	-.063	.013	-.216	-4.975	.000
	ROA	-6.771	.388	-.956	17.448	.000
	ROE	1.794	.256	.393	7.016	.000
	NPM	-.367	.055	-.214	6.710	.000
	Company Size	-.003	.004	-.022	-.725	.470
	Company Age	-.476	.043	-.362	-11.138	.000

a. Dependent Variable: Underpricing

Source : SPSS 26 Output

Based on the results in table 7, it can be interpreted as follows:

1. The *Current Ratio* variable produces a value of magnitude indicating that the value is less than 1.98137 and a value of 0.066 is greater than 0.05, then H1 is rejected. $t\ hitung - 1{,}860t\ hitungt\ tabelSigThe$ *Current Ratio* does not have a significant effect on the *Underpricing* of Shares in companies that *IPO* in 2019-2022.
2. The Debt *to Equity Ratio* variable produces a value of 10.912 indicating that the value is greater than 1.98137 and a value of 0.000 is less than 0.05 then H2 is accepted. $t\ hitungt\ hitungt\ tabelSigThe$ *Debt to Equity Ratio* has a significant effect on the *Underpricing* of Shares in companies that *IPO* in 2019-2022.

3. The *Total Asset Turnover* variable produces a value of magnitude indicating that the calculated t value is less than 1.98137 and a value of 0.000 is less than 0.05 then H3 is accepted. $t\ hitung - 4{,}975 t\ tabel Sig$ *Total Asset Turnover* has a significant effect on Stock *Underpricing* in companies that *IPO* in 2019-2022.
4. The Return *on Asset* variable produces a value of 17.448 indicating that the value is greater than 1.98137 and a value of 0.000 is less than 0.05 then H4 is accepted. $t\ hitung t\ hitung t\ tabel\ Sig$ *Return on Asset* affects Stock *Underpricing* in companies that IPO in 2019-2022.
5. The *Return on Equity* variable produces a value of 7.016 indicating that the value is greater than t table 1.98137 and a value of 0.000 is less than 0.05 then H5 is accepted. $t\ hitung t\ hitung Sig$ *Return on Equity* affects Stock *Underpricing* in companies that IPO in 2019-2022.
6. The *Net Profit Margin* variable yields a value of 6.710 indicating that the value of t is greater than 1.98137 and a value of 0.000 is less than 0.05 then H6 is accepted. $t\ hitung\ hitung t\ tabel Sig$ *Net Profit Margin* affects the *Underpricing* of Shares in companies that *IPO* in 2019-2022.
7. The *Company Size* variable produces a value of magnitude indicating that the value is less than 1.98137 and a value of 0.470 is greater than 0.05, then H7 is rejected. $t\ hitung - 0{,}725 t\ hitung t\ tabel Sig$ *Company Size* has no effect on Stock *Underpricing* on companies that *IPO* in 2019-2022.
8. The *Company Age* variable produces a value of magnitude indicating that the value is smaller than and a value of 0.000 is less than 0.05 then H8 is accepted. $t\ hitung - 11{,}138\ t\ hitung t\ tabel Sig$ *Company Age* affects Stock *Underpricing* in companies that *IPO* in 2019-2022.

Determination Coefficient Analysis

The determination coefficient was processed to evaluate the capacity of the regression model to reflect the variation in the bound variable. The determination coefficient is between 0 and 1.(R^2)

Table 8 Determination Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.973[a]	.948	.944	.050

a. Predictors: (Constant), CR, DER, TATO, ROA, ROE, NPM , Company Size, Company Age

b. Dependent Variable: Underpricing

Source : SPSS 26 Output

It can be seen in the calculation of the table, it can be stated that the *adjusted R square value* is 0.944. This means that the value of the determination coefficient of 94.4% provides information that the ability *of the independent* variable in this study to affect the dependent variable, namely *stock underpricing* of 94.4% is stated to have a strong level of influence, while the remaining 5.6% can be due to the existence of other models outside this study that have not been studied.

Discussion

a. Partial variable test results *Current Ratio* with a calculated t value and a significance value of as much as indicating that the hypothesis is rejected, which means $-1{,}860 < 1{,}981370{,}066 > 0{,}05$*current ratio* Partially there is no effect on *underpricing stocks.* These findings are supported by *research* previously by Carolina who revealed(2020) *Current Ratio Has No Effect on Partial Underpricing* stock. A high liquidity score reflects that a company has a lot of current assets at the end of the period consisting of cash, inventory, and receivables.
b. The results of the partial test of the *debt to equity ratio* variable with a value of magnitude and a significance value show that the hypothesis is accepted, which means that $t\ hitung 10{,}912 > 1{,}981370{,}000 < 0{,}05$*the debt to equity ratio partially affects the underpricing* of stocks. Judging from the results of data analysis, the *debt to equity ratio* has an influence on the *underpricing* of iipo companies' shares in 2019-2022. The higher the proportion of the value of a business's liabilities, the higher the risk of bankruptcy of the related organization's business both in terms of financial risk and loan repayment, which can affect the determination of the appropriate share price at the time of the IPO.
c. The results of the partial test of *the variable of total asset turnover* with a value of equal and significant value show that the hypothesis is accepted, meaning that $t\ hitung - 4{,}975 < 1{,}981370{,}000 < 0{,}05$*total asset turnover* partially has an effect on stock *underpricing*. According to the results of the data analysis, it can be seen that *total asset turnover* has an effect on the *underpricing of* IPO *companies' shares*, which means that

the results are in line with the theory applied. This finding is supported by *previous research* conducted by Renetia and Harori (2021) which found that *tattoos* partially have an effect on stock undervaluation. The influence *of tattoos* on *underpricing* shows that the high value *of tattoos* encourages companies to set high prices and discourages the possibility of *underpricing*.

d. The results of the partial test of *the return on asset* variable with a value of magnitude and a significant value indicate that the hypothesis is accepted, meaning that $t\ hitung 17{,}448 > 1{,}981370{,}000 < 0{,}05$ *the return on asset* partially affects the *underpricing* of stocks. The effect of *return on assets* on stock *underpricing* shows that the level of *return on assets* is an additional consideration for investors and also prospective investors in terms of making decisions to buy company shares by considering the value of *the return on assets* owned.

e. The results of the partial test of *the return on equity* variable with a value of magnitude and a significance value show that the hypothesis is accepted, which means $t\ hitung\ 7{,}016 > 1{,}981370{,}000 < 0{,}05$ *that the return on equity* partially affects the *underpricing* of stocks. High returns will show investors outside, namely the company's ability to generate *returns* to investors is also high. If the company has a high *return on equity*, investors or buyers will be interested in buying its initial shares.

f. The results of the partial testing of the inet profit margin variable with a value of magnitude and a significant value show that the hypothesis is accepted, in the sense that $t\ hitung 6{,}710 > 1{,}981370{,}000 < 0{,}05$ *the net profit margin* partially has an effect on the underpricing of stocks. The effect of *npm* on stock *underpricing* proves that the company's high profitability, in this case *net profit margin*, indicates the proportion of the company in generating profits in the future.

g. The results of the partial test of the company *size variable* with a value of magnitude and a significant value of magnitude show that the hypothesis is rejected, in the sense that $t\ hitung - 0{,}725 < 1{,}981370{,}470 > 0{,}05$ *the company size* partially has no effect on *stock underpricing*. With the absence of the influence of *company size* on *stock underpricing*, investors and potential investors should not only be fixated on the size of the company in investing their capital, because the larger a company, the higher the level of risk, it can also be interpreted that there is a possibility that affects stock *returns*.

h. The results of the partial test of the *company age variable* with a value of magnitude and a significance value indicate that the hypothesis is accepted, which means that $t\ hitung - 11{,}138 < 1{,}981370{,}000 < 0{,}05$ *the company age* partially has an effect on *stock*

underpricing. It can be interpreted that the older a company is, the more varied the information available regarding the company, thereby minimizing the probability and uncertainty so as to reduce the possibility of *underpricing* in the company's shares.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of the research and discussion, the following conclusions can be drawn:

1. *The Current Ratio* has no effect on the *Underpricing* of Shares in companies that *IPO* on the IDX for the 2019-2022 period.
2. *Debt to Equity Ratio* has a negative effect on Stock *Underpricing* in companies that *IPO* on the IDX for the 2019-2022 period, which means that if the *Debt to Equity Ratio variable* increases, Underpricing will decrease.
3. *Total Asset Turnover* has a negative effect on Stock *Underpricing* in companies that *IPO* on the IDX for the 2019-2022 period, which means that if *Total Asset Turnover* increases, *Underpricing* will decrease.
4. *Return on Asset* has a negative effect on Stock *Underpricing* in companies that *IPO* on the IDX for the 2019-2022 period, which means that if *Return on Asset* increases, *Underpricing* will decrease.
5. *Return on Equity* has a positive effect on Stock *Underpricing* in companies that *IPO* on the IDX for the 2019-2022 period, which means that if *Return on Equity* increases, *Underpricing* will increase.
6. *Net Profit Margin* has a negative effect on Stock *Underpricing* in companies that *IPO* on the IDX for the 2019-2022 period, which means that if *the Net Profit Margin* increases, the *Underpricing* will decrease.
7. *Company Size* has no effect on the *Underpricing* of Shares in companies that IPO on the IDX for the 2019-2022 period.
8. *Company Age* has a negative effect on Stock *Underpricing* in companies that *IPO* on the IDX for the 2019-2022 period, which means that if *Company Age* increases, *Underpricing* will decrease.

Suggestion

In the next study, a variable of the percentage of stock offering can be added. And as in the Company *Size* variable or company size in the next study, the value of shares can be used as a benchmark for *company size***.**

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