Formosa Journal of Multidisciplinary Research (FJMR)
Vol. 4 No. 9, 2025: 4595-4608

The Effect of Underwriter Reputation, Valuation, and Share Ownership on Stock Price Performance after Initial Public Offering (IPO) on the Indonesia Stock Exchange for the Period 2021–2025

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A R T I C L E I N F O

Keywords: Initial Public Offering (IPO), Underwriter Reputation, Share Ownership, Share Price Performance, Indonesian Capital Market

Received : 16, August
Revised : 30, August
Accepted: 25, September

A B S T R A C T

This study analyzes the influence of underwriter reputation, valuation, and share ownership on post-Initial Public Offering (IPO) stock price performance in companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2025 period. The sample consisted of 29 IPO companies with a minimum issue value of IDR 500 billion, selected through purposive sampling. The independent variables include underwriter reputation, DER, ROA, CR, and ownership structure, while the dependent variable is the 10-day post-IPO stock return, tested using multiple linear regression and classical assumption tests. The results show that underwriter reputation has a positive and significant effect on post-IPO stock price performance, while valuation (DER, ROA, CR) and share ownership have no significant effect. Simultaneously, the research model is proven to be feasible and meets the established statistical requirements. This study emphasizes the importance of underwriter reputation as a quality signal, while fundamental factors and ownership are more relevant for testing over medium to long-term horizons.

DOI: https://doi.org/10.55927/fjmr.v4i9.502
ISSN-E: 2829-8896
https://npaformosapublisher.org/index.php/fjmr

INTRODUCTION

The capital market is a crucial pillar of the modern financial system, serving not only as a means of raising funds but also as a mechanism for efficient capital distribution. Capital markets play a crucial role in the modern economy, serving as a center for financial intermediation and as an indicator reflecting a country's economic dynamics (Wiratni et al., 2021). Through the capital market, companies can obtain long-term funding to expand operations, increase production capacity, and strengthen global competitiveness. Furthermore, stock price movements in the capital market reflect investor expectations regarding macroeconomic prospects and company performance. One key instrument is the Initial Public Offering (IPO), which paves the way for companies to become public entities. However, post-IPO stock price performance often exhibits inconsistent patterns. The phenomenon of underpricing and post-IPO price fluctuations remains a relevant issue to examine (Laksono & Lasmanah, 2022).

The IPO phenomenon has become an important concern in international finance literature, especially in relation to market anomalies (Ritter & Welch, 2002)explained that IPO stocks tend to rise on the first day of trading. However, over the long term, their performance is relatively lower compared to non-IPO companies. This illustrates the paradox between short-term euphoria and the sustainability of long-term company value. This anomaly occurs not only in developed markets but also in emerging markets like Indonesia. Emerging markets are known to be more vulnerable to post-IPO price volatility due to their relatively dominant proportion of retail investors.

Recent research also confirms that emerging markets are more vulnerable to volatility than developed markets (Hadi & Atikah, 2024). found that emerging markets, including Indonesia, experience higher price volatility after an IPO. This is due to a combination of internal and external factors that impact investor confidence. This situation creates an urgency to further examine the factors that influence post-IPO stock performance. Internal factors such as underwriter reputation, valuation, and share ownership are often seen as playing a significant role in explaining this phenomenon.

Empirically, IPOs in Indonesia have experienced significant growth in recent years. Data from the Financial Services Authority (OJK, 2023) shows that between 2021 and 2023, more than 150 new companies were listed on the Indonesia Stock Exchange (IDX). This figure represents the highest level in the last two decades, highlighting the growing interest of companies in utilizing the capital market as a funding source. However, this surge was accompanied by the fact that many companies experienced price corrections after the public offering period. This raises academic questions about the key determinants of IPO success in Indonesia.

One widely studied factor is underwriter reputation. From a signaling theory perspective, the presence of a highly reputable underwriter is considered capable of reducing information asymmetry between issuers and investors. Companies supported by reputable underwriters typically command greater market trust. However, research in Indonesia remains uncertain. Some studies have found a positive effect of underwriter reputation on post-IPO performance,

while others have found no significant relationship (Rianttara & Lestari, 2020). These differences in results indicate the existence of unique characteristics in the Indonesian capital market.

Besides the underwriter's reputation, a company's valuation is also a crucial factor influencing post-IPO stock price dynamics. Excessively high valuations often lead to stock price corrections because they are deemed not to reflect fundamental conditions. Conversely, conservative valuations can increase investor interest but carry the risk of underpricing, which is detrimental to the issuer. Financial indicators such as price-to-book value (PBV) and earnings per share (EPS) are key proxies for assessing valuation. Recent research shows that investors are more attracted to companies with reasonable valuations and strong financial performance (Sari & Hudaya, 2025). Therefore, proper valuation is a strategic factor in IPO success.

Another contributing factor is share ownership structure. Agency theory suggests that institutional ownership can serve as a monitoring mechanism for management, thereby increasing investor confidence. On the other hand, excessive public ownership actually increases the risk of volatility due to the dominance of retail investors who are sensitive to market sentiment. Research in Indonesia also yields inconsistent results regarding the role of ownership structure. Some studies suggest that institutional ownership can enhance price stability, while others find no significant evidence (Sulistiawati et al., 2021).

A broader review of the literature reveals that the majority of previous research focuses on the phenomenon of first-day IPO underpricing. Studies examining post-IPO stock performance in the medium to long term are relatively limited. For example, research (Hadi & Atikah, 2024) emphasizes the analysis of underpricing anomalies, without simultaneously considering underwriter reputation, valuation, and ownership. However, a comprehensive understanding of post-IPO price dynamics requires a multifactorial approach for more representative results. This limitation highlights the research gap that needs to be filled.

This literature gap further reinforces the urgency of research using the most recent data. The 2021–2025 period is a particularly relevant period due to the high number of IPOs and the uncertain global environment. External factors such as the COVID-19 pandemic, rising global interest rates, and fluctuating commodity prices also influence market sentiment. Therefore, research focusing on underwriter reputation, valuation, and share ownership is expected to provide a more accurate picture of the determinants of IPO performance in Indonesia.

In terms of practical contributions, this research has broad benefits for stakeholders. Companies can utilize the results to design more effective IPO strategies, particularly in selecting underwriters and determining appropriate valuations. Investors can use this research as a reference for making more rational, data-driven investment decisions. Furthermore, regulators can use the research findings as a basis for formulating policies to improve the efficiency and stability of the capital market. Thus, this research has practical strategic value.

Based on the description above, this study aims to analyze the influence of underwriter reputation, valuation, and share ownership on post-IPO stock price

performance on the Indonesia Stock Exchange during the 2021–2025 period. This objective is expected to fill the literature gap and provide theoretical and practical contributions to the development of the Indonesian capital market.

LITERATURE REVIEW

This study examines the relationship between underwriter reputation, valuation, and share ownership on post-Initial Public Offering (IPO) stock price performance. An IPO is a strategic opportunity for companies to raise external capital, expand their investor base, and signal the company's quality to the market (Dwi Perkasa & Maiyaliza, 2024). However, the underpricing phenomenon that often occurs in many countries, including Indonesia, indicates that there is still information uncertainty and high investment risk (Ritter & Welch, 2002). Therefore, factors such as underwriter reputation, valuation indicators, and ownership structure are believed to play a significant role in shaping post-IPO stock price performance.

1) Signaling theory (Howe, 1997) explains that companies can reduce information asymmetry by providing positive signals to the market. In the context of an IPO, the underwriter's reputation is one of the main signals that can increase investor confidence in the issuer's credibility. Underwriters with a high reputation are usually more selective in choosing issuers, so their involvement indicates the company's quality (Nurfauziah & Safitri, 2013).
2) Investment theory emphasizes that investment decisions always involve a trade-off between risk and return, so investors must carefully assess a company's fundamentals. In the context of an Initial Public Offering (IPO), analyzing financial ratios such as profitability, liquidity, and solvency is a vital tool for understanding financial health and potential stock price fluctuations after listing. Research shows that an IPO can significantly impact these financial ratios, making a thorough evaluation through financial analysis key to reducing uncertainty and improving the quality of investment decisions (Dewi & Novalia, 2023).
3) Initial Public Offering (IPO). An IPO is a mechanism for companies to raise external capital while strengthening their image in the capital market. However, underpricing often arises due to information asymmetry and the reputations of the parties involved (Willy & Gusti, 2022).
4) Underpricing. Underpricing occurs when the share price on the primary market is lower than the price on the secondary market. Factors such as the underwriter's reputation, fundamentals, and the percentage of shares offered determine the level of underpricing (Purwanto & Mahyani, 2016).
5) Debt to Equity Ratio (DER). DER indicates a company's capital structure by comparing debt to equity. A high DER is considered a signal of financial risk, which can reduce investor interest in an IPO (Steven et al., 2023).
6) Return on Assets (ROA). ROA measures a company's ability to generate profits from its assets. A high ROA signals positively to investors about the company's profitability and prospects (Nuradilah et al., 2023).

7) Current Ratio (CR). CR indicates a company's ability to meet short-term obligations. A high CR indicates good liquidity, thus increasing investor confidence in the IPO (Steven et al., 2023).
8) Institutional Ownership Structure. Institutional ownership serves as a management monitoring mechanism that improves corporate governance. Institutional investors also provide a positive signal because they are considered better able to assess stock quality (Laksono & Lasmanah, 2022).

Company valuation through financial ratios is also a consideration for investors when evaluating IPO shares. A high Debt-to-Equity Ratio (DER) indicates significant leverage risk, which can discourage investor interest. A high Return on Assets (ROA) is considered a positive signal because it demonstrates efficiency in managing assets to generate profits (Siraj et al., 2025). A healthy Current Ratio (CR) reflects short-term liquidity, which plays a role in increasing investor confidence in a company's financial stability.

Several previous studies have shown that underwriter reputation and profitability play a role in reducing underpricing.

1) (Ngurah & Partama, 2019) found that the combination of underwriter reputation and profitability ratio had a significant effect on IPO performance.
2) (Laksono & Lasmanah, 2022), which proves that institutional ownership structure also strengthens the influence of underwriter reputation on underpricing. These results emphasize the relevance of signaling theory, which places third-party reputation as a crucial factor in increasing investor confidence. However, research on the determinants of post-IPO underpricing remains inconsistent.
3) (Hadi & Atikah, 2024) emphasized that external factors such as macroeconomic conditions, inflation, and global interest rates have a greater influence than internal company variables.
4) (Purwanto & Mahyani, 2016) emphasizes that internal factors such as DER, ROA, and CR are more dominant. This difference indicates a gap in the literature that requires further research, particularly by combining internal and external factors simultaneously.
5) (Rianttara & Lestari, 2020) found that the percentage of shares offered at an IPO is an important signal that can influence the level of underpricing. The larger the shares offered, the higher the company's level of public disclosure.
6) (Puspitawati et al., 2025) Previous research on financial ratios, such as the Current Ratio and Debt to Equity Ratio, also showed mixed results regarding company profitability, as demonstrated in a study of PT Unilever Indonesia Tbk. for the 2012–2020 period, which found that these two ratios had no significant effect on ROA.
7) (Putri & Susilawati, 2025) He added that non-financial factors in the prospectus, such as inflation projections and macroeconomic conditions, also play a significant role. This suggests that investors consider not only fundamental factors but also external variables related to market stability.

Given the inconsistencies in previous research findings, there is an opportunity to develop a more comprehensive study. The combination of underwriter reputation, financial valuation, and share ownership structure can provide a more comprehensive picture of the factors influencing post-IPO stock price performance in Indonesia. Most previous studies tend to focus on only one or two variables, thus failing to address broader interactions. This study is expected to fill this gap and provide a stronger empirical contribution.

The conceptual framework of this research is based on signaling theory and investment theory. Underwriter reputation and share ownership structure serve as quality signals that can influence investor perceptions of risk. Meanwhile, company valuation through financial ratios (DER, ROA, CR) serves as a basis for investors to assess financial health and profit prospects.

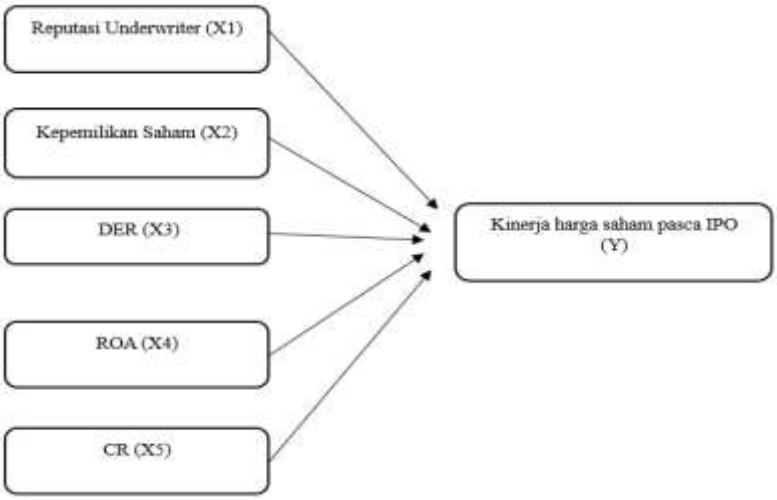


Figure 1. Conceptual Framework

METHODOLOGY

This study uses a quantitative approach with a causal design to examine the influence of underwriter reputation, valuation, and share ownership on post-IPO stock price performance on the Indonesia Stock Exchange (IDX) during the 2021–2025 period. A causal design was chosen because it can objectively explain cause-and-effect relationships with measurable numerical data. This approach is relevant in capital market studies because it can uncover factors that influence stock price behavior, in line with (Hadi & Atikah, 2024) which confirms the effectiveness of causal design in testing the underpricing phenomenon and post-IPO stock performance.

Table 1. Post IPO Stock Performance

NO	Criteria	Amount
1.	Companies that conducted an IPO during the period November 2021–June 2025.	215
2.	Companies that have a complete published prospectus and financial statements.	215
3.	IPO companies with a minimum issue value of IDR 500 billion as a liquidity limit and transition from small-cap to mid-cap, so their performance is worthy of post-listing analysis.	29
Total Sample		29

Source: Secondary Data from Financial Reports

Based on these criteria, 29 companies were selected as research samples that met the requirements for emission value and data completeness. This sample selection is expected to provide a more representative picture of the dynamics of post-IPO stock performance in Indonesia. Purposive sampling ensures internal validity and methodological consistency, while adhering to previous financial research practices that emphasize the importance of sample selection appropriate to the research context (Napitupulu & Sibarani, 2024)

RESEARCH RESULT

Descriptive Statistics

Table 2. Descriptive Statistics

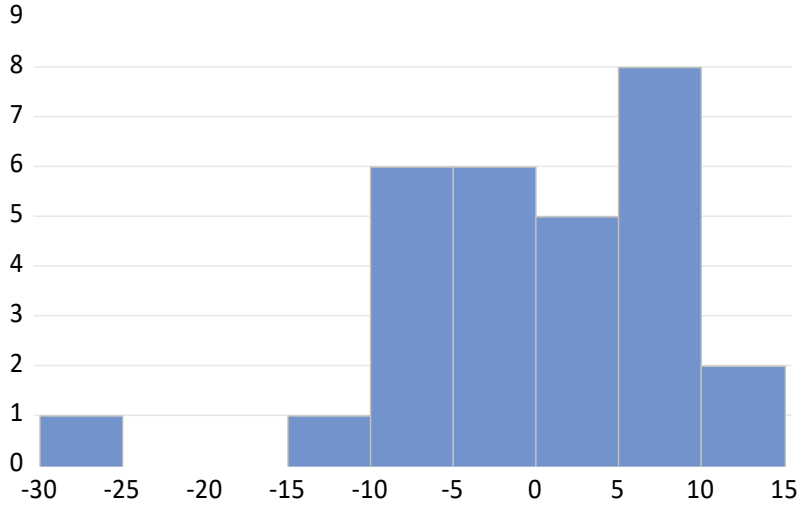
	Y	X1	X2	X3	X4	X5
Mean	68.82759	70.68966	0.732414	1.352759	0.121034	1.662759
Median	69.00000	70.00000	0.830000	1.220000	0.060000	1.180000
Maximum	90.00000	90.00000	0.930000	6.800000	0.740000	6.460000
Minimum	50.00000	60.00000	0.030000	0.140000	-0.140000	0.300000
Std. Dev.	11.11006	10.66739	0.258134	1.226353	0.161960	1.331768
Skewness	0.380408	0.760490	-1.901758	3.141924	1.996289	1.915250
Kurtosis	2.215468	2.401937	5.335952	14.61133	8.483373	6.981812
Jarque-Bera	1.443150	3.227528	24.07412	210.6243	55.59308	36.88746
Probability	0.485986	0.199137	0.000006	0.000000	0.000000	0.000000
Sum	1996.000	2050.000	21.24000	39.23000	3.510000	48.22000
Sum Sq. Dev.	3456.138	3186.207	1.865731	42.11038	0.734469	49.66098
Observations	29	29	29	29	29	29

The results of descriptive statistics show that the dependent variable Y has an average of 68.83 with a minimum value of 50 and a maximum of 90, so it can be said that the distribution of Y data is quite balanced with a moderate spread (standard deviation of 11.11). Variable X1 has an average of 70.69 with a lowest value of 60 and a highest of 90, indicating a relatively stable variation. Variable X2 has an average of 0.73 with a range between 0.03 and 0.93, indicating a narrower data spread compared to other variables. Furthermore, variable X3 has an average of 1.35 with a range of values between 0.14 and 6.8, which reflects a fairly high variation in the data. Variable X4 has an average of 0.12 with a minimum value of -0.14 and a maximum of 0.74, indicating a relatively small range of values. Meanwhile, variable X5 has an average of 1.66 with a minimum value of 0.30 and a maximum of 6.46, indicating a fairly large variation in the data. Overall, these descriptive results provide an initial overview of the condition of the research data, where each variable shows different distribution characteristics so that it can be the basis for further analysis in the regression model used.

Normality Test

The normal distribution of the residuals is an important requirement to ensure that the regression coefficient estimates are statistically valid (Widarjono, 2005).

Table 3. Normality Test



Series: Residuals	
Sample 1 29	
Observations 29	
Mean	2.45e-16
Median	1.075712
Maximum	13.67237
Minimum	-25.90227
Std. Dev.	8.572470
Skewness	-0.902258
Kurtosis	4.043627
Jarque-Bera	5.250735
Probability	0.072413

Based on the Jarque-Bera test, a probability value of 0.0722 (>0.05) was obtained, thus concluding that the residual data is normally distributed. This supports the validity of the inferential testing performed on the model.

Autocorrelation Test

Autocorrelation is a condition where the error in one period is correlated with the error in the previous period, and is usually a problem in time series data (Brooks, 2019).

Table 4. Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	0.022517	Prob. F(2,21)	0.9778
Obs*R-squared	0.062058	Prob. Chi-Square(2)	0.9694

Table 5. Obs*R-squared Test

F-statistic	0.022517	Prob. F(2,4)	0.9778
Obs*R-squared	0.062058	Chi-Square Prob.(2)	0.9694

The results of the Obs*R-squared test show a probability value of 0.9694 (> 0.05), which indicates that there is no autocorrelation in the regression model built.

Multicollinearity Test

Multicollinearity occurs when there is a very high correlation between independent variables, which can distort the estimation of the regression coefficients.(Gujarati, 2003)In this study, testing was carried out by looking at the Variance Inflation Factor (VIF) value.

Table 6. Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	152.4864	49.42960	NA
X1	0.031746	52.55290	1.130617
X2	51.74250	10.07647	1.079082
X3	2.345828	2.495719	1.104188
X4	129.3843	1.676623	1.062216
X5	1.896148	2.751921	1.052556

Table 7. The VIF Values Test

	Coefficient Variance	Uncentered VIF	Centered VIF
X1	0.031746	52.5529	1.13061
X2	51.7425	10.0764	1.07908
X3	2.3458	2.4957	1.10418
X4	129.3843	1.6766	1.06221
X5	1,8961	2,7519	1.05255

The results show that the VIF values for all variables are below the threshold of 10, so it can be concluded that there is no multicollinearity problem in this regression model.

Heteroscedasticity Test

Heteroscedasticity refers to the condition where the residual variance is not constant across observations, which can cause the estimation to be inefficient (Ghozali, 2018).

Table 8. Heteroscedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

F-statistic	1.729036	Prob. F(5,23)	0.1680
Obs*R-squared	7.922540	Prob. Chi-Square(5)	0.1606
Scaled explained SS	7.583776	Prob. Chi-Square(5)	0.1807

Table 9. Obs*R-squared test

F-statistic	1.7290	Prob. F(6,3)	0.1680
Obs*R-squared	7.9225	Chi-Square Prob.(6)	0.1606
Scaled explained SS	7.5837	Chi-Square Prob.(6)	0.1807

Based on the Obs*R-squared test results with a probability value of 0.1807 (>0.05), it can be concluded that this model is free from heteroscedasticity symptoms. This means that the residual variance is homogeneous, as assumed by the Ordinary Least Squares (OLS) model.

Multiple Linear Regression

Table 10. Multiple Linear Regression

Dependent Variable: Y
Method: Least Squares
Date: 09/05/25 Time: 09:11
Sample: 1 29
Included observations: 29

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	21.85007	12.34854	1.769445	0.0901
X1	0.549764	0.178173	3.085565	0.0052
X2	7.881483	7.193226	1.095681	0.2846
X3	-0.002628	1.531610	-0.001716	0.9986
X4	3.125163	11.37472	0.274746	0.7860
X5	1.183374	1.377007	0.859381	0.3990

R-squared	0.404641	Mean dependent var	68.82759
Adjusted R-squared	0.275215	S.D. dependent var	11.11006
S.E. of regression	9.458474	Akaike info criterion	7.513691
Sum squared resid	2057.643	Schwarz criterion	7.796579
Log likelihood	-102.9485	Hannan-Quinn criter.	7.602288
F-statistic	3.126431	Durbin-Watson stat	1.859071
Prob(F-statistic)	0.026852		

Table 11. Multiple Linear Regression Results

Variables	**Coefficient**	**t-statistic**	**Prob**	**Information**
X1 (Under Writer)	0.5497	3.0855	0.0052	X1 (Underwriter) has a positive and significant effect at α = 5%
X2 (Ownership)	7.8814	1.0956	0.2846	X2 (Ownership) has a positive but not significant effect at α = 5%
X3 (DER)	-0.0026	-0.0017	0.9986	X3 (DER) has a negative and insignificant effect at α = 5%
X4 (ROA)	3.1251	0.2747	0.7860	X4 (ROA) has a positive but not significant effect at α = 5%
X5 (CR)	1.1833	0.8593	0.3990	X5 (CR) has a positive but not significant effect at α = 5%
F-statistics = 5.2807			R-square = 0.4046	
F-table = 2.77			P-value = 0.0268	
t-table = 2.069				

The results of this study indicate that of the five independent variables analyzed, only the Underwriter variable (X1) is proven to have a significant influence on the dependent variable with a t-count value of 3.0855 which is greater than the t-table of 2.069 and a significance value of 0.0052 <0.05, so it can be concluded that the existence of an underwriter is able to increase market confidence and provide a real contribution to the dependent variable. On the other hand, the Ownership (X2), DER (X3), ROA (X4), and CR (X5) variables do not have a significant effect because the t-count value of each is smaller than the t-table and the significance value is above 0.05, which indicates that these factors are not strong enough to explain the variation of the dependent variable in this research period.

However, the results of the simultaneous test show that all independent variables together have a significant effect on the dependent variable, indicated

by the calculated F-value of 5.2807 which is greater than the F-table of 2.77 with a p-value of 0.0268 < 0.05. This means that the regression model used is feasible and can explain the relationship between the independent variables and the dependent variable. The R-square value of 0.4046 indicates that 40.46% of the variation in the dependent variable can be explained by the five independent variables in the model, while the remaining 59.54% is influenced by other factors outside the study. This finding confirms the important role of underwriters in influencing the performance of the dependent variable, while opening up space for further research to explore other variables that have the potential to have a greater influence.

DISCUSSION

The main findings of the study indicate that underwriter reputation has a positive and significant effect on post-IPO stock price performance (t = 3.0855; p = 0.0052), while valuation (DER, ROA, CR) and ownership are not significant at the 5% level. These results align with Signaling Theory: the involvement of a reputable underwriter signals quality, reducing information asymmetry between issuers and investors, resulting in the market responding with better initial returns. Simultaneously, the regression model is significant (F = 5.2807; p = 0.0268) with an R^2 of 0.4046, meaning that approximately 40.46% of the variation in 10-day post-IPO returns can be explained by the combination of tested variables. Thus, H1 is accepted, while H2 and H3 do not receive empirical support at the measurement horizon used.

The insignificance of DER, ROA, and CR indicates that accounting valuation indicators are less visible to the market in the very short term after listing. Two mechanisms may explain this. First, within the 10-day window, price dynamics tend to be dominated by microstructural factors (allocation, price stabilization, overhang) and sentiment, rather than fundamentals based on periodic financial reports. Second, prospectuses can contain selectively "communicated" figures, so retail investors—who constitute a high proportion on the IDX—rely more on the reputation of third parties (underwriters) than on ratio readings that require in-depth fundamental reasoning. This finding is consistent with the international literature on very short-term underpricing, which is often influenced by reputational tools and distribution mechanisms, rather than profitability/liquidity metrics.

The ownership variable is also insignificant, suggesting that institutional monitoring takes longer to internalize into prices. In the early trading phase, ownership composition is not yet fully functional as a governance mechanism that curbs opportunistic management behavior; its effects tend to emerge only in the medium to long term through market discipline and repeated disclosure patterns. In other words, a 10-day time horizon is too short to capture the governance benefits of institutional ownership or the consequences of a larger free float. This implication underscores the importance of distinguishing between short-term performance determinants (reputation, offering design, initial liquidity) and medium- to long-term performance (fundamentals, governance, business cycles).

Practically, these results suggest three things. First, issuers should prioritize selecting reputable underwriters to minimize information friction in the initial market and secure price performance in the days following listing. Second, regulators and exchanges can enhance prospectus disclosure standards to make fundamental metrics more easily accessible to retail investors—for example, a standardized summary of "fundamental highlights"—so that valuation impacts are more readily reflected. Third, future researchers should expand the measurement horizon (30–180 days), incorporate offering design variables (issue size, price revision, overallotment/stabilization), and control for macroeconomic and industry conditions to increase R^2 and retest H2–H3 over a timeframe more relevant to fundamental and ownership effects. With this approach, the map of post-IPO performance determinants will be more comprehensive and applicable to issuers, underwriters, investors, and policymakers.

CONCLUSIONS AND RECOMMENDATIONS

This study concludes that underwriter reputation is proven to be a key determinant of stock price performance in the 10-day post-IPO window on the IDX, in line with Signaling Theory, which emphasizes the role of reputable third parties in reducing information asymmetry. In contrast, accounting valuation indicators (DER, ROA, CR) and ownership structure have not shown a significant influence in this very short time horizon, indicating that microstructure mechanisms, sentiment, and offering distribution practices are more dominant than fundamental information transmission and governance in the early trading phase. The regression model is simultaneously significant with moderate explanatory power, thus still leaving room for other variables—such as offering design, initial liquidity, price stabilization, and sectoral and macroeconomic conditions—to increase the explanatory power of post-IPO return variations.

Based on these findings, issuers are advised to prioritize collaboration with reputable underwriters and to package their prospectuses in a concise format that emphasizes "fundamental highlights" so that perceived quality is quickly internalized in pricing. Regulators and exchanges can standardize disclosure of core metrics and expand transparency of stabilization practices to make pricing more efficient. For future researchers, extending the observation horizon to 30–180 days, incorporating offering design variables (issuance size, price revision, overallotment), sectoral liquidity and volatility factors, and macro controls will be important to reassess the role of valuation and ownership when microstructure effects begin to fade. This approach is expected to strengthen the practical relevance for issuers and investors while enriching the theoretical contribution to the Indonesian IPO literature.

ADVANCED RESEARCH

Based on the results of this study, further studies should expand the observation time horizon to assess the impact of fundamental variables and ownership structure on post-IPO stock performance in the medium to long term (30–180 days). Furthermore, integrating external variables such as macroeconomic conditions, sector volatility, and price stabilization practices

would provide a more comprehensive picture of the determinants of IPO success in Indonesia. A mixed-methods approach, including interviews with capital market practitioners, could also enrich the quantitative analysis, making the research results more applicable to issuers, investors, and regulators in formulating strategies and policies that support capital market efficiency.

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