ABSTRACT

The initial public offering or IPO itself is often carried out by companies because it has several reasons, namely a company requires additional capital funding, the company will not be burdened with interest like issuing bonds or borrowing money from banks. However, there are problems such as determining the amount of the initial offering price that companies must face when conducting initial public offerings in the capital market. Underpricing is avoided by a company.

This study uses a quantitative method, with a descriptive type of investigation with an explanatory purpose. The source of data in this study was obtained through the annual audited reports of companies conducting initial public offerings on the IDX in 2020 which were obtained through the IDX's official website. The analytical technique used in this study is multiple linear regression analysis with simultaneous and partial hypothesis testing.

The results of this study are that there is a simultaneous significant effect between return on assets, debt to equity ratio, underwriter reputation, company size and type of industry on the level of underpricing in companies that conduct IPOs on the IDX in 2016-2020, there is a significant effect on the level of underpricing. on the variable of return on assets, company size, and type of industry on the level of underpricing in companies conducting IPOs on the IDX in 2016-2020, then the debt to equity ratio variable, underwriter reputation does not have a partial significant effect on the level of underpricing in companies that conduct IPOs. on the IDX in 2016-2020.

Keywords: *DER, Industry Type, ROA, Underwriter Reputation Company Size, Stock Underpricing*