

## **ABSTRACT**

*When private company registers sell shares to the public for the first time, underpricing always occurs repeatedly over. Underpricing is condition when the stock price offered on primary market is lower than the market price on secondary market. This condition is highly avoided by the company because company will not get maximum fund of the IPO. Conversely, for investors this condition is a positive thing because they get return.*

*This study aims to examine the corellation and effect of leverage, profitability, firm size, underwriter reputation, auditor reputation and oversubscribed on underpricing when Initial Public Offerings in the Indonesia Stock Exchange for 2018-2022 period.*

*The population of this study are companies that conducted IPO on the IDX for 2018-2022 period. The sample unit for this study was determined by purposive sampling method and obtained 107 obeservation. The analysis technique used is factor analysis followed by multiple regression analysis.*

*Factor analysis findings show that financial leverage, profitability, underwriter reputation and auditor reputation are correlated as factors that can reduce underpricing. The four variables were followed by multiple linear regression analysis with finding that simultaneously leverage, profitability, underwriter reputation and auditor reputation had a significant effect on underpricing. Then partially auditor reputation has a significant negative effect on underpricing.*

*This research contributes as reference for academics in implementing the expansion of accounting knowledge in the future and for subsequent researchers related to IPO. The results of this research are suggested to be a consideration for investors and company in an initial public offering.*

**Keywords:** *Financial Factors, Non- Financial Factors, Non-Keuangan, Initial Public Offering, Underpricing.*