E-ISSN : 2987-9329
P-ISSN : 2987-9337
Siber International Journal of Digital Business (SIJDB)
https://review.e-siber.org/SIJDB siberpublisher.info@gmail.com +62 812-1046-7572
DOI: https://doi.org/10.38035/sijdb.v4i1

The Effect of Firm Size, Profitability, Leverage, Firm Age, and Underwriter Reputation on Initial returns of Consumer Sector Companies Conducting Initial Public Offerings (IPOs) on The Indonesia Stock Exchange During the 2021 - 2024 Period

Muhammad Rizki Avisena[1], Josua Panatap Soehaditama[2], Hikmah Abdul Rahman [3]
[1]Perbanas Institute Jakarta, Jakarta, Indonesia, rizkiavisena@gmail.com
[2]Perbanas Institute Jakarta, Jakarta, Indonesia, josua.panatap@perbanas.id
[3]Perbanas Institute Jakarta, Jakarta, Indonesia, hikmah.abdul@perbanas.id

Corresponding Author: rizkiavisena@gmail.com[1]

Abstract: An Initial Public Offering (IPO) is the process through which a company offers its shares to the public for the first time to obtain additional capital. Factors such as firm size, profitability, firm age, leverage, and underwriter reputation are believed to influence the level of initial return, as they reflect the degree of risk and information available to investors during the IPO process. This study aims to analyze the effect of firm size, profitability, firm age, leverage, and underwriter reputation on the initial return of 29 consumer sector companies that conducted IPOs on the Indonesia Stock Exchange during the 2021–2024 period. This research employs a quantitative method with an associative approach and purposive sampling technique, and the data were analyzed using multiple linear regression. The results indicate that all independent variables have no significant effect on initial return, either partially or simultaneously. The coefficient of determination (R^2) value of 0.160 indicates that the research variables explain only 16% of the variation in initial return, while the remaining 84% is influenced by other factors outside the model. Therefore, the variables examined in this study are not able to significantly explain changes in initial return among consumer sector companies conducting IPOs on the Indonesia Stock Exchange during the 2021–2024 period.

Keywords: Initial Return, Company Size, Profitability, Leverage, Company Age, Underwriter Reputation, IPO.

INTRODUCTION

The capital market is a structured financial system that connects investors and shareholders over a certain period, either directly or through intermediaries (Didier et al., 2021). On the other hand, the capital market is also commonly referred to as the stock exchange (Niko Saputra et al., 2023). The Indonesia Stock Exchange (IDX) is an institution that provides facilities and infrastructure for securities trading, playing a role in facilitating transactions between investors and issuers, determining security prices in a fair and efficient manner, and providing information related to the capital market (Dewi Lubis et al., 2024). Through the stock exchange, companies can diversify their sources of financing while simultaneously enhancing transparency and public confidence in their business performance. Furthermore, the stock exchange enables companies to obtain additional capital to support business expansion through an Initial Public Offering (IPO), which is the first sale of shares to the public.

According to data from the Indonesia Stock Exchange IDX, (2025), the number of companies conducting Initial Public Offerings (IPOs) on the IDX during the 2021–2024 period exhibited considerable fluctuations from year to year. In 2021, there were 54 companies that conducted IPOs. This number increased by 9.26% in 2022, reaching 59 companies. The positive trend continued in 2023, when the number of companies conducting IPOs increased significantly to 78 companies, representing an increase of 32.20% compared to the previous year. However, in 2024, a substantial decline of 47.44% occurred, with only 41 companies conducting IPOs on the IDX. The number of companies conducting IPOs each year not only reflects capital market activity but also has the potential to influence the level of initial return received by investors.

In this study, the focus is directed toward consumer sector companies that conducted IPOs on the Indonesia Stock Exchange during the 2021–2024 period. The consumer sector comprises companies engaged in the provision of goods and services that are directly consumed by the public, including both primary and secondary needs. This sector is characterized by relatively stable demand because it is directly related to household consumption, making it attractive to investors in the capital market. Furthermore, the consumer sector has been one of the sectors actively conducting IPOs in recent years, making it relevant to analyze in relation to the level of initial return.

Initial return is defined as the difference between the offering price and the closing price on the first day of stock trading in the secondary market (Kim et al., 2025). The level of initial return during an IPO may be influenced by various factors originating from both company characteristics and the parties involved in the offering process. Several factors commonly associated with the magnitude of initial return include firm size, profitability, leverage, firm age, and underwriter reputation, as each of these factors may influence investors' perceptions of risk and confidence in the offered shares (Floretta, 2021).

The first factor influencing initial return is firm size. Firm size reflects a company's ability to generate cash flows and provide broader information, making large-scale companies generally more attractive to investors because they are perceived to have lower levels of uncertainty compared to smaller companies. This is supported by the findings of Floretta, (2021) which indicate that firm size can influence companies experiencing initial return. Another factor is profitability, which is a ratio used to assess a company's ability to generate profits (Novita Sari et al., 2022). Companies with high profitability are generally considered to have lower risk, which may ultimately affect the level of initial return occurring during an IPO. Consistent with the study of Komariah & Sabrina, (2022), profitability is presumed to influence initial return.

Another factor frequently associated with the magnitude of initial return is leverage. The higher the level of leverage, the greater the financial risk borne by the company, which may affect market responses to the initial stock price. This is supported by the study of Sartika, (2020), which states that leverage is often associated with initial return. Another factor influencing initial return is firm age. Companies that have been established for a longer period generally possess better reputations and greater stability than newly established companies, thereby reducing the level of uncertainty perceived by investors during an IPO. In line with the findings of Kurnia et al., (2022), firm age is considered to have the potential to influence initial return.

Underwriter reputation is also one of the factors affecting initial return. Underwriters are responsible for determining the initial offering price of shares in the primary market as well as the overall performance of the issuer (Cahyana et al., 2025). The market places considerable trust in reputable underwriters and believes that a strong reputation serves as an assurance against low-quality companies. Therefore, a better underwriter reputation indicates lower risk for IPO companies and lower uncertainty regarding future stock performance (Dakhi et al., 2024). This is consistent with the findings of Alfin & Dillak, (2021), which suggest that underwriter reputation is frequently associated with initial return.

In consumer sector companies, fundamental characteristics such as stability, larger firm size, longer operating history, higher profitability, and the use of reputable underwriters are generally perceived as indicators of greater stability and higher public trust. Consequently, investors perceive lower risk, resulting in lower initial returns. Conversely, companies with smaller size, higher leverage, lower profitability, or less reputable underwriters are generally perceived as riskier, leading investors to expect higher risk compensation in the form of higher initial returns. Therefore, these five factors play an important role in explaining variations in initial return among consumer sector companies conducting IPOs on the Indonesia Stock Exchange. Consistent with the findings of Astuti, (2017), firm size, profitability, firm age, leverage, and underwriter reputation are factors that potentially influence initial return.

Based on the background described above, this study aims to analyze the effect of firm size, profitability, leverage, firm age, and underwriter reputation on the initial return of consumer sector companies conducting IPOs on the Indonesia Stock Exchange during the 2021–2024 period. This research is expected to contribute to the development of knowledge, particularly in the fields of capital markets and corporate finance, by providing additional empirical evidence regarding the factors that influence the level of initial return in companies conducting Initial Public Offerings (IPOs). The findings of this study are also expected to serve as a reference for companies, investors, and regulators in considering factors beyond the variables examined in this study when analyzing and making decisions related to IPOs.

METHODS

This study employed a quantitative method with an associative approach. The objects of this study were companies that conducted Initial Public Offerings (IPOs) on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. All companies that conducted IPOs during the 2021–2024 period constituted the research population. The sampling technique used in this study was purposive sampling, with the following criteria: (a) companies that conducted IPOs on the IDX during the 2021–2024 research period; (b) companies that had stock price data on the first day of trading in the secondary market; (c) companies that published complete IPO prospectuses; (d) companies that had accessible financial statements during the research period; and (e) companies that were not delisted during the research period. Based on these criteria, a total of 29 companies were selected as the research sample.

This study used secondary data obtained indirectly from the official website of the Indonesia Stock Exchange (IDX), the IPO prospectuses of the sample companies, company financial statements, and various relevant supporting sources, such as books, scientific journals, and related official publications. The dependent variable in this study was initial return, while the independent variables included profitability as measured by Return on Assets (ROA), firm size measured using the natural logarithm of total assets (SIZE), leverage as measured by the Debt-to-Equity Ratio (DER), firm age (AGE), and underwriter reputation (REPUTATION), which was measured using a dummy variable.

Data analysis was conducted using descriptive statistics, classical assumption tests consisting of normality, multicollinearity, and heteroscedasticity tests, multiple linear regression analysis, and hypothesis testing, including the t-test (partial), F-test (simultaneous), and coefficient of determination (R^2), with the assistance of SPSS software.

RESULTS AND DISCUSSION

Results

1. Descriptive Statistics

Descriptive statistical analysis was conducted to describe the characteristics of the study variables based on their minimum, maximum, mean, and standard deviation values using a sample of 29 IPO companies.

Table 1. Descriptive Statistic

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Initial return	29	-0,67	1,50	0,2422	0,53615
SIZE	29	25,0	33,5	27,862	2,0475
ROA	29	-0,39	0,17	0,0188	0,12595
DER	29	0,03	3,00	0,6503	0,73786
AGE	29	1,0	43,0	13,655	9,2245
REPUTATION	29	0,0	1,0	0,793	0,4123

Source: Research data (2026)

Based on the results of the descriptive statistical analysis, the initial return variable has a mean value of 0.2422, a standard deviation of 0.53615, a minimum value of -0.67, and a maximum value of 1.50. The firm size variable (SIZE) has a mean value of 27.862, a standard deviation of 2.0475, a minimum value of 25.0, and a maximum value of 33.5. The profitability variable (ROA) has a mean value of 0.0188, a standard deviation of 0.12595, a minimum value of -0.39, and a maximum value of 0.17. Furthermore, the leverage variable (DER) has a mean value of 0.6503, a standard deviation of 0.73786, a minimum value of 0.03, and a maximum value of 3.00. The firm age variable (AGE) has a mean value of 13.655 years, a standard deviation of 9.2245, a minimum value of 1 year, and a maximum value of 43 years. Meanwhile, the underwriter reputation variable (REPUTATION) has a mean value of 0.793, a standard deviation of 0.4123, a minimum value of 0, and a maximum value of 1.

2. Classical Assumption Tests

a. Normality Test

The normality test was conducted to determine whether the data were normally distributed. In this study, normality was assessed using the Kolmogorov–Smirnov and Shapiro–Wilk tests. Since the sample size consisted of 29 observations (less than 50), the decision was primarily based on the Shapiro–Wilk test results. The decision criterion states that data are considered normally distributed when the significance value (Sig.) exceeds 0.05, whereas a significance value below 0.05 indicates that the data are not normally distributed.

Table 2. Normality Test

Variable	Kolmogorov-Smirnov Sig.	Shapiro-Wilk Sig.	Description
Initial return	0,080	0,093	Normal
SIZE	0,068	0,102	Normal
ROA	0,090	0,104	Normal
DER	0,094	0,100	Normal
AGE	0,200	0,087	Normal
REPUTATION	0,064	0,076	Normal

Source: Research data (2026)

Based on the results of the normality test using the Kolmogorov–Smirnov and Shapiro–Wilk methods, all research variables have significance values greater than 0.05. These results indicate that the data are normally distributed, meaning that the normality assumption of the regression model has been satisfied and the data are suitable for further multiple linear regression analysis.

b. Multicollinearity Test

The multicollinearity test was conducted to examine whether correlations exist among the independent variables in the regression model. The test was performed by evaluating the Tolerance and Variance Inflation Factor (VIF) values. The regression model is considered free from multicollinearity when the Tolerance value is greater than 0.10 and the VIF value is less than 10.

Table 3. Multicollinearity Test

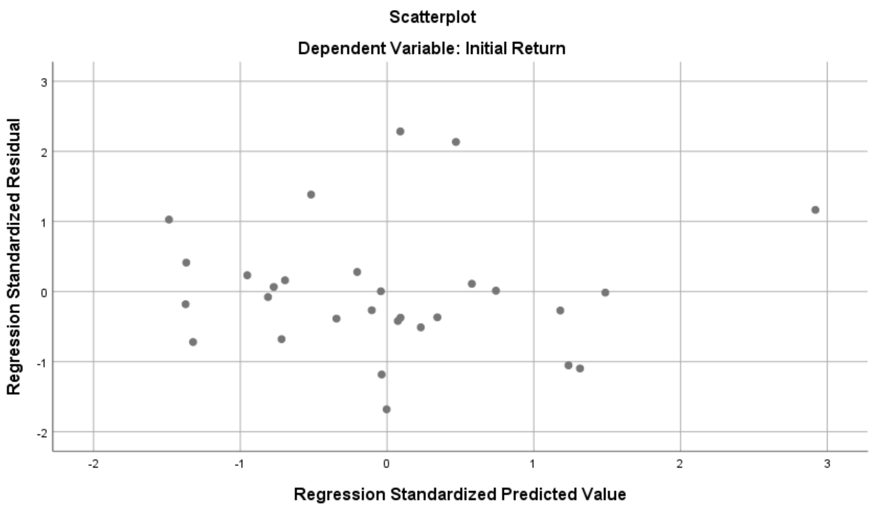
Variabel	Tolerance	VIF	Keterangan
(Constant)	–	–	No Evidence of Multicollinearity
SIZE	0,954	1,048	No Evidence of Multicollinearity
ROA	0,834	1,200	No Evidence of Multicollinearity
DER	0,894	1,118	No Evidence of Multicollinearity
UMUR	0,853	1,172	No Evidence of Multicollinearity
REPUTASI	0,848	1,180	No Evidence of Multicollinearity

Source: Research data (2026)

Based on the multicollinearity test results, all independent variables have Tolerance values greater than 0.10 and VIF values less than 10. These findings indicate that the regression model is free from multicollinearity, thereby satisfying one of the classical assumptions and confirming its suitability for further analysis.

c. Heteroscedasticity Test

The heteroscedasticity test was conducted by examining the scatterplot between the standardized predicted values (ZPRED) and the standardized residuals (ZRESID). The model is considered free from heteroscedasticity when the data points are randomly distributed above and below zero on the Y-axis and do not form a specific pattern.



Source: Research data (2026)

Figure 1. Heteroscedasticity Test

The heteroscedasticity test was conducted using a scatterplot to assess the homogeneity of residual variances in the regression model. The results show that the data points are randomly distributed above and below zero and do not form any specific pattern. Therefore, it can be concluded that the regression model does not exhibit heteroscedasticity and satisfies the homoscedasticity assumption.

3. Multiple Linear Regression Analysis

Multiple linear regression analysis was employed to estimate the regression coefficients and their significance levels in order to test the proposed hypotheses. The results of the multiple linear regression analysis are presented in the following table.

Table 4. Multiple Linear Regression Analysis

Variable	B (Unstandardized)	Std. Error	Beta (Standardized)	t value	Sig.
(Constant)	-0,618	1,434	–	-0,431	0,671
SIZE	0,021	0,051	0,080	0,408	0,687
ROA	-0,079	0,891	-0,018	-0,088	0,930
DER	0,243	0,147	0,334	1,652	0,112
AGE	0,012	0,012	0,208	1,003	0,326
REPUTATION	-0,054	0,270	-0,041	-0,199	0,844

Source: Research data (2026)

Based on the results of the multiple linear regression analysis, the following regression equation was obtained:

$$\textbf{\textit{Initial Return}} = -0.618 + 0.021\ SIZE - 0.079\ ROA + 0.243\ DER + 0.012\ AGE - 0.054\ REPUTATION.$$

The partial test results indicate that firm size (SIZE), profitability (ROA), leverage (DER), firm age (AGE), and underwriter reputation (REPUTATION) have significance values greater than 0.05. Therefore, none of the independent variables have a significant effect on initial return. Nevertheless, based on the standardized beta coefficients, leverage (DER) has the largest relative effect among the variables included in the research model.

4. Hypothesis Testing

a. t-Test (Partial Test)

The t-test was conducted to examine the individual effect of each independent variable on the dependent variable. In this study, the t-test was used to determine whether SIZE, ROA, DER, AGE, and REPUTATION significantly affect initial return. The decision criterion was based on the significance value (Sig.) at the 5% significance level. An independent variable is considered to have a significant effect on initial return if the significance value is less than 0.05, whereas a significance value greater than 0.05 indicates that the variable does not have a significant effect on initial return.

Table 5. t-Test (Partial Test)

Variable	B (Unstandardized)	Std. Error	Beta (Standardized)	t value	Sig.
(Constant)	-0,618	1,434	–	-0,431	0,671
SIZE	0,021	0,051	0,080	0,408	0,687
ROA	-0,079	0,891	-0,018	-0,088	0,930
DER	0,243	0,147	0,334	1,652	0,112
AGE	0,012	0,012	0,208	1,003	0,326
REPUTATION	-0,054	0,270	-0,041	-0,199	0,844

Source: Research data (2026)

Based on the results of the partial t-test, the significance values for firm size (SIZE), profitability (ROA), leverage (DER), firm age (AGE), and underwriter reputation (REPUTATION) are 0.687, 0.930, 0.112, 0.326, and 0.844, respectively, all of which exceed

0.05. These findings indicate that none of the independent variables have a significant effect on initial return. Therefore, all research hypotheses are rejected at the individual level.

b. F-Test (Simultaneous Test)

The F-test was conducted to examine the simultaneous effect of the independent variables on the dependent variable. In this study, the F-test was used to determine whether SIZE, ROA, DER, AGE, and REPUTATION jointly have a significant effect on initial return. The decision criterion was based on the significance value (Sig.) in the ANOVA table. A significance value of less than 0.05 indicates that the regression model is statistically significant and appropriate for further interpretation. The results of the simultaneous F-test are presented in the following table.

Table 6. F-Test (Simultaneous Test)

Source of Variation	Sum of Squares	df	Mean Square	F Value	Sig.
Regression	1,289	5	0,258	0,877	0,515
Residual	6,760	23	0,294	–	–
Total	8,049	28	–	–	–

Source: Research data (2026)

Based on the results of the F-test, the calculated F-value is 0.877 with a significance level of 0.515 (> 0.05). These results indicate that profitability (ROA), firm size (SIZE), leverage (DER), firm age (AGE), and underwriter reputation (REPUTATION) do not simultaneously have a significant effect on initial return. Therefore, the proposed hypothesis is rejected.

c. Coefficient of Determination (R^2)

The coefficient of determination (R^2) was used to measure the extent to which the independent variables explain the variation in the dependent variable within the regression model. The R Square value represents the proportion of variation in initial return explained by SIZE, ROA, DER, AGE, and REPUTATION. A higher R Square value indicates a greater explanatory power of the model. The results of the coefficient of determination test are presented in the following table.

Table 6. Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,400	0,160	-0,022	0,54214

Source: Research data (2026)

Based on the results of the coefficient of determination test, the R value is 0.400, indicating a low to moderate relationship between the independent variables and initial return. The R Square value of 0.160 indicates that profitability (ROA), firm size (SIZE), leverage (DER), firm age (AGE), and underwriter reputation (REPUTATION) explain only 16% of the variation in initial return, while the remaining 84% is explained by other factors outside the research model. Furthermore, the Adjusted R Square value of -0.022 suggests that the model has very limited explanatory power in predicting variations in initial return.

Discussion

1. Effect of Firm Size on Initial Return

Based on the research findings, firm size (SIZE) does not have a significant effect on initial return, as indicated by a significance value of 0.687 (>0.05). This result suggests that the size of a company has not been able to significantly influence the initial return of companies conducting IPOs. This finding contradicts the study of Fitria & Meidiaswati, (2024), which stated that firm size can affect initial return because larger companies tend to gain higher investor confidence, thereby increasing demand for shares on the first day of trading. Devega et al., (2025) stated that firm size reflects the scale of operations, business stability, and the company's ability to provide information to investors. Large companies generally have a higher level of information disclosure than smaller companies and are therefore expected to reduce information uncertainty (Achyar & Arif, 2024).

Nevertheless, the results of this study indicate that firm size does not significantly affect initial return. This suggests that investors do not solely consider firm size when making investment decisions during an IPO. Although larger companies generally possess stronger reputations and greater access to information, operational complexity may create uncertainty, causing investors to act cautiously and resulting in conservative stock price estimates (Meliza et al., 2025). According to Fahrudin et al., (2025), investors do not necessarily regard firm size as a significant indicator, particularly when the information presented in the prospectus is not convincing. This finding is consistent with the study of Komariah & Sabrina, (2022), which concluded that firm size does not affect initial return. Investors may focus more on other factors considered more relevant in influencing short-term profit potential after the shares begin trading in the secondary market (Harahap, 2024).

Therefore, firm size has not been proven to have a significant effect on initial return, and thus the hypothesis stating that firm size affects initial return is rejected.

2. Effect of Profitability on Initial Return

Based on the research findings, profitability does not have a significant effect on initial return, as indicated by a significance value of 0.930 (>0.05). This result suggests that the level of a company's profitability has not been able to significantly explain changes in initial return among consumer sector companies conducting Initial Public Offerings (IPOs) on the Indonesia Stock Exchange during the 2021–2024 period. This finding contradicts the study of Wulan & Syahzuni, (2023), which stated that profitability affects initial return because companies in this sector are able to utilize their assets to generate profits, thereby increasing investor interest. According to Haikal et al., (2025), profitability is one of the indicators that reflects a company's ability to generate earnings from its assets. Companies with high profitability levels are generally perceived as having strong financial performance and promising business prospects (Azahra & Sulistyowati, 2025). Such conditions should serve as a positive signal for investors when making investment decisions.

However, the results of this study indicate that profitability does not significantly affect initial return. This suggests that investors in the primary market do not consider profitability as a primary factor in making investment decisions during an IPO. This finding is consistent with the study of Morina & Rahim, (2020), which found that profitability does not affect initial return in companies conducting Initial Public Offerings (IPOs) on the Indonesia Stock Exchange because investors appear to pay little attention to the company's ROA level. According to Morina & Rahim, (2020), this occurs because investors place greater value on future earnings and therefore pay less attention to current profits. Investors may focus more on other factors, such as capital market conditions, investor sentiment, industry prospects, and the level of share demand during the initial public offering process (Sudirman & Sutrisno, 2026).

Therefore, the results of this study indicate that profitability has not been able to significantly explain variations in initial return, and thus the hypothesis stating that profitability affects initial return is rejected.

3. Effect of Leverage on Initial Return

The research findings indicate that leverage, as proxied by the Debt to Equity Ratio (DER), does not have a significant effect on initial return, as evidenced by a significance value of 0.112 (>0.05). This result suggests that the company's level of leverage has not been able to significantly explain variations in initial return. The findings of this study differ from those of Sianturi et al., (2026), who found that leverage has a significant effect on initial return, arguing that the optimal use of debt in a company's capital structure can enhance firm value and provide a positive signal to investors regarding the company's future prospects and performance.

According to Nurixmal et al., (2024), leverage reflects the level of a company’s financial risk arising from the use of debt. The higher the company’s leverage, the greater the risk that must be borne by investors. This condition may encourage companies to set IPO share prices at a lower level in order to attract investor interest.

However, the results of this study show that leverage does not significantly affect initial return. This finding indicates that investors do not consider the company’s debt level as a primary factor when making investment decisions during an IPO. This result is consistent with the study of Wulan & Syahzuni, (2023), which found that leverage has no effect on initial return because investors tend to pay less attention to leverage and focus more on future earnings. Market conditions and investor expectations regarding a company’s prospects are likely to play a more dominant role in influencing the formation of initial return than the company’s capital structure (Marpaung et al., 2026).

Therefore, leverage has not been proven to have a significant effect on initial return, and thus the hypothesis stating that leverage affects initial return is rejected.

4. Effect of Firm Age on Initial Return

Based on the research findings, firm age does not have a significant effect on initial return, as indicated by a significance value of 0.326 (>0.05). This result suggests that the length of time a company has been operating has not been able to significantly influence initial return. This finding is inconsistent with the study of Djaelani et al., (2022), which stated that firm age affects initial return because the longer a company has been operating, the lower the level of initial return received by investors, whereas younger companies tend to generate higher initial returns. Annisa, (2022) stated that firm age reflects a company’s experience in conducting business activities and its ability to survive in a competitive business environment. Companies that have been established for a longer period generally possess a clearer track record, which can reduce the level of uncertainty faced by investors (Mufida & Paramita, 2025).

However, the results of this study indicate that firm age does not significantly affect initial return. This suggests that investors do not solely consider a company’s age when making investment decisions during an IPO. This finding is consistent with the study of Khatimah & Khalid, (2024), which found that firm age has no effect on initial return. Investors may pay greater attention to a company’s current condition and future growth prospects rather than the length of time the company has been established (Maulina & Santoso, 2026).

Therefore, firm age has not been proven to have a significant effect on initial return, and thus the hypothesis stating that firm age affects initial return is rejected.

5. Effect of Underwriter Reputation on Initial Return

Based on the research findings, underwriter reputation does not have a significant effect on initial return, as indicated by a significance value of 0.844 (>0.05). This result suggests that the use of highly reputable underwriters has not been able to significantly influence initial return. This finding is contrary to the study of Nurixmal et al., (2024), which stated that underwriter reputation affects initial return. According to Sudirman & Sutrisno, (2026), highly reputable underwriters are considered to have better capabilities in determining IPO share prices more accurately and in reducing information asymmetry in the market. Therefore, companies that employ reputable underwriters are expected to have lower levels of underpricing (Susanti & Idayati, 2020).

Nevertheless, the results of this study indicate that underwriter reputation does not significantly affect initial return. This finding suggests that the reputation of the underwriter is not a primary factor considered by investors when evaluating IPO shares of consumer sector companies during the research period. This result is consistent with the study of Amelia & Adrianto, (2020), which found that underwriter reputation has no effect on initial return. In an efficient market, underwriter reputation tends to have no significant effect on initial return because stock prices in the secondary market already reflect the company's value based on information widely available to the public. Consequently, investors’ assessments do not solely depend on the reputation of the underwriter handling the initial public offering (Pratiwi & Linda, 2025).

Therefore, underwriter reputation has not been proven to have a significant effect on initial return, and thus the hypothesis stating that underwriter reputation affects initial return is rejected.

6. Simultaneous Effect of Firm Size, Profitability, Leverage, Firm Age, and Underwriter Reputation on Initial Return

Based on the results of the simultaneous test (F-test), it was found that firm size (SIZE), profitability (ROA), leverage (DER), firm age (AGE), and underwriter reputation (REPUTATION) collectively do not have a significant effect on initial return, with a significance value of 0.515 (>0.05). This result indicates that these five variables, taken together, have not been able to explain variations in initial return among companies conducting IPOs. This finding is consistent with the study of Prasetiyo & Widiatmoko (2019), which stated that profitability, firm size, leverage, firm age, and underwriter reputation do not have a significant effect on initial return. The similarity of these findings suggests that investors during IPOs do not solely consider the fundamental characteristics of companies and the reputation of parties involved in the share offering process, but also pay attention to other factors that better reflect market conditions and short-term profit potential.

However, the findings of this study are inconsistent with those of Astuti, (2017), who found that firm size, profitability, firm age, leverage, and underwriter reputation have the potential to influence initial return. These differences may be attributed to variations in the research period, sample characteristics, capital market conditions, and the sectors of the companies examined. Furthermore, market conditions during the 2021–2024 period, which were still influenced by economic recovery dynamics and shifts in investor sentiment following the pandemic, may have caused investors to focus more on growth prospects and market conditions rather than on companies' fundamental indicators. Therefore, firm size, profitability, leverage, firm age, and underwriter reputation were not able to significantly explain changes in initial return among consumer sector companies conducting IPOs on the Indonesia Stock Exchange during the 2021–2024 period.

The relatively low coefficient of determination indicates that there are still many other factors outside the research model that play a more dominant role in influencing initial return. These factors may include capital market conditions, investor sentiment, oversubscription levels, macroeconomic conditions, interest rates, inflation, industry conditions, and other external factors that were not included in this study.

The findings of this study indicate that initial return is a complex phenomenon that cannot be explained solely by profitability, firm size, leverage, firm age, and underwriter reputation. Therefore, the research model employed in this study still has limitations in comprehensively explaining variations in initial return.

Accordingly, future research is recommended to include other variables that are more relevant and directly related to the IPO phenomenon, such as oversubscription levels, auditor reputation, market conditions at the time of the IPO, and other macroeconomic variables, in order to improve the model's ability to explain initial return.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the data analysis and discussion that have been conducted, it can be concluded that profitability, firm size, leverage, firm age, and underwriter reputation do not have a significant effect on initial return in consumer sector companies conducting Initial Public Offerings (IPOs) on the Indonesia Stock Exchange during the 2021–2024 period. The simultaneous testing results also indicate that all of these variables do not have a significant effect on initial return, suggesting that the research model has not been able to optimally explain the variation in initial return. The coefficient of determination (R^2) value of 0.160 indicates that the research variables are only able to explain 16% of the variation in initial return, while the remaining 84% is influenced by other factors outside the research model.

This study has several limitations, including the relatively limited sample size of 29 companies, the research period covering only the years 2021–2024, and the use of independent variables limited to profitability, firm size, leverage, firm age, and underwriter reputation. Therefore, the phenomenon of initial return still requires further investigation by considering other factors, such as the level of oversubscription, capital market conditions, investor sentiment, auditor reputation, and macroeconomic conditions that may have a greater influence on initial return.

REFERENCES

Achyar, N. A., & Arif, A. (2024). Pengaruh Ukuran Perusahaan, Profitabilitas, Pertumbuhan Perusahaan, Dan Kepemilikan Saham Publik Terhadap Pengungkapan Corporate Social Responsibility (Studi Empiris Pada Perusahaan Food And Beverage Yang Terdaftar Di Bursa Efek Indonesia Tahun 2020-2022). *Jurnal Ilmiah Wahana Pendidikan*, *10*(21), 568–586.

Alfin, A., & Dillak, V. J. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Net Initial Return (Studi Empiris Pada Seluruh Perusahaan yang Melakukan Initial Public Offering (IPO) di Bursa Efek Indonesia (BEI) Periode 2016-2019). *E-Proceeding of Management*, *8*(5), 1–10.

Amelia, P., & Adrianto, F. (2020). Pengaruh Reputasi Underwriter, Underpricing, Financial Leverage dan Profitabilitas. *Jurnal Manajemen Strategi Dan Simulasi Bisnis (JMASSBI)*, *1*(1), 49–65.

Annisa, M. (2022). Pengaruh Ukuran, Umur Perusahaan, Dan Profitabilitas Terhadap Kemakmuran Pemegang Saham. *Jurnal Ilmu Dan Riset Akuntansi*, *11*(10), 1–18. https://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/download/4870/4873/

Astuti, R. T. (2017). Faktor-faktor yang mempengaruhi initial return pada saat ipo di bursa efek indonesia periode tahun 2006-2015. *Jurnal Ekonomi*, *22*(2), 209–231. https://doi.org/10.24912/je.v22i2.222

Azahra, R., & Sulistyowati, E. (2025). Pengaruh Profitabilitas Dan Kinerja Lingkungan Terhadap Nilai Perusahaan: Studi Pada Perusahaan Sub Sektor Food and Beverage. *Equilibrium : Jurnal Ilmiah Ekonomi, Manajemen Dan Akuntansi*, *14*(2), 545. https://doi.org/10.35906/equili.v14i2.2553

Bursa Efek Indonesia. (2018). PT Bursa Efek Indonesia. In *Idx*.

Cahyana, A. A. S. A., Jalil, M., & Suryani. (2025). Pengaruh Leverage, Reputasi Underwriter Dan Reputasi Auditor TerhadapUnderpricing Saham Pada Perusahaan Perdagangan, Jasa Dan InvestasiYang Melakukan Ipo Di Bei Tahun 2020-2022. *Jurnal Mahasiswa Ekonomi Bisnis JMEB*, *2*(3), 218–231.

Dakhi, S., Chandrayanti, T., & Yuli Ayu Putri, S. (2024). Pengaruh Return On Equity (Roe), Reputasi Underwriter, Financial Leverage Terhadap Undepricing Initial Public Offering (Studi Empiris Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia pada Tahun 2018-2020). *Ekasakti Pareso Jurnal Akuntansi*, *2*(3), 241–250. https://doi.org/10.31933/epja.v2i3.1100

Devega, L., Fauzi, N., Ihsan, H., Rafi, M., & Haslina, W. (2025). Pengaruh Pengungkapan Islamic Social Reporting, Kinerja Indeks Maqashid Syariah, Pertumbuhan Perusahaan, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Akuntansi Dan Manajemen*, *20*(2), 168–185. https://doi.org/10.30630/jam.v20i2.364

Dewi Lubis, P. K., Br Silalahi, H. H., Fitria Sinaga, A., Nidia Sapma, P., & Sitio, V. (2024). Pasar Modal Dan Pengaruhnya Terhadap Perekonomian Di Indonesia. *JAKA (Jurnal Akuntansi, Keuangan, Dan Auditing)*, *5*(1), 196–214. https://doi.org/10.56696/jaka.v5i1.10755

Didier, T., Levine, R., Llovet Montanes, R., & Schmukler, S. L. (2021). Capital market financing and firm growth. *Journal of International Money and Finance*, *118*, 102459. https://doi.org/https://doi.org/10.1016/j.jimonfin.2021.102459

Djaelani, Y., Zainuddin, & Muliati, M. (2022). Pengaruh Informasi Keuangan Dan Informasi Non Keuangan Terhadap Initial Return Di Bursa Efek Indonesia. *Accounting Profession Journal*, *4*(1). https://doi.org/10.35593/apaji.v4i1.38

Fahrudin, E., Yasa, G. W., Wirakusuma, M. G., & Putu, A. A. G. W. (2025). The influence of inflation and firm characteristics on IPO underpricing: The moderating role of underwriter reputation. *World Journal of Advanced Research and Reviews*, *27*(1), 2485–2499. https://doi.org/10.30574/wjarr.2025.27.1.2809

Fitria, N., & Meidiaswati, H. (2024). Peran Informasi Perusahaan dan Perhatian Investor terhadap Initial return Saham IPO di Pasar Modal Indonesia Periode 2021-2024. *Seminar Nasional Manajemen*, *11*(1), 131–144. https://proceeding.unesa.ac.id/index.php/senima/article/view/7577

Floretta, V. (2021). Analisis Pengaruh Reputasi Underwriter, Ukuran Perusahaan, Umur Perusahaan Dan Profitabilitas Terhadap Underpricing Saham Pada Perusahaan Yang Melakukan Initial Public Offering Di Bursa Efek Indonesia. *Bisma*, *5*(10), 2205–2216.

Haikal, M. F., Putri, H. F., Zahratunisa, N., Salsabila, D. P., Ferdian, P. R., Nurlaela Fitriyani, Kusnadi, M., Lanny Evita Tandayu, Alimah Yuliastuti, Mutia Angraeni, & Azzahro, W. R. (2025). Analisis Profitabilitas dalam Kinerja Keuangan dan Ukuran terhadap Nilai Perusahaan di PT. IBU (Indo Beras Unggul). *JUMBIWIRA : Jurnal Manajemen Bisnis Kewirausahaan*, *4*(1), 204–217. https://doi.org/10.56910/jumbiwira.v4i1.2076

Harahap, K. (2024). *Manajemen Investasi dan Portofolio 1*.

Khatimah, K., & Khalid, A. (2024). Pengaruh Informasi Keuangan dan Non Keuangan Terhadap Initial Return pada Perusahaan yang Melakukan IPO di Bursa Efek Indonesia pada Tahun 2019-2021. *Jurnal Pendidikan Ekonomi (JUPE)*, *12*(1), 51–60. https://doi.org/10.26740/jupe.v12n1.p51-60

Kim, J. C., Mazumder, S., & Saha, P. (2025). Environmental Risk Concern and Short-Term IPO Performance of Green Stocks During the COVID-19 Crisis Period. *Journal of Risk and Financial Management*, *18*(3), 1–27. https://doi.org/10.3390/jrfm18030157

Komariah, S., & Sabrina, A. D. (2022). Analisis profitabilitas dan ukuran perusahaan terhadap initial return pada perusahaan IPO di Bursa Efek Indonesia Periode 2017-2021. *Fair Value: Jurnal Ilmiah Akuntansi Dan Keuangan*, *5*(4), 1893–1900. https://doi.org/10.32670/fairvalue.v5i4.2592

Kurnia, A., Widaryanti, & Latifah, N. (2022). Faktor – Faktor Yang Mempengaruhi Initial Return (Studi Empiris Pada Perusahaan yang IPO di BEI Periode 2011-2020). *Jurnal Ilmiah Fokus Ekonomi, Manajemen, Bisnis & Akuntansi (EMBA)*, *1*(1), 96–104. https://doi.org/10.34152/emba.v1i1.450

Marpaung, M. N., Miranda, C., Simbolon, J., Raya, S., Kemala, P., & Lubis, D. (2026). *Pengaruh Kinerja Keuangan dan Regulasi e-IPO terhadap Underpricing Saham IPO di Bursa Efek Indonesia on Assets (ROA). Rasio ini menggambarkan kemampuan perusahaan menghasilkan laba dari*. *4*(April).

Maulina, I. D., & Santoso, S. (2026). Pengaruh Ukuran Perusahaan, Profitabilitas Dan Leverage Terhadap Nilai Perusahaan (Studi Empiris pada Perusahaan Manufaktur Subsektor Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Tahun 2021-2024). *GEMAH RIPAH: Jurnal Bisnis*, *5*(04), 938–949. https://doi.org/10.69957/grjb.v5i04.2649

Meliza, M., Sahabuddin, R., Anwar, A., Ramli, A., & Amin, A. M. (2025). Pengaruh Ukuran Perusahaan, Earning per Share dan Reputasi Underwriter terhadap Underpricing Saham pada Saat Initial Public Offering (IPO) di Bursa Efek Indonesia Tahun 2021-2023. *RIGGS: Journal of Artificial Intelligence and Digital Business*, *4*(3), 5034–5044.

https://doi.org/10.31004/riggs.v4i3.2734
Morina, T., & Rahim, R. (2020). Faktor-Faktor yang Mempengaruhi Initial Return Pada Initial Public Offering (IPO). *Menara Ilmu*, *14*(02), 146–157. https://jurnal.umsb.ac.id/index.php/menarailmu/article/view/1891
Mufida, A. R., & Paramita, S. (2025). Pengaruh profitabilitas, firm age, growth opportunities, dan business risk terhadap DER perusahaan sektor consumer cyclicals di BEI tahun 2021- 2023. *Jurnal Ilmu Manajemen*, *13*(4), 891–903. https://jurnal.um-palembang.ac.id/ilmu_manajemen/article/view/3252
Niko Saputra et al. (2023). Niko Saputra et.al 2023. *Jurnal Ilmiah Wahana Pendidikan*, *9*(6), 358–363.
Novita Sari, P. D., Widuri, T., & Muttaqien, Z. (2022). Pengaruh Profitabilitas, Solvabilitas, Likuiditas Terhadap Initial Return Pada Perusahaan Sektor Consumer Goods Periode 2017-2021. *Jurnal Ekonomi, Bisnis Dan Manajemen*, *1*(3), 143–149. https://doi.org/10.58192/ebismen.v1i3.57
Nurixmal, Indrawati, N., & Rofika. (2024). Pengaruh Manajemen Laba, Current Ratio, Dan Financial Leverage Terhadap Initial Return. *Jurnal Kajian Akuntansi Dan Auditing*, *20*(1), 38–47. www.idx.co.id
Prasetiyo, W. D., & Widiatmoko, J. (2019). Faktor-faktor yang mempengaruhi *initial return* pada perusahaan yang melakukan *Initial Public Offering* di Bursa Efek Indonesia periode 2015–2018. *Students' Journal of Accounting and Banking*, 8(1).
Pratiwi, A., & Linda, R. (2025). Pengaruh Informasi Keuangan Dan Informasi Non Keuangan Terhadap Initial Return Pada Perusahaan Yang Melakukan Initial Public Offering (Ipo) Di Bursa Efek Indonesia (BEI). *Jurnal Embistek*, *4*(1), 478–492.
Sartika. (2020). *Konsekuensi Sinyal Prospektus Perusahaan Terhadap Initial Return Pada Ipo Di Bursa Efek Indonesia*. Universitas Hasanuddin Makassar.
Sianturi, A., Gultom, R., & Sipayung, S. M. (2026). Peran Risiko Keuangan Mengintervening Leverage , Ukuran Perusahaan , dan Pertumbuhan Penjualan Terhadap Nilai Perusahaan Pada Sektor Food and Beverages. *Journal of Artificial Intelligence and Digital Business (RIGGS)*, *5*(1), 9854–9861.
Sudirman, M. D., & Sutrisno, M. A. (2026). Analisis Determinasi Underpricing Saham pada Saat Initial public offering (IPO) di Bursa Efek Indonesia Pendahuluan Tinjauan Pustaka Initial public offering (IPO). *Ekonomi Digital*, *5*(1), 19–36.
Susanti, H., & Idayati, F. (2020). Faktor-Faktor Yang Mempengaruhi Underpricing Saham Pada Penawaran Umum Perdana Di Bursa Efek Indonesia. *Jurnal Ilmu Dan Riset Akuntansi*, *9*(10), 1.
Wulan, F. V. M., & Syahzuni, B. A. (2023). Pengaruh Profitabilitas, Leverage, Dan Ukuran Perusahaan Terhadap Return Saham. *INNOVATIVE: Journal Of Social Science Research*, *3*(5), 3249–4246. https://doi.org/10.55606/optimal.v3i1.932