

Abstract

This study aims to obtain empirical evidence and analyze the underwriter's reputation, auditor reputation, financial leverage, and profitability against underpricing. The financial leverage ratio is proxied by the Debt to Equity Ratio (DER) while the profitability ratio is proxied by Return on Assets (ROA).

The population in this study were companies that conducted IPOs (Initial Public Offerings) on the Indonesia Stock Exchange in 2015-2019. The total sample used in this study were 129 companies with predetermined criteria. Data analysis was performed using multiple linear regression analysis.

The results of the analysis of this study indicate that the underwriter reputation and auditor reputation variable has a significant negative effect on underpricing, while the financial leverage and profitability variables have no effect on underpricing.

Keywords: underpricing, underwriter reputation, auditor reputation, financial leverage, profitability.