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THE COMPANY'S FINANCIAL PERFORMANCE PRE AND POST IPO ON THE INDONESIA STOCK EXCHANGE

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Abstract: An initial public offering (IPO) decision always had financial, accounting, and operational ramifications for the company. After an IPO, however, a company's performance typically declined, whereas there should have been an improvement in the company's performance when it went public. Good corporate performance could also be reflected in the company's financial performance. The purpose of this study was to compare the financial performance of companies before and after their initial public offerings (IPO). The research sample consisted of 31 companies that had an initial public offering in 2019, with financial reporting data from three years prior to the IPO and three years after the IPO. The methods of analysis employed were descriptive analysis and the Wilcoxon Signed Rank Test. After an initial public offering, the overall financial ratios examined in the study varied significantly. After their IPOs, the companies' performance declined (Return On Asset (ROA), Return on Equity (ROE), Debt to Assets Ratio (DAR), Debt To Equity Ratio (DER), Total Assets Turnover (TATO), and GR). After an IPO, only the CR grew in value.

Keywords: financial performance, go public, Initial Public Offering (IPO), stock market, wilcoxon signed rank test

Abstrak: *Keputusan untuk IPO selalu memiliki implikasi keuangan, akuntansi dan operasional bagi perusahaan. Namun, sering kali terjadi penurunan kinerja perusahaan setelah melakukan IPO. Dimana seharusnya terjadi peningkatan kinerja perusahaan ketika perusahaan melakukan IPO. Kinerja perusahaan yang baik juga dapat tercermin dalam kinerja keuangan perusahaan itu sendiri. Penelitian ini bertujuan untuk menganalisis perbedaan kinerja keuangan perusahaan sebelum dan setelah IPO. Sampel penelitian yang digunakan merupakan 31 perusahaan yang IPO pada tahun 2019 dengan data laporan keuangan 3 tahun sebelum dan 3 tahun setelah IPO. Metode analisis yang digunakan yaitu dengan analisis deskriptif dan Wilcoxon Signed Rank Test. Penelitian ini menemukan bahwa terdapat perbedaan yang signifikan pada seluruh rasio keuangan yang diteliti setelah melakukan IPO. Perusahaan mengalami penurunan kinerja (Return On Asset (ROA), Return on Equity (ROE), Debt to Assets Ratio (DAR), Debt To Equity Ratio (DER), Total Assets Turnover (TATO), and GR) setelah melakukan IPO. Hanya nilai CR yang mengalami peningkatan setelah melakukan IPO.*

Kata kunci: *kinerja keuangan, go public, Initial Public Offering (IPO), pasar saham, wilcoxon signed rank test*

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INTRODUCTION

The rapid development of technology and the expansion of the economy are driving the company to maintain its long-term business viability. Funding is one method by which businesses can survive. According to Chalarat (2018), capital requirements can be met through a variety of means, including the issuance of shares. Together with the government, the Indonesia Stock Exchange (IDX) continues to encourage companies to list on the capital market via an initial public offering (IPO). An IPO is considered the first significant stage in a company's evolution. The company's decision to expand its business through an IPO is based on both financial and non-financial considerations (Hoechle et al. 2017). Regardless of the motivation, a company's decision to go public always has financial, accounting, and operational consequences (Babu & Dsouza, 2021). IDX serves as a vital intermediary between investors or entities with surplus funds and entrepreneurs or parties in need of capital in the contemporary business environment. As of June 2023, the total number of companies that were registered on the IDX was 867 (IDX, 2023). The IDX with the government, continues to encourage companies to list their companies as public companies through an initial public offering (IPO) on the capital market. This is demonstrated by the Financial Sector Development and Strengthening Act (UU P2SK), which has a huge influence on the financial sector, including the capital markets, where strengthening governance and increasing public confidence are two of the main objectives of this law (Kemenkeu, 2022).

Figure 1 illustrates the fluctuating number of IPOs registered with the IDX over the past decade. The highest number of IPOs was 59 companies in 2022, while the lowest was 15 companies in 2016. A significant increase over the previous five years indicates that the company's desire to conduct an IPO is quite strong. It demonstrates that many businesses require additional funding from the community.

A company may decide to go public through an IPO due to an individual's investment appeal, believing that the post-IPO phase will bring about long-term advantages like enhanced business performance, owned capital, profits, and quality (Ferdila & Martina, 2022). Part of the reason why investors think about buying stocks is how they will perform. A company's financial performance can be inferred from a number of ratios, such as growth ratios (Husaini & Efendi et al., 2017), profitability ratios (Akbar & Ediwarman, 2022), liquidity ratios, solvency ratios, and corporate activity ratios (Dintha & Supriatna, 2019). On the other hand, a company's financial performance usually declines after an IPO. The proceeds from the initial public offering should lead to an enhancement in the company's performance. Many researches showing that a company's performance decreased following an IPO include Ahmed (2021) in Bangladesh, Long et al. (2021) in China, Rathnayake et al. (2022) in Colombo, and Mehdar & Saci (2021) in Saudi Arabia.

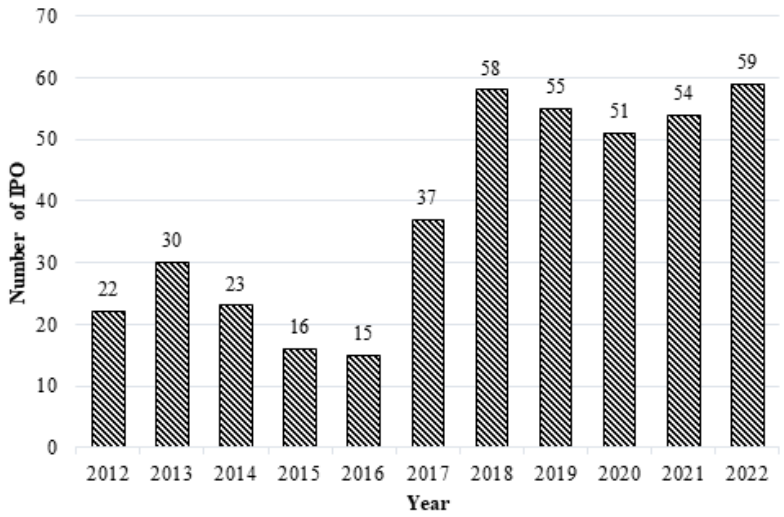

Figure 1. Number of companies IPO 2012-2022 (KSEI, 2023)

Based on the literature, the researchers hypothesize that there was a significant difference between the company's performance before and after the IPO at IDX. It's interesting to assess the company's operational performance following an IPO because there is consistent evidence in the capital markets that companies frequently use earning management practices in the pre-public period.

The research focuses on the analysis of the financial performance of companies before and after the IPO. The research is directed at companies that have undertaken an IPO in 2019. It is intended that the research objects have financial performance report data for the three years prior to and three years after the IPO. This research is expected to be a matter of consideration for investors in determining the right investment strategy for IPO companies.

METHODS

The research was conducted in January - April 2023 using company's financial statements data from three years before (2016-2018) and after the IPO (2019-2021). Data on the company's financial statements before and after the IPO is obtained from the IDX website uploaded by the company. The subjects of the study were companies that made an IPO at IDX in 2019 that met a number of specific criteria. Sample determination in this study uses one of the non-probability sampling methods, namely purposive sampling. Some criteria for sampling can be seen in Table 1.

Due to the non-parametric and non-normal distribution of the data, the Wilcoxon Signed Rank Test was used. The Wilcoxon-signed rank test aims to determine the significance of differences in the financial performance of companies doing IPOs in the IDX in 2019. The test is conducted to compare each ratio as an indicator of changes in financial performance after the IPO. Wilcoxon signed a rank test, which not only identifies the direction of the difference but also the big difference before and after the IPO. For data processing, applications such as IBM SPSS 27, Eviews 12, and Microsoft Excel are utilized. The variables used in the research include several financial ratios with different proxy values. These variables can be seen in Table 2.

Businesses that go public through an IPO receive more funding, which is assumed to have a positive impact on the profitability of the company that is projected using ROA and ROE. The company is expected to have smaller DAR and DERs after the IPOs or to tend to decrease as the share of its own capital, equity, and assets increases compared to the total debt. This has an impact on the increasing debt collateral. This should have a beneficial effect on the company's liquidity ratio, which is determined by employing the CR ratio in this study. The amount that each asset contributes to generating sales is shown by activity ratio. Because the corporation can already use the assets to increase sales, which influence income, TATO has an influence on changes in the company's profitability. The faster the asset turnover rate, the more profits generated. The ability of a business to hold onto its position in the market and in economic development overall is gauged by a growth ratio. Sales growth from marketing-related factors, operating profit growth, net profit growth, and capital expansion for the business are all indicators of growth.

Table 1. Research Sampling Procedure

Description	Number of Companies	Total Data
Companies that made an IPO in 2019	55	330
Banking sub-sector companies	(0)	(0)
Companies that do not have complete financial statements in 2016-2021	(12)	(72)
Companies that are relisting or delisting and undertake mergers, acquisitions or other business changes during the period 2019-2021	(0)	(0)
Outlier data	(12)	(72)
Research Data	31	186

A public company that has good corporate performance is the expectation of many investors because invested in stock market needs to be held accountably. Financial performance is the most important determining factor in judging whether a company becomes better or not at the time the company decides to go public. Therefore, corporate financial performance is the first priority in the research framework. Researchers gather data on the financial performance of each company to formulate the ratio value that becomes the research variable. The study samples are selected according to the procedure described in Table 1. To determine the data spread, a normality test is performed, so the most accurate test is the Wilcoxon signed rank test. The results are obtained from different tests, which are then used to formulate the most precise managerial implications. In detail, the framework is contained in Figure 2.

Hypothesis

H_1: There is a significant positive difference in the ROA before and after the IPO

H_2: There is a significant positive difference in the ROE before and after the IPO

H_3: There is a significant negative difference in the DAR before and after the IPO

H_4: There is a significant negative difference in the DER before and after the IPO

H_5: There is a significant positive difference in the CR before and after the IPO

H_6: There is a significant positive difference in the TATO before and after the IPO

H_7: There is a significant positive difference in the GR before and after the IPO

Table 2. Research Variable

Variable Type	Data	Formula
Profitability	Return on Assets (ROA)	ROA = (Profit After Tax/Total Asset) × 100
	Return on Equity (ROE)	ROE = (Profit After Tax/Total Equity) × 100
Solvency	Debt to Asset Ratio (DAR)	DAR = (Total Debt/Total Asset) × 100
	Debt to Equity Ratio (DER)	DER = (Total Debt/Total Equity) × 100
Liquidity	Current Ratio (CR)	CR = (Current Asset/Hutang liabilities) × 100
Company Activities	Total Assets Turn Over (TATO)	TATO = (Sales/Total Assets) × 100
Growth	Growth Ratio (GR)	GR = ((Total Asset$_t$ - Total Asset$_{t-1}$)/(Total Asset$_{t-1}$)) × 100

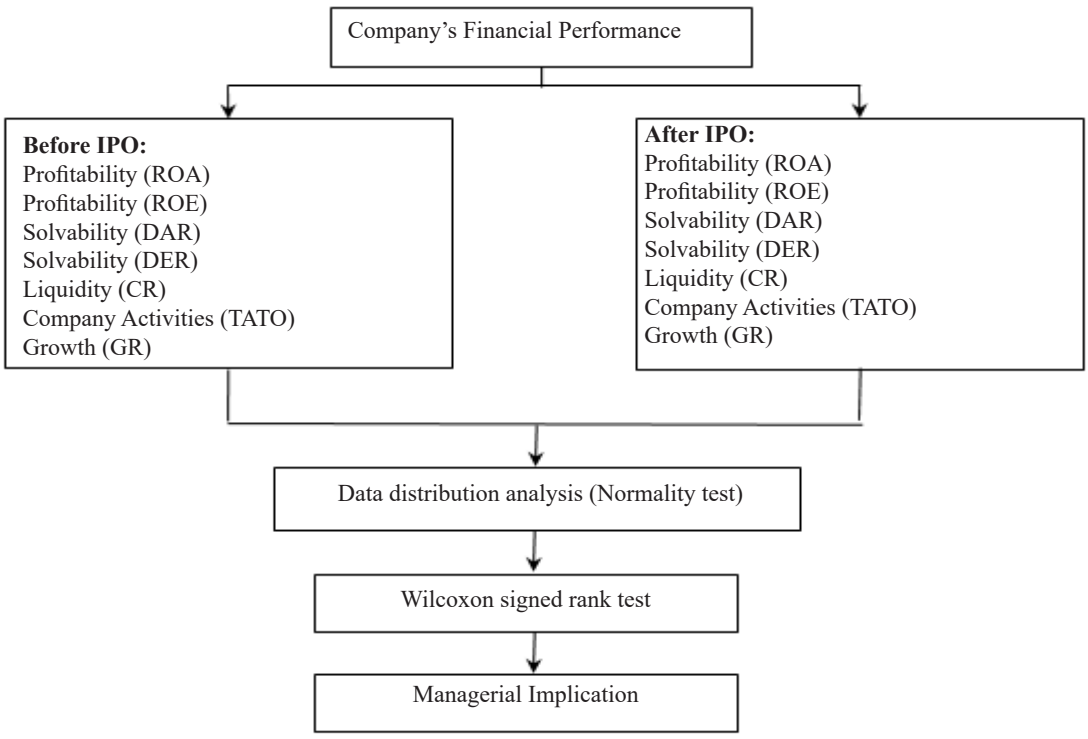

Figure 2. Conceptual framework

RESULTS

Descriptive Statistic

The results of a descriptive statistical analysis of 31 companies that conducted IPOs in 2019 using financial report data from 2016 to 2018 and from 2019 to 2021 before and after the IPOs. Using ROA and ROE values, the profitability ratio is determined. Before an IPO, the range of ROA values between minimum (-1.358) and maximum (3.850) is relatively greater than afterward (-0.107 to 0.120). Before the IPO, the standard deviation was 1.100 and after it was 0.053, indicating that the ROA deviated from the mean by 1.100 before and 0.053 after the IPOs. After an IPO, the average ROA falls from 0.539 to 0.006. The average ROA has decreased because the proportion of profits generated by the company is less than the proportion of total assets owned by the company. Similar to ROA values, pre-IPO ROE values have a fairly broad minimum (-2.592) and maximum (3.850) range, as do post-IPO values (-0.107 to 0.120). The ROE deviates from the average of 3.749 prior to the IPO and 0.192 after the IPO, as indicated by the ROE deviation values of 3.749 prior to the IPO and 0.192 after the IPO. After the IPO, the average ROE decreased from 1.490 to -0.016. This is due to the fact that the percentage of profits generated by the company is less than the percentage of total equity that the company possesses.

Using DAR and DER values, solvency ratios are measured. Before an IPO, the DAR values in Table 3 have a greater minimum (0.178) and maximum (2.537) range than afterward (0.084 to 0.821). After an IPO, the DAR average has decreased from 0.674 to 0.404. Before the IPO, the standard deviation was 0.406 and after it was 0.200, indicating that the value of DAR deviated from the average by 0.406 and 0.200, respectively. The average decline is due to the fact that the proportion of the company's total debt is decreasing while the proportion of its total assets is rising. In accordance with the DAR values, the DER values prior to the IPO have a minimum range of -14.417 and a maximum range of 16.090 that are relatively broad compared to the DER values after the IPO, which range from 0.090 to 7.000. Before the IPO, the standard deviation was 4.651 and after it was 1.331, indicating that the DER deviates from the mean of 4.651 before and 1.331 after the IPO. The average value of the DER decreased as well, as the average value of the DER prior to the IPO (1.904) was greater than the average value after the IPO (1.008). After an IPO, the average decline is caused by a smaller proportion of total debt than of total equity.

In contrast to the previous ratio, the liquidity ratio as measured by CR improved following an IPO. This is evident by the fact that the average value of CR prior to the IPO (1.317) is greater than its value following the IPO (2.033). Before the IPO, the standard deviation was 1.193 and after it was 1.429, indicating that the CR deviated from the average of 1.193 before and 1.429 after the IPO. The increase in CR following an IPO is attributable to a greater proportion of increases in the company's liquid assets than increases in its short-term debt. Before the IPO, the CR values ranged from 0.224 to 6.109, and after the IPO, from 0.197 to 6.853.

Tabel 3. Descriptive Statistics

Descriptive Statistics					
	N	Mean	Std. Deviation	Minimum	Maximum
ROA before IPO	31	0.539	1.100	-1.358	3.850
ROA after IPO	31	0.006	0.053	-0.107	0.120
ROE before IPO	31	1.490	3.749	-2.592	17.503
ROE after IPO	31	-0.016	0.192	-0.916	0.205
DAR before IPO	31	0.674	0.406	0.178	2.537
DAR after IPO	31	0.404	0.200	0.084	0.821
DER before IPO	31	1.904	4.651	-14.417	16.090
DER after IPO	31	1.008	1.331	0.090	7.000
CR before IPO	31	1.317	1.193	0.224	6.109
CR after IPO	31	2.033	1.429	0.197	6.853
TATO before IPO	31	0.691	0.571	0.075	2.697
TATO after IPO	31	0.683	0.751	0.015	3.080
GR before IPO	31	2.203	9.573	-0.110	53.652
GR after IPO	31	0.139	0.232	-0.123	1.137

Before and after the IPO, the ratio of company activity as measured by the TATO ratio declines from 0.691 to 0.683, a decline that is not significantly different on average. Before the IPO, the standard deviation value was 2.697 and after it was 3.080, indicating that the TATO value deviates from the average of 2.697 before and 3.080 after the IPO. The data range of TATO values before and after the IPO was between 0.571 and 0.751 before the IPO and between 0.571 and 0.751 after the IPO. The decline in TATO's average value is attributable to a decline in the effectiveness of the company's management in managing its increased assets following an IPO.

Before and after the IPO, the average growth ratio as measured by the GR value has decreased from 2.203 to 0.139. Before the IPO, the standard deviation was 9.573 and after the IPOs it was 1.056, indicating that the GR deviated from the average of 9.573, which was the largest standard deviation among all ratio values examined, and 1.056 after the IPOs. The range of GR values prior to and after the IPO is also expansive: -0.110 to 53.652 pre-IPO and -0.123 to 1.137 post-IPO.

Normality Test

The Shapiro-Wilk normality test was performed prior to the hypothesis test to determine which of the paired sample t-test and Wilcoxon signed rank tests was most appropriate. If both data pairs before and after the IPO have normal distributions, then the paired sample t-test is utilized. Alternatively, if both data pairs before and after the IPO are not normally distributed, the Wilcoxon signed rank test is utilised.

Based on a normality test of 31 companies that completed IPOs in 2019 using financial reporting data before IPOs (2016–2018) and after IPOs (2019–2021), Table 4 demonstrates that none of the variables in pairs before and after IPOs have normally distributed data. The fact that the significance value is less than 0.05 indicates that the variable data in this study do not satisfy the normality assumption. From the results of the normality test, it can be concluded that the Wilcoxon signed rank test is the most accurate hypothesis test.

Wilcoxon Signed Ranks Test

Wilcoxon Signed Rank Test results utilising company data before and after the IPO demonstrated statistically significant differences for each ratio. The Wilcoxon signed rank test provides information regarding the number of processed data values.

Table 4. Normality test

	Statistic	df	Sig.	Interpretation
ROA before IPO	0.740	31	0.000	Non Parametric
ROA after IPO	0.961	31	0.301	Parametric
ROE before IPO	0.652	31	0.000	Non Parametric
ROE after IPO	0.632	31	0.000	Non Parametric
DAR before IPO	0.686	31	0.000	Non Parametric
DAR after IPO	0.957	31	0.246	Parametric
DER before IPO	0.791	31	0.000	Non Parametric
DER after IPO	0.587	31	0.000	Non Parametric
CR before IPO	0.715	31	0.000	Non Parametric
CR after IPO	0.831	31	0.000	Non Parametric
TATO before IPO	0.867	31	0.001	Non Parametric
TATO after IPO	0.784	31	0.000	Non Parametric
GR before IPO	0.221	31	0.000	Non Parametric
GR after IPO	0.674	31	0.000	Non Parametric

The difference in the profitability of companies before and after the IPO

In Table 5, negative rank values for the profitability ratios measured by ROA (X1) and ROE (X2) have the same value of 21, indicating that as many as 21 out of 31 companies have experienced a decline in ROA and ROE after their IPO. The same positive rank is 10, which indicates that as many as 10 of the 31 samples of companies have improved after the IPO, as well as a tie value of 0, which indicates that no company's ROA and ROE have changed after the IPO. In Table 6, the profitability ratio to the ROA value shows the Asymp value. Sig. (2-tailed) of 0.01 which is smaller than 0.05. This indicates that $H1_a$ is accepted, so it can be demonstrated that the company's performance before and after the IPO differs significantly, as measured by the profitability ratio based on the ROA value.In addition to the ROA value, testing the profitability ratio using the ROE value reveals an Asymp. Sig. (2-tailed) value of 0.01 that is less than 0.05. It can be concluded that $H1_b$ is approved, so it can be demonstrated that the performance of the company before and after the IPO differs significantly based on the ratio of profitability measured by ROE.

Contrary to the findings of Wirajunayasa & Asri (2017) and Fittriana et al. (2019), the profitability ratio decreased three years after an IPO. This is due to the company's inability to maximise its assets for profit. According to Chumaidi et al. (2019), the decrease in ROE after the IPO is attributable to a less efficient use of existing capital to generate profits than before the IPO. In addition, the presence of COVID-19 in 2020–2021 has reduced the purchasing power of the population, paralleling the decline in corporate profits.

Table 5. Wilcoxon Signed Ranks Test Result

		N	Mean Rank	Sum of Ranks
X1_POST - X1_PRE	Negative Ranks	21	18.1	380
	Positive Ranks	10	11.6	116
	Ties	0		
	Total	31		
X2_POST - X2_PRE	Negative Ranks	21	18.1	380
	Positive Ranks	10	11.6	116
	Ties	0		
	Total	31		
X3_POST - X3_PRE	Negative Ranks	28	16.11	451
	Positive Ranks	3	15	45
	Ties	0		
	Total	31		
X4_POST - X4_PRE	Negative Ranks	25	15.3	382.5
	Positive Ranks	6	18.92	113.5
	Ties	0		
	Total	31		
X5_POST - X5_PRE	Negative Ranks	7	12.57	88
	Positive Ranks	24	17	408
	Ties	0		
	Total	31		
X6_POST - X6_PRE	Negative Ranks	23	15.87	365
	Positive Ranks	8	16.38	131
	Ties	0		
	Total	31		
X7_POST - X7_PRE	Negative Ranks	25	18.12	453
	Positive Ranks	6	7.17	43
	Ties	0		
	Total	31		

The difference in the solvency of companies before and after the IPO

Table 5 displays negative rank values for the solvency ratio measured using DAR (X3) and DER (X4) with values of 28 and 25, respectively. This number indicates that between 28 and 25 of the 31 companies experienced a decline following their IPO. Next, a positive rank of 3 and 6, indicating that between 3 and 6 of the 31 samples of companies had improved after the IPO, and a tie value of 0 indicating that no company had not experienced changes in the DAR and DER values after the IPO. In Table 6, the ratio of solvency to DAR indicates that the Asymp Sig. (2-tailed) value of 0.000 is less than 0.05. This indicates that H1c is accepted, so it is possible to demonstrate that the performance of the company as measured by the solvency ratio and DAR values before and after the IPO differ significantly. In addition to the DAR value, testing the solvency ratio with the DER value demonstrates that the asymptotic sig. (2-tailed) value of 0.008 is less than 0.05. It can be concluded that H1d is accepted, so it can be demonstrated that the company's performance before and after the IPO differs significantly based on the solvency ratio and DER value measurements.

This study's findings are consistent with those of Yusmaniarti et al. (2020), Sari & Saparila (2020), and Suryantari & Gerianta (2018), who found a significant decrease in the solvency ratio following an initial public offering. The decrease in the solvency ratio indicates that companies are able to meet their short-term obligations more frequently. Following the IPO, the company restructured its debt to meet its financial obligations, and it also maximised its assets to generate profits in order to meet its liabilities.

The difference in the liquidity of companies before and after the IPO

In contrast to the previous ratio, Table 5's liquidity ratio measured using CR (X5) has a negative rank value of 7, with a total positive rank of 24. It indicates that a greater proportion of companies experience increased CR after their IPO. The ratio of liquidity to the CR value in Table 6 has an asymptotic Sig. (2-tailed) value of 0.002, which is less than 0.05. This indicates that H1e is accepted, so it is possible to demonstrate that the company's performance before and after the IPO differs significantly based on the liquidity ratio measured at the CR value. The findings of this study are consistent with those of Dintha and Supriatna (2019), who found that the value of CR increased after the IPO. The findings of Khatami et al. (2017), which showed that CR values underwent quite significant variations following the IPO, support this. The increase in the value of CR indicates an increase in asset value that is inconsistent with the smooth decline in debt resulting from the debt restructuring performed after the initial public offering. According to Arfandi & Salma (2018), in an imperfect credit market, businessmen cannot borrow, so corporations must sell a portion of their shares through an initial public offering (IPO) in order to increase liquidity. According to Hanbing et al. (2019), an IPO can increase a company's liquidity, making it a cost-effective alternative to seeking business partners for companies seeking to increase their liquidity.

The difference in the company activities before and after the IPO

The ratio of company activity as measured by TATO revealed a negative ranking for 23 companies and a positive ranking for 8 companies. These results indicate an increase in the number of companies experiencing TATO's decline following an IPO. Additionally, Table 6 reveals that the asymptotic Sig. (2-tailed) value is 0.022, which is less than 0.05. This indicates that H1f is accepted, so it can be demonstrated that the company's performance before and after the IPO differs significantly based on the ratio of company activity to measurements of TATO values. According to Husain and Elvia's (2020) research, there was a significant difference between TATO before and after the 2018 IPO in manufacturing companies and the service sector. These findings are consistent with their findings. Even though there is not a significant decline between the average value before and after the IPO, this indicates that the company can not sustain its sales rates after the IPO. After the IPO, the company's use of its assets has been deemed inefficient. This indicates that the management is unable to monetize the company's assets, resulting in flat sales after the IPO. The higher the TATO value, the greater the company's ability to generate a profit, which will increase the profitability ratio's value.

Tabel 6. Wilcoxon signed ranks test result

	Z	Asymp. Sig. (2-tailed)	
ROA	-2.587a	0.010	Significant
ROE	-2.587a	0.010	Significant
DAR	-3.978a	0.000	Significant
DER	-2.636a	0.008	Significant
CR	-3.135b	0.002	Significant
TATO	-2.293a	0.022	Significant
GR	-4.017a	0.000	Significant

Note: a. Based on positive ranks; b. Based on negative ranks

The difference in the growth ratio before and after the IPO

The growth ratio calculated using GR reveals as many as 25 companies with negative ranks and 6 companies with positive ranks. It can be concluded that after an IPO, the value of GR has decreased for a greater number of companies. In addition, the test results in Table 6 reveal an Asymptotic Sig. (2-tailed) of 0.000, which is less than 0.05. This indicates that H1g is accepted, so it is possible to demonstrate that the company's performance before and after the IPO differs significantly based on the growth ratio measured at the GR value. This research contradicts the findings of Husaini & Efendi (2021) and Dintha & Supriatna (2019), who concluded that there was no significant difference in the growth ratio of companies following their IPO.The significant decline in GR was caused by the company's debt restructuring in the first three years using assets acquired after its IPO. This is consistent with a decline in the profitability ratio, which indicates a decline in business profit due to the inefficient use of post-IPO capital that was redirected to meet the company's short-term debt obligations.

Managerial Implications

According to research findings, a company's performance prior to its IPO does not guarantee its performance in the three years following the IPO. This is reflected in research findings that indicate a decline in the financial performance of the company. After the IPO, the decline in ROA, ROE, DAR, DER, TATO, and GR and the significant increase in CR indicated that the company's debt had been restructured. In this situation, investors should avoid companies that restructure debt using capital acquired at the time of the IPO without the ability to increase activity or profits. In addition, an IPO is not the only method for companies to enhance their performance. This is evidenced by the findings of the study: only ten out of thirty-one companies experienced an increase in profits in the three years following their IPO. Prior to an IPO, a company is expected to reduce its debt so that the proceeds can be used for expansion and profit growth. In light of the considerable decline in financial performance in the three years following an IPO, the IDX and OJK must monitor the use of IPO funds to ensure that they are not utilized solely for the repayment of corporate debt.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The performance of 31 companies that conducted an IPO in 2019 differed significantly before and after the IPO, according to an analysis of various trials. After the company's IPO, the profitability (ROA and ROE), solvency (DAR and DER), company activity (TATO), and growth (GR) ratios experienced a significant decline in the first three years. In contrast to the liquidity ratio (CR), which has improved significantly after an IPO, the profitability ratio (PR) has not. The significant decline after an IPO was the result of the company's ongoing asset management adjustment phase. Consequently, a brief period of observation is insufficient to characterize the company's overall performance. The company has also been unable to achieve a significant profit increase.

Recommendations

This study is that prior to using statistical analysis to support an IPO, it is necessary to conduct more in-depth research over a longer period of time on good corporate financial criteria. In addition, sector- and index-specific analyses are possible. An analysis of the influence of external factors such as COVID-19 is needed. This is

because COVID-19 can be another factor that causes significant differences in the company's performance before and after the IPO.

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