

JURNAL ILMIAH MANAJEMEN BISNIS DAN INOVASI
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ANALYZING FINANCIAL PERFORMANCE OF STOCKS LISTED IN IDX
(A PRE AND POST IPO OF ASTRA INTERNATIONAL, TBK.)

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Abstract. The aim of this research is about review whether the IPO (Initial Public Offering) influence significantly to Astra International or not by analyzing the differences of Pre and Post IPO in period 3 years ago and after. Furthermore to accomplish this research, better to describe detail about the company and analyze the financial performance by using financial performance ratio such as such as current ratio, acid-test ratio, average collection period, account receivable turnover ratio, inventory turnover, return on assets, Operating income return on investment (OIROI), operating profit margin, net profit margin, total asset turnover, fixed assets turnover, debt ratio, times interest earned, and return on common equity, current ratio, acid-test ratio, average collection period, account receivable turnover ratio, inventory turnover, return on assets, Operating income return on investment (OIROI), operating profit margin, net profit margin, total asset turnover, fixed assets turnover, debt ratio, times interest earned, and return on common equity.

Abstrak. Tujuan dari penelitian ini adalah untuk mengkaji apakah IPO (Initial Public Offering) berpengaruh signifikan terhadap Astra International atau tidak dengan menganalisis perbedaan Pre dan Post IPO periode 3 tahun yang lalu dan sesudahnya. Selanjutnya untuk menyelesaikan penelitian ini, sebaiknya menggambarkan secara detail tentang perusahaan dan menganalisis kinerja keuangan dengan menggunakan rasio kinerja keuangan seperti rasio lancar, rasio uji asam, periode penagihan rata-rata, rasio perputaran piutang, perputaran persediaan, pengembalian aset. Pengembalian pendapatan operasional atas investasi (OIROI), margin laba operasi, margin laba bersih, perputaran total aset, perputaran aset tetap, rasio utang, kali bunga diperoleh, dan pengembalian ekuitas bersama, rasio lancar, rasio uji asam, periode penagihan rata-rata, rasio perputaran piutang, perputaran persediaan, laba atas aset, Laba operasi pengembalian investasi (OIROI), margin laba operasi, margin laba bersih, perputaran total aset, perputaran aset tetap, rasio utang, kali bunga yang diperoleh, dan pengembalian ekuitas bersama. Sampel dalam penelitian ini adalah penelitian ini adalah tahun-tahun data konsolidasi keuangan yaitu 3 tahun sebelum dan 3 tahun sesudahnya. Itu berarti ukuran sampel pada tahun 1987-1993.

INTRODUCTION

In 2008, there is a fact like a problem about Global Economy. The fact was about global crisis and is followed by company's trouble like a bankruptcy. These phenomenon were enough disturbing national economy. It cause, it should have affected to nation financial stability. That was involved economy sector such as banking and also companies that is already going public. Company is consist of manufacture and merchandise company. Both of giving big contribute to the national economy. Actually, It is the point of good governance. Phenomenon of financial difficulties among public companies listed in the Indonesian Stock Exchange (IDX) had been occurred in line with the oil price shock in 2005 and sub-prime mortgage crisis in 2008. These two different cases lead corporate financial distress of the public companies in Indonesia.

When a company going public and or listed in IDX, the investors will be easy to analyze the risk of the stock and being consideration in order to make a decision (Kim et al, 1995). The under pricing of initial public offerings has been the focus of a large theoretical and empirical literature. An increase from the offer price to the first day closing price was documented by Stoll and Curley (1970), Reilly (1973) and Ibbotson (1975). Numerous studies have subsequently examined the magnitude of the under pricing and found that it is statistically significant. The most prominent explanations for the under pricing are based on asymmetric information. A variety of forms of information asymmetry have been studied theoretically and empirically. *An interesting initial public offering ("IPO") transaction occurs when a company that has been the object of a leverage buyout ("LBO") later reverts back to public ownership through an IPO.*

Astra International, is one of manufacture company that is going public since April, 14th 1990. There are some changes happen after Astra going public. Whether analyzed by financial statement and also the company growth. The relationship between IPO and value of Go-public manufacturer, both of term are similar because consider from the similar advantages of both. when the company is doing IPO or initial public offering or go public, directly impacted to the growth financial of company or banking. Moreover there are several advantages of IPO. Enough There are previous research about IPO of the companies, but the research in this element still be interesting to analyze and researched. It caused, exclude the inconsistent of research, the research usually was focused on nonfinancial variable. Based on the journal, there are financial ratios as variables which is influencing the underpricing and moreover company performance after going public or is called IPO (Kim et.al.,1993; Kim et al.,1995). Therefore, these reasons are motivating the researcher to make a further research about IPO (Initial Public Offering) especially by identifying the financial ratios. These financial performance ratios will measure the IPO by comparing pre and post IPO. The financial performance of Astra International is analyzed by identifying the classification of financial performance ratios. They are, liquidity ratio, activity ratio, profitability ratio, return on investment ratio, solvency ratio, cash flow ratio, and market measure ratio. These classification is measured by company performance, in this case Astra International. Overall, the researcher interesting in the financial performance by comparing the pre and post IPO on Astra International, Tbk.

In order to response the researched background, the writer has drawn out the main problems need to be answered as well as questions of the objective need to be answered. The

problems of this research is: Does financial performance of Astra International has a different between Pre and Post of IPO simultaneously?

The limitation of this research is only analyzing for 3 years before and after Astra International go public. It start from 1987 up to 1993. This research was limited on financial performance ratios that related and or relevant with IPO (Initial Public Offering) on Astra International, Tbk. Such as, current ratio, acid-test ratio, average collection period, account receivable turnover ratio, inventory turnover, return on assets, Operating income return on investment (OIROI), operating profit margin, net profit margin, total asset turnover, fixed assets turnover, debt ratio, times interest earned, and return on common equity, earnings per share and price earning ratio. Those are consider from financial consolidation data of Astra International at IDX and relation to IPO calculation.

THEORETICAL REVIEW

Agent Theory

The model developed by Jensen and Meckling (1976) defines the firm as a legal entity that is connected by a network of contracts between managers, shareholders, consumers and other groups within the company (including employees). Dividends, investment policy, spending is a way that can be taken by management to avoid conflicts of interest with shareholders. In agency theory, managers have a personal goal of competing and often conflicting with the goal of maximizing shareholder wealth. The purpose of this form: first, increasing their job security would be so unlikely that the company will fire them. Second, improve the position, status and salary. Third, increasing the opportunity to grow in the future. Digitalization on board (Mojambo *et al*, 2020)

Portfolio Diversification Theory

This theory was originally developed by Harry M. Markowitz, who has a basic principle that the more stocks are included in a portfolio (basket or basket), the lower the portfolio risk is not systematic. This is due to the mutual effect of elimination of the risk is not systematic across stocks. If the optimal portfolio is formed then the return would be maximized. Portfolio diversification theory developed Kane and Buser (1979) is an enhancement of Markowitz's portfolio selection theory. This theory emphasizes the study of costs and benefits of diversification as well as using asset diversification (diversification wider than stock). This theory states the decision to form the diversification of the portfolio aims to maximize corporate value. If the company then diversified to maximize the value of diversification is called diversification has its benefits (benefits). If diversification is not maximizing the value of the diversified company it is called diversification has a cost (cost). Maximizing the value of the company's diversification means having marginal return > marginal cost.

Firm Size

According to Webster's Dictionary (Universal dictionary & thesaurus), the company (firm) define as a commercial company (a commercial company) and magnitude (size) is defined as the magnitude (quantity). So the amount of the company (firm size) can be defined as the amount of a commercial enterprise. Scale enterprises is one important concept in financial

literature. The size of the company has a lot of attention from researchers in the field of finance. In general, they call it firm size effect (the influence of company size). In general, this concept states the difference in the amount the company will provide the difference in market response, differences in business management, and differences in important financial decisions of firms. The concept of firm size effect, is also often associated with agency theory, since known that monitoring by the owner of the management activities on large and small companies are different. In the financial research, scale most companies use a proxy of total assets. According to Smart et al. (2004:463), the measurement of firm size can with total assets or total sales. In this study, the main function of the magnitude of the company is to provide *Firm Size*.

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Concentration of Stock Ownership

Ogden et al. (2003:14), defines the ownership structure as the distribution of a firm's share Among classes of investors (ownership structure is the distribution of shares among the investor class). Another opinion of Demsetz and Villalonga (2001), all the measure of ownership structure used by Demsetz and Lehn (1985) are based on the fraction of shares owned by a firm's most significant shareholders. (the entire amount of stock ownership structure used by Demsetz and Lehn (1985) based on the number of shares held by major shareholders). So the concentration of share ownership can be defined as the concentration of shares owned by investors or major shareholders. As for the definition of the concentration of share ownership, presented by Rhee (2000), ownership concentration means the degree of concentration of residual equities or claims to A Few Their individual or family. (concentration of ownership means the concentration level of residual equities or claims of some individuals or families). In the company, shareholders are called shareholders (owners or shareholders). Stockholders, have voting rights on the board of commissioners (BOD). In the financial literature shareholder who owns at least 5% of the outstanding shares, is a major shareholder (ultimate shareholder). Demsetz and Lehn, (1985), Wruck (1989) and Demsetz and Villalonga (2001). Durnev and Kim (2002), ownership concentration is the ratio of shares held by major shareholders, Either individual or corporation, that hold is More Than 5% of outstanding shares. Ugurlu (2000), ownership concentration is measured as the percentage shareholding of

the Largest investors. Both of these forms have different behaviors in explaining the decision contained in the company. This means that can provide a different impact on investment decisions, purchases, dividends and operations within the company.

Stock Turnover

Definition of stock turnover (turnover) based on stock trading volume is also presented by Ogden et al. (2003:109), *A stock's turnover is defined as the ratio of the number of share traded over a specified period of time (such as a year) to the total number of share outstanding. Turnover is a measure of the investing public's actual, or ex post, trading interest.*

Turnover of shares is defined as the ratio of the number of shares traded at a certain time (like years) of the total number of shares outstanding. Turnover of shares is a measure of the actual public investment or as a measure of the attractiveness of stock trading). Ma (2003), argues Stock trading volume, or equivalent stock turnover has been studied intensively in the finance literature. Turnover has been used as a proxy for heterogeneous belief Among investors. (volume of stock trading, or identical with the turnover of shares has been studied extensively in the literature noted that financial. Turnover of shares has been used as an estimate for the difference in trust between investors). The same opinion is also conveyed by Chordia et al. (2001), We proxy for liquidity by two measures of trading activity: dollar trading volume and share turnover. Trading volume is an Important determinant of the measure of liquidity. (we estimate liquidity, the two measures of trading activity of dollar value of trading volume and stock turnover). While the reasons for stock rotation is expressed by Levine and Schmukler (2006), Turnover and similar trade-based indicators, are frequently used to proxy for liquidity since past research identifies a strong link the between turnover and firm performance. (turnover of shares, together with trade-based indicators, often used proxy liquidity of the stock since the existence of past studies that identified a strong relationship between the turnover of shares in the company's performance). Lipson and Mortal (2003) said that more importantly, liquidity improvement are associated with increase of analyst coverage, market making, trading activity, breadth ownership, and operation focus. (meaning: it is very important that the improvement of liquidity (share) associated with a higher than analysts' coverage, creation of a market, stock trading activity, the spread of share ownership and focus of operation).

Leverage

Leverage in the financial literature has two meanings is operating leverage and financial leverage. In this section will only focus on financial leverage, because this study used the concept. Ogden et al. (2003:12), defines leverage by basing her decision. leverage decision is the decision of a firm's management Regarding the mix of debt and equity securities, That it uses to finance its assets. (leverage decision is the decision of company management of debt and equity mix used to finance the company's assets). Meanwhile, Eugene and Houston (1998:93) defines financial leverage (financial leverage) as a measure of the extent to which fixed-income securities (debt and preferred stock) is used in the company's capital structure ..

Relations Stock Liquidity And Corporate Values

Eleswarapu and Krishnamurti (2004), argues that the relationship is positive. They argue that The information content of stock price improve with the liquidity of the secondary market. In

a liquid market, speculators will from Devote more resources on monitoring since They will from Realize more of the potential gains. On the other hand, Baker and Stein (2002), argues that the relationship is negative. They argue that *an unusually liquid market is one in which pricing is being dominated by irrational investors, who tend to under react to the information embodied in either order flow or equity issue. Thus high liquidity is a sign that the sentiment of these irrational investor is positive and that expected returns are therefore abnormally low.*

IPO (Initial Public Offering)

Two recent papers focus on the relationship between underpricing and both short-term and long-term trading volume. In Zheng et al. (2005), underpricing is used by the issuing firm as a tool, similar to that in Booth and Chua (1996), to maximize the aftermarket liquidity of its stock through broad ownership. In Reese (2003), the way underwriters make their price and share allocation decisions leads to underpricing if there is high initial investor interest for the IPO. Their common dependence on investor interest results in a positive relation between underpricing and trading volume. Although they explain it differently, both papers find a significant positive relationship between underpricing and liquidity associated with permanently higher trading in U.S. markets. The purpose of our paper is to provide international evidence on the question whether underpricing provides a more liquid aftermarket for IPOs by using data from an emerging market, the Istanbul Stock Exchange (ISE). Specifically, the following two hypotheses are tested: (1) Share retention is positively related to IPO underpricing. (2) Underpricing is associated with higher trading volume in both the short-run and the long-run.

Hypothesis

Based on these theories, the hypothesis of this research are ,

H1 : there is differences of the economic condition of Astra International Tbk. between pre and post of IPO.

H2 : Financial Performance of Astra International Tbk. in the Post IPO is better than Pre IPO.

RESEARCH METHODOLOGY

Research Design

This research is classified on the comparative design. It caused, this research is comparing the financial performance on pre and post of IPO on Astra International, Tbk.

Data Collection Method

This research is classified on observation method. The researcher is gathering the data by act as nonparticipant-observer. It is might by collecting the necessary data without becoming an integral part of the organizational system. The researcher went to Astra International company, and also IDX in order got the financial consolidation data and company's prospectus.

Type And Source of Data

This research is using ratio scale. Ratio scale is a meaningful measurement point. Thus, ratio scale not only measures the magnitude of the differences between points on the scale but also

taps the proportions in the differences. It is the most powerful of the four scales because it has a unique zero origin (not an arbitrary origin) and subsumes all the properties of the other three scales. The data in this research is collected by secondary data. The secondary data were gathered from books, literature, articles, journals, an all relevant literature from the library and internet.(see *Research Method Book, 15th Edition*).

Population and Sampling

Population of this research is classified on finite population, consider from the financial report of Astra International that only provided data from 1987 up to 2010. It means there is a finite data on Astra International before going public on 1990. Sample size of this research is the years of financial consolidation data that is 3 years before and 3 years after. That means the sample size in 1987-1993. Based on *parsimony* principle the variables of this research should be 30 variables above. On this research, the relevant financial performance ratios is 16 ratios multiplied with 3 years (whether before and after IPO). The classification of sampling is two type that is random and nonrandom sampling. This research is classified on the nonrandom sampling, consider from the finite population. On the nonrandom sampling, this research is relevant with Judgment sampling. Judgment sampling is similar with accidental sampling, that all of the financial performance ratios those are possible to calculate and added with the self assessment of researcher in order to judge the financial performance ratios as variables which is relevant with the problem statement or not and or it design is used when limited number or category of

Data Analysis Method

In the preceding section, hypothesis were tested and confidence intervals constructed about the difference in two population means when the samples are independent. The approach to analyzing two related samples is different from the techniques used to analyze independent samples.

The matched-pairs test for related samples requires that the two samples be the same size and that the individual related scores be matched. Formula (10.6) is used to test hypothesis about dependent populations.

$$t = \frac{d-D}{\frac{s_d}{\sqrt{n}}}$$

$$Df = n - 1$$

Where ;

n= Number of pairs

d= Sample difference in pairs

D= Mean Populations Difference

s_d= Standard deviation of sample difference

d= mean sample difference

This research is comparing financial performance of Astra International before and after going public. Astra International went public in 1990. That's why the researcher identify and analyze

14 financial performances as variables. These variables are used for examine the important or influence of IPO (Initial Public Offering) on Astra International, Tbk. The researcher analyzed the influence of IPO by using comparing the data per variable, per year and as simultaneously. These data is calculated by using SPSS.

Table 4.1 Current Ratio

X1		
Year	Score	
	Pre	Post
1987	0.66	
1988	0.85	
1989	1.14	
1991		1.45
1992		1.09
1993		0.94

Based on the table, The data shows that, current ratio in the Pre-IPO is increasing from 1987-1989, and a Post IPO current ratio is declining from 1991-1993.

Table 4.2 Quick Ratio

X2		
Year	Score	
	Pre	Post
1987	0.62	
1988	0.81	
1989	1.01	
1991		0.92
1992		0.69
1993		0.56

Based on the data quick ratio in Pre IPO is increasing year to year, and in a post of IPO quick ratio is declining up to 1993.

Table 4.3 Average Collection Period

X3		
Year	Score	
	Pre	Post
1987	0.12	
1988	0.01	
1989	0.28	
1991		0.06
1992		0
1993		0.03

The data shows that, the changing of average collection period in pre IPO is similar with post IPO, it caused in the second year of pre and post IPO, the ACP tends to reduce and will be back increase on third year of a pre and post IPO.

Table 4.4 Account Receivable Turnover

X4		
Year	Score	
	Pre	Post
1987	8.62	
1988	124.02	
1989	3.54	
1991		17
1992		19254.05
1993		39.99

The data shows that, account receivable turnover is changing year to year whether in a pre and post IPO. And according to the data, A/R turnover is decline in the second year of a pre and post IPO and going up again on third year in a pre and post IPO.

Table 4.5 Inventory Turnover

X5		
Year	Score	
	Pre	Post
1987	27.51	
1988	12.79	
1989	11.74	
1991		3.52
1992		3.36
1993		4.53

On this data, inventory turnover in a pre of IPO is decline from 1987 up to 1989 and in a post of IPO, inventory turnover is remain the same from 1991-1993, it caused no significant changing.

Table 4.6 Operating Income Return On Investment (OIROI)

X6		
Year	Score	
	Pre	Post
1987	0.05	
1988	0.02	
1989	0.05	
1991		4.53
1992		0.05
1993		0.02

This table shows that, operating income return on investment (OIROI) in a pre of IPO is changing year to year but in the last year before Astra International going public, OIROI increasing to 0.05. In a post IPO, OIROI is declining from 0.05 to 0.02

Table 4.7 Return On Asset

X7		
Year	Score	
	Pre	Post
1987	0.02	
1988	0.03	
1989	0.07	
1991		0.05
1992		0.02
1993		0.07

According to a table, ROA (Return on Investment) is increasing year to year in a pre of IPO and, changing in a post of IPO that is ROA declines on the second year of Post IPO and increasing on the third year of IPO to 0.07

Table 4.8 Operating Profit Margin

X8		
Year	Score	
	Pre	Post
1987	0.06	
1988	0.05	
1989	0.05	
1991		0.04
1992		0.02
1993		0.11

On this table, it shows that operating Profit margin in a pre IPO is remain the same, and post of IPO is fluctuate, and increasing in the third year post of IPO.

Table 4.9 Net Profit Margin

X9		
Year	Score	
	Pre	Post
1987	0.02	
1988	0.08	
1989	0.07	
1991		0.04
1992		0.02
1993		0.11

This table shows that, net profit margin in a pre of IPO is increasing while in second year and decline on third year to 0.07. otherwise, in a post of IPO NPM is declining year to year up to 0.11

Table 4.10 Total Asset Turnover

X10		
Year	Score	
	Pre	Post
1987	0.86	
1988	0.37	
1989	0.99	
1991		1.07
1992		0.87
1993		0.62

On this table Total Asset Turnover in a pre IPO is fluctuate, It caused in the second year the TA turnover is decline to 0.37 and increasing again to 0.99. in a post IPO TA turnover is declining to 0.62

Table 4.11 Fixed Asset Turnover

X11		
Year	Score	
	Pre	Post
1987	1.73	
1988	0.74	
1989	2.76	
1991		3.15
1992		1.98
1993		0.96

The table showing that fixed asset turnover is fluctuate in a pre IPO and in the post IPO fixed asset turnover is declining to 0.96

Table 4.12 Debt Ratio

X12		
Year	Score	
	Pre	Post
1987	0.76	
1988	0.77	
1989	0.66	
1991		0.58
1992		0.61
1993		0.43

On this table, Debt ratio of Astra International is remain the same in a pre IPO and in the post IPO, Debt Ratio is fluctuate from 1991 to 1993

Table 4.13 Times Interest Earned

X13		
Year	Score	
	Pre	Post
1987	0.63	
1988	0.26	
1989	0.83	
1991		0.92
1992		0.3
1993		2.09

This table is showing that times interest earned is floating and in the third year Times Interest Earned is increasing to 0.83. In a post IPO, Times Interest Earned is fluctuate and tends to increase on the third year IPO to 2.09

Table 4.14 Return On Common Equity

X14		
Year	Score	
	Pre	Post
1987	0.09	
1988	0.12	
1989	0.21	
1991		0.17
1992		0.06
1993		0.38

On this table, ROE (Return On Equity) is increasing in a pre IPO to 0.21 and the post IPO ROE is fluctuate.

4.15 Table Test Simultaneous of Dependent Paired Sample Test

Paired Sample Test	Mean	T-Count	Significant	Remarks
Pre Vs Post	-455.641	-1.000	.323	Rejected
Mean Pre IPO	4.9065			
Mean Post IPO	460.5477			

Based on the table that analyzed the comparison of financial performance ratio in a pre and post IPO. As statistic there is no significant different of pre and post IPO simultaneously. It clearly showed by the number of significant is higher than 5% or 0.05 that is 0.323. on this table, T-table is -2.021 and T-Count is -1.000, it means that T-Count > T-Table and Hypothesis rejected. So that, there is no significant different between pre and post IPO simultaneously.

Table 4.16 Dependent Paired Sample Test -1 vs +1 (1989 vs 1991)

Paired Sample Test	Mean	T-Count	Significant	Remarks
Pre Vs Post	-.40022	-.344	.736	Rejected
Mean Pre IPO	1.6732			
Mean Post IPO	2.0734			

The table above showing that, the number significant is higher than 5% , that is 0.736, it caused the number of T-count is -0.344 and T-table is -2.021. it means that, T-Count > T-Table and H0 rejected. It is clearly explain that, there is no significant different between pre and post IPO by comparing from financial performance ratio in a period of 1 year before and after -1 vs +1 (1989 vs 1991).

Table 5.17 Table Dependent Paired Sample Test -2 vs +2 (1988 vs 1992)

Paired Sample Test	Mean	T-Count	Significant	Remarks
Pre Vs Post	1365.87	-1.000	.336	Rejected
Mean Pre IPO	10.0653			
Mean Post IPO	1375.9345			

Based on the table, the significant number is 0.336, and T-Count is -1.000, it throughout the T-Table which is -2.021. By this way of thinking, T-Table<T-Count. and H0 is rejected. It clearly explain that, there is no significant different between pre and post IPO in a period of 2 years before and after -2 vs +2 (1988 vs 1992).

Table 5.18 Table Dependent Paired Sample Test -3 vs +3 (1987 vs 1993)

Paired Sample Test	Mean	T-Count	Significant	Remarks
Pre Vs Post	-.65420	-.227	.824	Rejected
Mean Pre IPO	2.9811			
Mean Post IPO	3.6353			

The table above showing that significant number is 0.824 and it means that, it is higher than 0.05 or 5%. It supported by the number of T-Count is -.0.227 and T-Table is – 2.021. it means that T- Count >T-Table and H0 rejected. So that, it clearly explain that there is no different between pre and post IPO in a period of 3 years before and after -3 vs +3 (1987 vs 1993).

Table 5.19 Partial Dependent Paired Sample Test

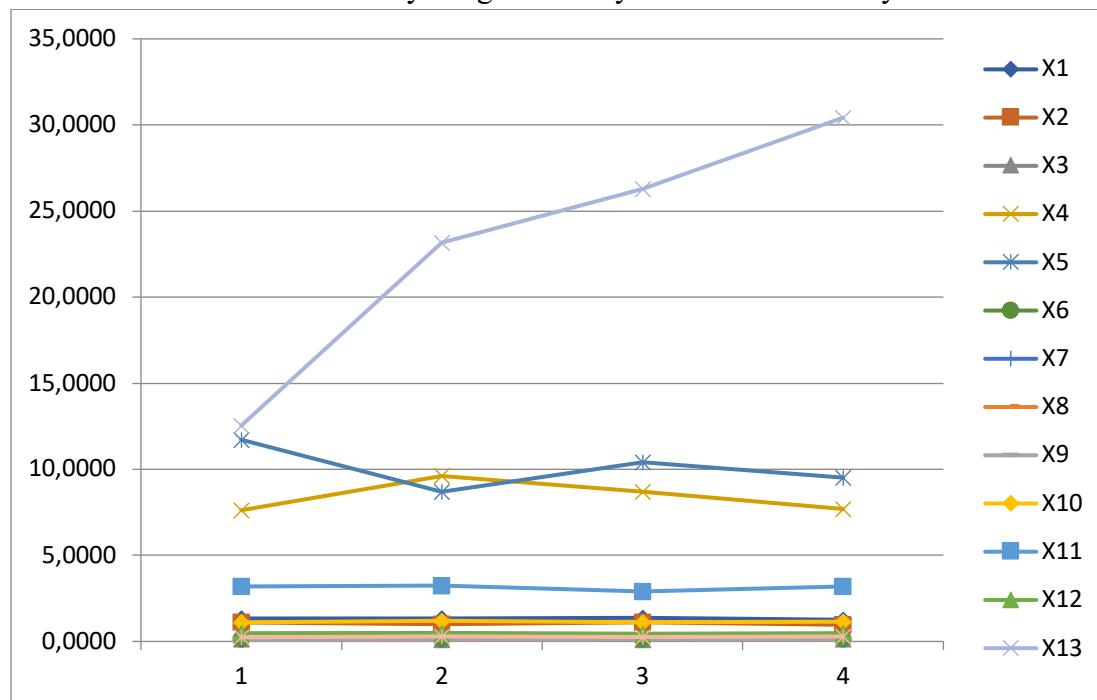
Variable	T-Count>T-Table	T-Count<T-Table	Remarks Hypothesis
Current Ratio	-0.949>- 2.021		Rejected
Acid-test (quick) ratio		0.402<2.021	Rejected
Average collection period		1.411<2.021	Rejected
Accounts receivable turnover	-1.004>- 2.021		Rejected
Inventory turnover	2.573>2.021		Accepted
Operating income return on investment	-.621>- 2.021		Rejected
Return on Assets	-.303>- 2.021		Rejected
Operating Profit Margin	-.209>- 2.021		Rejected
Net Profit margin		.017<2.021	Rejected
Total Asset Turnover	-.459>- 2.021		Rejected
Fixed Assets Turnover	-.276>- 2.021		Rejected
Debt Ratio	7.782>2.021		Accepted
Times Interest Earned	-1.422>- 2.021		Rejected
Return On Common Equity	-.951>- 2.021		Rejected

On the table above, it clears that as partially there are two variables which are accepted. And the rest of variables are rejected. It is explained that financial performance of a company before and after going public is not differences at all. Only inventory turnover and debt ratio which are influenced by IPO on Astra International, Tbk. It is proved by the financial consolidation data and data calculation measuring by T-Count and T-Table.

Discussion

This research is focus on the comparison of financial performance between pre and post IPO. The object of this research is Astra International. Astra International is manufacturing company and it is one of the company which is compete with others manufacturer. Based on the data in IDX, this company is having a good prospectus and fund fact sheet. The publish data of Astra International is involving financial performance ratios. It clears that, company performance can be measured by financial performance ratio. There are 14 financial performance ratio that has been used in this research. They are current ratio, acid-test ratio, average collection period, account receivable turnover ratio, inventory turnover, return on assets, Operating income return on investment (OIROI), operating profit margin, net profit margin, total asset turnover, fixed

assets turnover, debt ratio, times interest earned, and return on common equity, current ratio, acid-test ratio, average collection period, account receivable turnover ratio, inventory turnover, return on assets, Operating income return on investment (OIROI), operating profit margin, net profit margin, total asset turnover, fixed assets turnover, debt ratio, times interest earned, and return on common equity. By observing all the results, it is obvious that the financial condition of company in a pre and post IPO is remain the same. It clears that no differences between pre and post IPO. Based on IDX data, company that listed in IDX only selling some percentage of their stock ownership (*see www.idx.co.id.*). It caused that, the results of this research whether simultaneously or partially clearly that post IPO is better than pre IPO by seeing the comparison of fourteenth financial performance averaging. It clears that, before and after going public, the company was done the same system of managing company including financial system. Finally, no significant differences of financial performance ratio between pre and post IPO of Astra International. It supported by Kim *et al* (1993) and Kamal *et al* (2021), examined financial performance ratio, ROA and proceeds for investment and also other variables such as signaling of underwriter quality toward IPO and the result is there is negative relationship with the IPO. It clears imply that, no significant influence from financial performance ratio to IPO. Moreover, it clears that, the differences of financial performance between pre and post IPO is depends on the company's prospectus and fund fact sheet. According to Jin (2003), investigate on how earnings management before IPO affects institutional ownership changes after IPO by measuring the financial performance ratio, and find that the association between pre IPO earnings managements and post IPO institutional ownership gets weaker over time so that the association becomes statistically insignificant by the end of the first year after IPO's.



This figure particularly describes about the influencing IPO on a current condition from Astra International. To easy the exploration, the data are limited at period between 2007 until 2010. "Number 1" at the figure represents 2007, "Number 2" at the figure represents 2008, "Number 3" at the figure represents 2009 and "Number 4" at the figure represents 2010. Later on, based on the overall trends those can be seen at the given figure, it is obvious that there is a fluctuation model that is purposely occurred, regardless with the other minor tendencies those are also

raised. So that, the financial performance of Astra International after go public until 2010 has been in the uptrend condition. This is clear that, IPO is influencing Company financial performance.

CONCLUSION & RECOMENDATION

- There is a changing in financial system of Astra International before and after going public. It drives the company to ,make a decision for go public. It clears that Astra International went public in 1990.
- Financial performance is measuring the company performance. It is proved by the results on this research showing that there are several financial performance that influence the IPO of Astra International partially. Which are, inventory turnover and debt ratio.
- As simultaneously, the fourteenth financial performance do not influence IPO of Astra International.
- On the results of this research the post IPO is better than pre IPO, it is showed by the averaging of each variables.
- By compare from the financial performance in a current condition (until 2010) the graph of financial performance ratio is fluctuate and tend to go uptrend.

Recommendation

- The management of Astra International must be aware of the implementation from fourteenth financial performance. Which are current ratio, acid-test ratio, average collection period, account receivable turnover ratio, inventory turnover, return on assets, Operating income return on investment (OIROI), operating profit margin, net profit margin, total asset turnover, fixed assets turnover, debt ratio, times interest earned, and return on common equity, current ratio, acid-test ratio, average collection period, account receivable turnover ratio, inventory turnover, return on assets, Operating income return on investment (OIROI), operating profit margin, net profit margin, total asset turnover, fixed assets turnover, debt ratio, times interest earned, and return on common equity.
- They should be verified their financial system because of the results on this research shows that the changing of system is not relevant with the current condition of company.
- This research still have many weaknesses from the initial until the finishing process, so any positive contribution of financial findings analysis can be recommended for this research.

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