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Analisis Kinerja Keuangan Sebelum dan setelah Initial Public Offering (IPO) Styudi pada Perusahaan Manufaktur 1995-2010
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ANALYSIS OF CORPORATE FINANCIAL PERFORMANCE BEFORE AND AFTER INITIAL PUBLIC OFFERING (IPO)

(A Study on Manufacturing Companies in 1995-2010)

ABSTRACT

In performing business activities, companies must have adequate capital. The capital can be obtained from internal and external parties of the companies. However, companies tend to get maximum capital from their internal parties. This can be done by offering stocks in Stock Market. A company's first stock offer in stock market is called Initial Public Offering (hereinafter referred to as IPO). IPO is a complex decision because it will cause loss and new costs, so it will influence corporate financial performance. The purpose of performing IPO, aside from getting additional cash, is also to demand companies to improve their performances, including financial performance. Corporate financial performance can be measured by financial ratios. This study used nine financial ratios in measuring corporate financial performance. The nine ratios represent financial performance, i.e. efficiency, profitability, leverage, liquidity and dividend payment. With additional cash from performing IPO, those financial rations can be increased. Liquidity ratio is one of the ratios directly influenced by increasing when a company receives cash from performing IPO. Efficiency and profitability financial performances are expected to increase with a significant increase of sales. Meanwhile, leverage financial performance can increase because total own capital will be bigger than the capital of external parties. However, there is indication that many companies performed window dressing in their financial statements before performing IPO. So, after performing IPO, their financial statements aren't as attractive as before IPO. Therefore, this study measured the impact of performing IPO on corporate financial performance.

Keywords: IPO, efficiency ratio, profitability, leverage, liquidity and dividend payment level