EFFECT OF FIRM MATURITY TO POST – IPO
PERFORMANCE: EVIDENCE FROM INDONESIA

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Abstract

Objectives The main purpose of this empirical research is to assess whether the firm maturity variables can be used as the determinants of stock return.

Method To fulfill the objective, the samples collected are the Initial Public Offerings (IPO) companies from 2000 – 2005. The final samples used are 79 companies listed their shares during the data period. There are two models used for the regression, for young and older firms. The first model using young firms as its data contains 37 samples, and older firms model used 42 samples. Stock return is used as the dependent variable. Independent variables consist of debt to asset ratio, sales growth, dividend, earnings per share and return on asset. The model is developed to test the hypotheses in this research. The data is analyzed using descriptive statistics and multiple regressions.

Result The result of this research show that there is no significant relationship stock return and age as the determinant.

Conclusion The conclusion of this research is that the independent variables used for this research might not be the main determinants of stock return performance in Indonesian market.

Key words
Initial Public Offerings (IPO), firm age, stock return