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THE INFLUENCE OF REVENUE GROWTH RATE AND INITIAL PUBLIC OFFERING ON STOCK PRICE ESTIMATION

Sri Lestari Yuli Prastyatini[1]
Universitas Sarjanawiyata Tamansiswa, Yogyakarta, Indonesia
srilestari_yp@ustjogja.ac.id

Dini Wahyu Resita[2]
Universitas Sarjanawiyata Tamansiswa, Yogyakarta, Indonesia
diniwahyu2103@gmail.com

Abstract

This study examines the impact of Revenue Growth Rate and Initial Public Offering (IPO) on the projected stock prices of e-commerce companies listed on the Indonesia Stock Exchange between 2020 and 2023. Utilizing a quantitative approach, the research employs multiple linear regression analysis on secondary data from 30 e-commerce firms. The findings indicate that both Revenue Growth Rate and IPO have significant and positive effects on estimated stock prices, with a strong correlation between revenue growth and stock prices. While a sample size of 30 firms may seem adequate, the study could benefit from exploring the representativeness of this sample concerning the broader e-commerce industry, as a small sample size may introduce bias. Comparative analysis with similar markets, such as Southeast Asia, could provide additional context. Furthermore, it is essential to conduct further examination of the long-term effects of IPOs on stock prices, including price behavior in the 6 months to one year following the IPO, to yield deeper insights. These findings are expected to offer guidance for investors and stakeholders in making informed investment decisions within the e-commerce sector.

Keywords: Revenue Growth Rate, Initial Public Offering, Stock Price Estimation, E-Commerce Company, Indonesia Stock Exchange

INTRODUCTION

The e-commerce sector in Indonesia has experienced significant advancements in recent years, driven by increased internet access and a shift in consumer behavior towards online shopping. With the number of internet users projected to reach 221 million by 2024 and internet penetration rising to 79.5%, this growth plays a crucial role in the progress of the e-commerce industry. As technology adoption continues to rise and consumer interest in online shopping remains high, the sector is expected to continue its rapid expansion (APJII, 2023).

One important performance indicator for e-commerce companies is the Revenue Growth Rate (RGR). Consistent revenue growth reflects a company's ability to attract more customers and increase sales. The growing consumer interest in online shopping not only creates greater profitability opportunities for companies but also contributes to increased investor confidence. Research by Liu (2023) indicates a positive relationship between revenue growth and stock prices, where companies with higher revenue growth tend to have higher stock prices. This phenomenon occurs because investors have more optimistic expectations regarding future earnings. Therefore, studying the e-commerce sector is essential for understanding stock market trends, given the direct impact of revenue growth on stock prices and investor perceptions.

Initial Public Offerings (IPOs) represent a strategic step for companies to raise funds from the public. This process not only provides additional capital but also creates liquidity for early shareholders. According to Ulfah et al. (2023), IPOs can significantly impact stock prices, particularly on the first day of trading. Investors often react to IPO news by purchasing shares, which can lead to a price surge. However, it is important to note that not all IPOs succeed; some companies experience a decline in stock prices after the initial period, indicating that investors also consider other factors such as financial performance and growth prospects.

This study will specifically investigate the relationship between Revenue Growth Rate (RGR), IPOs, and stock prices. The research aims to examine whether RGR has a direct correlation with stock prices after an IPO, as well as how the IPO process contributes to changes in stock prices. Thus, the research question posed is: "Is there a significant

relationship between Revenue Growth Rate (RGR) and the stock prices of companies after conducting an IPO?" Additionally, the hypothesis to be tested is: "The higher the Revenue Growth Rate (RGR) of a company, the greater the likelihood of its stock price increasing after the IPO." By explicitly formulating these questions and hypotheses, this study aims to provide clearer and deeper insights into the impact of RGR on stock prices in the context of IPOs.

The Indonesian financial market, particularly the Indonesian Stock Exchange (IDX), has become an attractive platform for e-commerce companies to conduct IPOs, driven by increasing investor interest in technology and e-commerce stocks. In this context, focusing on Revenue Growth Rate (RGR) and IPOs is essential, as RGR serves as a key indicator of a company's growth potential in the maturing e-commerce sector. IPOs significantly influence investor perceptions, marking the beginning of a company's opportunity to demonstrate its performance and future prospects. Research by Setyadi (2021), highlights that factors like company size, profitability, and capital structure also affect post-IPO stock prices. Thus, understanding the relationship between RGR and IPOs in Indonesia will provide valuable insights into stock price dynamics in the e-commerce sector.

In the context of e-commerce companies in Indonesia, both Revenue Growth Rate and the IPO process significantly influence stock price estimates. This research seeks to enhance the understanding of the connection between these two elements and their influence on stock performance in the Indonesian financial market. By comprehending these dynamics, investors and other stakeholders can make more informed decisions when investing in the rapidly evolving e-commerce sector.

This study aims to analyze the influence of Revenue Growth Rate and the Initial Public Offering (IPO) process on the projected stock prices of e-commerce companies listed on the Indonesia Stock Exchange between 2020 and 2023. This research will make a significant contribution to the existing literature, as previous studies have primarily focused on overall stock market performance or IPOs, while this study specifically targets the Indonesian e-commerce sector during a period of rapid digital transformation. Thus, this research is expected to provide new insights into the dynamics of a rapidly evolving market and offer a more comprehensive understanding of the relationship between RGR and IPOs

in the context of the Indonesian capital market. By gaining insights into these dynamics, it is hoped that investors and stakeholders will be better prepared to make informed investment decisions in the continuously growing e-commerce sector.

REVIEW OF LITERATURE

Theory of Stock Valuation

Stock valuation is a crucial procedure for assessing a company's value based on available market information. This process involves analyzing various financial metrics and market conditions to generate an estimate of the company's value (Damodaran, 2012). One of the primary objectives of stock valuation is to assist investors in making informed decisions regarding the purchase, ownership, or sale of shares. By evaluating the intrinsic value of a company, investors can determine whether a stock is trading at an overvalued or undervalued price in the market (Graham & Dodd, 2008).

Different techniques can be used for valuing stocks, including fundamental analysis, technical analysis, and relative valuation (Damodaran, 2015). Fundamental analysis emphasizes the assessment of a company's financial reports, management quality, and market standing to establish its intrinsic value (Graham & Dodd, 2008). Conversely, technical analysis examines historical price movements and trading volumes to forecast future price trends. This method is grounded in the idea that market sentiment and investor psychology can impact stock prices (Murphy, 1999).

Revenue Growth and Stock Prices

Revenue growth is a key factor influencing stock prices, particularly in the rapidly growing e-commerce sector. In emerging markets such as Indonesia, investors often assess a company's growth potential based on optimistic revenue projections. Research indicates that companies with strong revenue growth tend to have higher stock prices, although this can also be influenced by external factors such as economic conditions and government policies (Chen et al., 2018).

Initial Public Offerings (IPOs) and Their Impact on Stock Prices

An IPO is a significant moment for e-commerce companies, often attracting investor attention. The IPO process can significantly impact stock prices, especially in emerging

markets. In Indonesia, unique characteristics such as rapid digital adoption and distinct investor behavior can influence how stocks are traded post-IPO. Research by Wijaya and Setiawan (2020), indicates that e-commerce companies conducting IPOs on the Indonesia Stock Exchange (IDX) often experience greater price fluctuations compared to companies in other sectors, reflecting uncertainty and high expectations from investors.

Limitations of Previous Studies

While numerous studies have been conducted in mature markets such as the U.S., it is important to note that these findings may not fully apply to emerging markets. Limitations in methodology and market context can affect the relevance of the results. Therefore, it is essential to consider studies that are more specific to the e-commerce sector in developing countries, particularly in Southeast Asia and Indonesia, to provide a more relevant context for this research.

Sector-Specific Dynamics of E-Commerce in Indonesia

Existing literature suggests that the sector-specific dynamics of e-commerce in Indonesia, such as rapid digital adoption, unique investor behavior, and an evolving regulatory environment, can influence stock price movements post-IPO and concerning revenue growth. For instance, investors in Indonesia may be more responsive to news and digital trends, which can lead to greater stock price fluctuations compared to more mature markets.

The Relationship Between Revenue Growth Rate and Stock Price Estimates

The stock valuation theory posits that a company's stock price is influenced by various factors, including its revenue growth prospects (Fama and French, 2015). Companies that exhibit high revenue growth rates are often perceived by investors as having brighter prospects, which subsequently affects the demand for and price of their stocks.

Previous research has confirmed the positive impact of revenue growth on stock prices. For instance, a study by Smith and Jones (2020) found that companies with higher revenue growth tend to have higher stock prices. Additionally, Wilkins and Lee (2018) discovered that investors are inclined to assign higher valuations to firms with strong growth prospects. Other studies, such as those conducted by Brown and Tan (2019) and Lee and

Wilson (2021), further corroborate the positive relationship between revenue growth and stock prices.

In the context of the e-commerce sector in Indonesia, this relationship is expected to hold true due to several factors. First, rapid digitalization has driven significant growth in e-commerce, with an increasing number of consumers shifting to online shopping, creating substantial opportunities for companies to enhance their revenue. Second, government support through policies that promote innovation and investment in the digital sector has also contributed to this growth. Third, the changing consumer behavior, with a growing comfort level regarding online transactions, further strengthens the revenue growth prospects in the e-commerce sector.

Based on the theoretical framework and existing empirical evidence, the following hypothesis can be formulated:

H1: The revenue growth rate has a positive effect on stock price estimates.

The Relationship Between Initial Public Offering (IPO) and Stock Price Estimates

The theory of stock valuation posits that a company's share price is affected by multiple factors, including its valuation during the Initial Public Offering (IPO) (J. R. Ritter, 2015). A high IPO valuation suggests that investors perceive strong growth prospects for the company, which subsequently exerts a positive influence on the stock price following the IPO.

Previous studies by Brown and Tan (2019) and Lee and Wilson (2021) have demonstrated that IPO valuations have a significant positive impact on a company's stock price after the IPO. Similar findings have been reported by Wilkins (2018) and Smith and Jones (2020), suggesting that firms with elevated IPO valuations are likely to see increased stock prices in the secondary market.

In the context of the e-commerce sector in Indonesia, this relationship is expected to hold true for several reasons. First, rapid digitalization creates significant growth opportunities for e-commerce companies, with high valuations at IPO reflecting investor confidence in growth potential. Second, government support through policies that encourage innovation and investment in the digital sector enhances positive investor sentiment. Third, the shift in consumer behavior towards online shopping strengthens growth prospects,

leading investors to assign higher valuations to IPO companies, which can boost stock prices post-offering.

Drawing from this theoretical framework and the available empirical data, the following hypothesis can be proposed:

H2: Initial public offering has a positive effect on stock price estimates.

RESEARCH METHOD

Types of Research

This study employs a quantitative methodology to examine the impact of Revenue Growth Rate (RGR) and Initial Public Offering (IPO) on the estimated stock prices of e-commerce companies listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023. A quantitative approach is chosen as it allows for precise measurement of the relationships between variables and is suitable for testing hypotheses regarding the effects of RGR and IPO on stock prices. By utilizing numerical data, this research can provide a more objective and reliable analysis. The research design employed in this study is correlational, which is most appropriate for analyzing the relationships among RGR, IPO, and stock prices. The correlational design enables the researcher to explore and measure the strength and direction of the relationships between these variables without manipulating the independent variables.

Population and Sample

The population of this study includes all e-commerce companies listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023. A purposive sampling approach was employed to identify 30 companies that met specific criteria during this period (Sekaran & Bougie, 2016). The selection of companies that consistently provide annual reports is crucial for reflecting transparency and accountability (Graham & Dodd, 2008). Choosing companies with financial statements ending on December 31 ensures a uniform data period, facilitating analysis (Damodaran, 2012). This criterion may affect the representativeness of the sample, as companies that do not meet the criteria may possess different characteristics, potentially leading to bias (Bryman & Bell, 2015). The sample size of 30 companies was selected based on practical considerations and relevance, as well as previous research indicating that this size is sufficient for statistically significant analysis (Cohen, 1988). However, a smaller

sample size may limit the generalizability of the findings (Field, 2013). The use of secondary data presents potential limitations, such as data inaccuracies (Saunders et al., 2016). To ensure accuracy, this study verifies data from annual reports and other reliable sources (Yin, 2014; Patton, 2015). With this approach, it is anticipated that the research findings will provide an accurate depiction of the impact of RGR and IPO on the stock prices of e-commerce companies in Indonesia.

Data Collection Technique

This study utilizes secondary data from the annual reports of companies listed on the Indonesia Stock Exchange (www.idx.co.id) and direct information from the companies themselves (Sekaran & Bougie, 2016). The research instruments include financial statements, literature books, and research articles (Graham & Dodd, 2008). Data analysis was conducted using SPSS 25, beginning with descriptive analysis to summarize the data, including means and standard deviations (Field, 2013). Classical assumption tests were also performed to ensure the suitability of regression analysis, including tests for normality and multicollinearity (Hair et al., 2010). Multiple linear regression was employed to test the hypotheses regarding the impact of Revenue Growth Rate (RGR) and Initial Public Offering (IPO) on stock prices (Damodaran, 2012), while correlation analysis was used to measure the relationships between the variables (Cohen, 1988). These techniques were selected to provide valid insights based on the available (Yin, 2014).

Variable Oparational

Stock Price Estimate (Y)

According to Darmadji and Fakhrudin (2014), stock prices reflect the price agreed upon by the market for ownership rights in a company, which can change rapidly depending on the supply and demand dynamics between buyers and sellers of shares. The stock price represents the price that occurs on the exchange at a specific point in time. In the context of this research, stock price valuation will utilize the Price Earnings Ratio (PER) method, which is described by Darmadji and Fakhrudin (2014) as a ratio that compares the stock price to the net income generated by the company over a year.

$$\mathbf{PER} = \frac{\mathbf{Stock\ Price}}{\mathbf{Earning\ Per\ Share}}$$

Revenue Growth Rate (X1)

The revenue growth rate is a measure that indicates the increase or decrease in a company's revenue from one period to the next (Ireland & Hoskisson, 2017). The revenue growth rate is used to assess a company's ability to enhance its revenue over time (Brigham & Houston, 2019). According to Westerfield and Jordan (2016), the revenue growth rate can be calculated using the following formula:

$$\textbf{Revenue Growth Rate} = \frac{(\textbf{Revenue}^{\textbf{t}} - \textbf{Revenue}^{\textbf{t-1}})}{\textbf{Revenue}^{\textbf{t-1}}}$$

Information:

$Revenue^{t}$ = Revenue in the current period

$Revenue^{-1}$ = Revenue in the previous period

Initial Public Offering (X2)

Ali and A. M. Hartono (2016) define an Initial Public Offering (IPO) as the offering of shares by a company that intends to go public in the primary market. The IPO reflects the relative valuation of the company at the time of the initial share offering (Ritter & Welch, 2015). Kim and Ritter (2019) provide the formula for calculating the initial public offering as follows:

$$\textbf{IPO} = \textbf{Number of Shares Offered} \times \textbf{IPO Price}$$

Information:

Number of Shares Offered = The total quantity of shares sold during the Initial Public Offering (IPO)

IPO Price = The company's net income divided by the total number of shares outstanding.

The stock price at the time of the IPO is a crucial indicator of market perception regarding a company's value. It influences how investors assess the company's growth potential and associated risks (Kim & Ritter, 2019a). Using the IPO price as an indicator allows for a direct measurement of its impact on stock prices in the secondary market post-offering. The selection of the IPO price is justified for several reasons: first, it reflects the market value anticipated by investors, providing insights into expectations about the company's performance (J. R. Ritter, 1991). Second, it serves as a baseline for analyzing

future stock performance, enabling researchers to evaluate price fluctuations after the IPO (Loughran & Ritter, 2004). Thus, the IPO price offers a more accurate depiction of its impact on stock prices.

RESULTS AND DISCUSSION

Table 1.
Descriptive Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
RGR (X1)	120	-0,37	4,12	2,8813	0,71362
IPO (X2)	120	0,27	8,05	6,7163	0,91082
Stock Price Estimate (Y)	120	3,91	10,67	6,1402	1,33020
Valid N (listwise)	120				

Source: Results of secondary data processing (2024)

- The Revenue Growth Rate (RGR) has an average of 2.8813 and a standard deviation of 0.71362, suggesting that the data is consistent.
- The Initial Public Offering (IPO) has a median of 6.7163 and a standard deviation of 0.91082, indicating that the data is also consistent.
- The estimated stock price has an average of 6.1402 with a standard deviation of 1.33020, which further suggests that the data is consistent.

Table 2.
Normality Test Results

	Unstandardized Residual
Asymp. Sig. (2-tailed)	0,080

Source: Results of secondary data processing (2024)

In Table 2, a significant value of 0.080 was obtained, which is greater than 0.05. This indicates that the tested data is normally distributed.

Table 3.
Autocorrelation Test Results

dw	du	dl	Keterangan
1,740	1,5385	1,1246	There is no autocorrelation

Source: Results of secondary data processing (2024)

The table above indicates a Durbin-Watson value of 1.740, with dL = 1.5385 and dU = 1.1246. The Durbin-Watson coefficient of 1.740 exceeds the dU coefficient and is less than

4 - dU (4 - 1.7975 = 2.2024). This means that dU ≤ dW ≤ 4 - dU, indicating that the regression model applied is not affected by autocorrelation.

Table 4.
Multicollinearity Test Results

Variable	Tolerance	VIF
RGR	0,565	1,770
IPO	0,565	1,770

Source: Results of secondary data processing (2024)

The findings from the multicollinearity test show that the variables Capital Intensity, Capital Structure, and Good Corporate Governance have tolerance values exceeding 0.10 and VIF values below 10. This indicates that there are no multicollinearity concerns among the variables.

Table 5.
Heteroskedasticity Test Results

Variable	Sig.	Information
RGR	0,000	Heteroskedasticity
IPO	0,000	Heteroskedasticity

Source: Results of secondary data processing (2024)

The results of the heteroscedasticity test indicate that the variables Revenue Growth Rate (RGR) and Initial Public Offering (IPO) have significant values less than 0.05. This suggests the presence of heteroscedasticity in the data.

Table 6.
Multiple Regression Analysis Test Results

Variable	Coefficient	Std. Error	T_{table}	T_{count}	Sig.
(Constant)	13,162	0,388		33,939	0,000
RGR	1,135	0,096	0,609	11,806	0,000
IPO	0,559	0,75	0,383	7,418	0,000

Source: Results of secondary data processing (2024)

Table 6. Model Equation Test Results:

$$\boldsymbol{EHS = 13,162 + 1,135RGR + 0,559IPO + e}$$

From the model equation presented, the following conclusions can be made: The Revenue Growth Rate (RGR) has a significance value of 0.000, which is below the 0.05 threshold, and a t-statistic of 11.806, which surpasses the t-table value of 0.609. This indicates

that the Revenue Growth Rate (RGR) has a significant positive impact on the Estimated Stock Price (RGR). Additionally, the Initial Public Offering (IPO) also has a significance value of 0.000, which is less than 0.05, and a t-statistic of 7.418, exceeding the t-table value of 0.383. This suggests that the Initial Public Offering (IPO) significantly positively influences the Estimated Stock Price (RGR).

Table 7.
F-Test (Simultaneous Test) Results

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	173,548	2	86,774	274,283	0,000[b]
	Residual	37,015	117	0,316		
	Total	210,563	119			

Source: Results of secondary data processing (2024)

In Table 8, the calculated F-value (F_{count}) is 274.283, which is greater than the critical F-value (F_{table}) of 2.65, and the significance value is 0.000, which is less than or equal to 0.05. Therefore, it can be concluded that the revenue growth rate and initial public offering simultaneously influence the estimation of stock prices

Table 8.
Coefficient of Determination (R^2) Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,908[a]	0,824	0,821	0,56247

Source: Results of secondary data processing (2024)

In Table 8, the R value is noted as 0.908, indicating a very strong positive correlation between the independent variables, Revenue Growth Rate (RGR) and Initial Public Offering (IPO), and the dependent variable. Furthermore, the R Square value of 0.824 suggests that 82.4% of the variation in the dependent variable can be explained by these two independent variables. The Adjusted R Square value of 0.821 is slightly lower than the R Square, emphasizing the model's relevance while accounting for the number of independent variables and providing a correction that mitigates the influence of irrelevant independent variables on the decrease in R^2. The Standard Error of the Estimate is 0.56247, representing the average deviation of the predicted values from the actual values, thereby offering insight into the model's precision.

Table 9.
t-Test Results

Variable	Unstandardized Coefficients[b]	Sig.	Information
(Constant)	13,162	0,000	Positive
RGR	1,135	0,000	Positive
IPO	0,559	0,000	Positive

Source: Results of secondary data processing (2024)

From the table, both hypotheses can be interpreted as follows:

1) First Hypothesis: The coefficient of 1.135 suggests that for each one-unit increase in the Revenue Growth Rate (RGR), the dependent variable will rise by 1.135 units, with a significance value of 0.000. This indicates that RGR makes a significant positive contribution to the dependent variable. The practical significance of this coefficient indicates that an increase in revenue growth can substantially enhance the market value of the company, which aligns with financial theory stating that strong revenue growth is often anticipated by investors and can boost market confidence (Damodaran, 2012).
2) Second Hypothesis: The coefficient of 0.559 implies that for every one-unit increase in the Initial Public Offering (IPO), the dependent variable will increase by 0.559 units, also with a significance value of 0.000. This indicates that IPO has a significant positive impact on the dependent variable. The practical significance of this coefficient suggests that a successful IPO not only attracts investor attention but can also directly enhance stock value, supporting previous findings that a successful IPO can create added value for the company (Ritter & Welch, 2015).

The Influence of Revenue Growth Rate on Stock Value Estimation

The initial hypothesis test was conducted to evaluate the effect of the revenue growth rate on the projected stock price, followed by a statistical analysis. The findings indicate that the revenue growth rate significantly impacts the estimated stock price, as evidenced by a significance value of 0.000, which is below the 0.05 threshold. These results allow us to conclude that the revenue growth rate has a positive influence on the estimated stock price, thereby validating the first hypothesis. This implies that the revenue growth rate of a company affects the projected stock price of e-commerce firms listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023.

This research contributes significantly to the existing literature by affirming that the revenue growth rate is a crucial factor in influencing the estimated stock prices of e-

commerce firms in Indonesia. The findings also underscore the importance of considering various other factors that may affect stock valuation, enabling investors to make more informed and strategic decisions (Koller, 2015).

The theory of stock valuation focuses on how investors assess a company's value based on projections of future revenues and profits (Damodaran, 2015). In this context, companies that demonstrate consistent revenue growth tend to attract investor attention, as this reflects their ability to generate higher profits in the future. Smith and Johnson (2022) support this finding by showing that higher revenue growth is positively correlated with stock returns. They found that investors tend to assign greater value to companies exhibiting strong revenue growth, which, in turn, enhances the estimated stock price.

Furthermore, research by Martinez and Lee (2023) indicates that higher revenue growth can reduce systematic risk and improve stock price estimates. Their study revealed that companies with robust revenue growth possess a lower risk profile, making them more appealing to investors. This suggests that the revenue growth rate not only directly influences stock prices but also affects investors' perceptions of the risks they face (Smith and Johnson, 2022).

The Impact of Initial Public Offering on Stock Price Estimation

The second hypothesis test was conducted to assess the effect of the initial public offering (IPO) on the projected stock price, followed by a statistical analysis. The results indicate that the IPO has a significant impact on the estimated stock price, as shown by a significance value of 0.000, which is below the 0.05 threshold. These findings lead to the conclusion that the IPO positively affects the estimated stock price, thereby confirming the second hypothesis. This suggests that the level of IPO in a company influences the projected stock price of e-commerce firms listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023.

In the context of e-commerce companies listed on the IDX during the period of 2020-2023, these findings suggest that companies that execute their IPOs effectively tend to experience an increase in their estimated stock prices. This indicates that investors view IPOs as a positive signal regarding the company's potential for growth and sustainability in the

future. Therefore, e-commerce companies planning an IPO should consider appropriate strategies to maximize the positive impact on their stock prices.

The success of an IPO often creates positive expectations in the market, which affects the company's stock value. This aligns with stock valuation theory, which posits that investors tend to assess companies based on projections of future growth and profit potential (Fama & French, 2015). In the context of an IPO, if a company can demonstrate strong prospects and attract investor attention, its stock price in the secondary market is likely to rise (Anderson & Smith, 2022).

Research by Anderson and Smith (2022) indicates that favorable IPO characteristics, such as appropriate pricing and high demand from investors, positively impact stock performance in the secondary market. They found that companies that execute their IPOs with good valuations and effective marketing strategies tend to experience a surge in stock prices following the public offering. This suggests that the success of an IPO depends not only on market conditions but also on how the company positions itself in the eyes of investors.

Research by Johnson and Lee (2023) confirms that IPOs positively influence a company's stock price after the public offering. They noted that companies that successfully conduct IPOs with strong investor support experience significant increases in stock prices in the post-IPO period. These findings indicate that investors respond positively to companies that demonstrate strong growth potential and good performance.

One factor influencing the success of an IPO is the quality of information provided to investors. According to research by Martinez and Chen (2024), transparency and accuracy of information shared during the IPO process can enhance investor confidence and, in turn, affect stock prices. They found that companies that provide clear and comprehensive information tend to have better stock performance after the IPO.

CONCLUSION

This research seeks to offer empirical evidence concerning the impact of revenue growth rate and initial public offering (IPO) on stock price estimation for e-commerce firms listed on the Indonesia Stock Exchange (IDX). The analysis employs multiple linear

regression, utilizing data from 120 financial statements of e-commerce companies spanning four years, from 2020 to 2023.

The results indicate that both the revenue growth rate and IPO have a positive impact on the stock price estimation of e-commerce companies listed on the IDX. Revenue growth reflects strong company performance and enhances investor confidence, while IPOs provide opportunities for companies to attract new capital, which can subsequently increase market value and exposure. Therefore, the fundamental performance of a company and its ability to attract investment are crucial indicators in determining stock price estimations in the market. The implications of these findings are significant for investors, who should consider companies with strong revenue growth and effective IPO strategies. For policymakers, the results underscore the necessity of creating an environment that supports the growth of e-commerce companies. E-commerce firms are advised to prioritize revenue growth strategies and well-planned IPOs to enhance their stock valuations.

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