

**MERGERS AND ACQUISITIONS ON FINANCIAL PERFORMANCE AND  
EFFICIENCY: EVIDENCE FROM NON-FINANCIAL COMPANIES LISTED  
IN INDONESIA STOCK EXCHANGE**

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### STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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## ABSTRACT

### MERGERS AND ACQUISITIONS ON FINANCIAL PERFORMANCE AND EFFICIENCY: EVIDENCE FROM NON-FINANCIAL COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

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Numbers of M&A transactions in Indonesia and worldwide are increasing over the years. Companies conducted M&A as a growth strategy that in return would benefit them. This research examines whether there is significant difference in financial performance after M&A and whether efficiency improves after M&A. The sample of the study consists of 21 non-financial public companies that conducted M&A during the year 2011 to 2017. Wilcoxon signed rank test and Data Envelopment Analysis are used to process the data. The findings show that ROA, ROE and NPM decrease significantly after M&A. On the other hand, there are no significant differences in CR, DER, TATO and Tobin's Q after M&A. The result of the DEA for efficiency scores shows that only 8 companies experience an increase in efficiency scores after M&A. While efficiency scores for other 13 companies decrease after M&A. Therefore, this research concludes that efficiency does not improve after M&A.

*Keywords: Mergers, Acquisitions, DEA, Financial Performance, Indonesia*



## **DEDICATION**

I dedicate this work to my parents, my family, and my advisor Margaretha Tiur  
Pasuria Lingga, S.E., M.M.



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## TABLE OF CONTENTS

	Page
STATEMENT BY THE AUTHOR .....	2
ABSTRACT .....	3
DEDICATION .....	5
ACKNOWLEDGEMENTS .....	6
CHAPTER 1 - INTRODUCTION .....	12
1.1. Background.....	12
1.2 Research Problem .....	16
1.3 Research Questions.....	17
1.4 Research Objectives .....	17
1.5 Scope and Limitation.....	17
1.6 Significance of Study.....	18
CHAPTER 2 - LITERATURE REVIEW.....	19
2.1 Theoretical Perspectives .....	19
2.2 Mergers and Acquisitions .....	21
2.2.1 Mergers and Acquisitions Motives .....	22
2.2.2 Factors Affecting Success and Failure of M&A.....	23
2.3 Evaluating Company Performance .....	24
2.3.1 Financial Performance.....	25
2.3.1.1 Financial Ratio Analysis.....	25
2.3.2 Company Efficiency.....	29
2.3.2.1 Data Envelopment Analysis.....	30
2.4 Literature about the DEA Model and Financial Performance.....	32
2.5 Mergers and Acquisitions Toward Company Financial Performance.....	33
2.5.1 Mergers and Acquisitions toward Liquidity.....	33
2.5.2 Mergers and Acquisitions toward Solvency Ratio .....	34
2.5.3 Mergers and Acquisitions toward Asset Management Ratio .....	34
2.5.4 Mergers and Acquisitions toward Profitability Ratios.....	35
2.5.5 Mergers and Acquisitions toward Market Measurement .....	35
2.6 Mergers and Acquisitions toward Efficiency.....	36
2.7 Internal Factors affecting post-M&A Performance.....	37
2.8 Previous Studies .....	39

2.9	Study Differences .....	42
2.10	Hypothesis .....	45
CHAPTER 3 – RESEARCH METHODS .....		47
3.1	Theoretical Framework .....	47
3.2	Type of Study .....	48
3.3	Unit of Analysis.....	48
3.4	Type of Data & Data Collection Method.....	49
3.4.1	Type of Data .....	49
3.4.2	Data Collection Method .....	49
3.5	Location & Time Frame of Study .....	49
3.6	Sampling Design .....	50
3.6.1	Population.....	50
3.6.2	Sampling Method.....	50
3.6.3	Sample Size .....	50
3.7	Variable Operationalization .....	51
3.7.1	Measuring Financial Performance .....	51
3.7.2	Measuring Efficiency Using the DEA Model Variables .....	52
3.8	Analysis Technique .....	53
3.8.1	Descriptive statistics.....	53
3.8.2	Paired sample T-test.....	53
3.8.3	Data Envelopment Analysis (DEA).....	54
CHAPTER 4 – RESULTS AND DISCUSSIONS .....		55
4.1	Sample Profile .....	55
4.2	Descriptive Statistics .....	57
4.2.1	Descriptive Statistics of Financial Ratios.....	57
4.2.2	Descriptive Statistics of Data Envelopment Analysis (DEA) .....	64
4.3	Results Analysis .....	66
4.3.1	Analysis of Financial Ratios Before and After M&A Using Wilcoxon Signed Rank Test .....	67
4.3.1.1	Current Ratio .....	67
4.3.1.2	Debt to Equity Ratio .....	67
4.3.1.3	Total Asset Turnover.....	68
4.3.1.4	Return on Equity .....	68
4.3.1.5	Return on Asset.....	69
4.3.1.6	Net Profit Margin .....	69
4.3.1.7	Tobin’s Q Ratio.....	70



4.3.2	Result Analysis of Efficiency Using the DEA Model .....	70
4.4	Data Discussions .....	74
4.4.1	Data Discussion For Financial Performance .....	74
4.4.2	Data Discussion for Efficiency Using the DEA Model .....	78
4.5	Summary Of Data Discussion .....	79
CHAPTER 5 – CONCLUSIONS AND RECCOMENDATIONS .....		82
5.1	Conclusions .....	82
5.2	Recommendations .....	83
GLOSSARY .....		85
REFERENCES .....		86
APPENDICES .....		95
APPENDIX A: Normality Test .....		95
APPENDIX B: Wilcoxon Signed Rank Test .....		96
APPENDIX D Efficiency Scores Result From The DEA .....		100
CURRICULUM VITAE .....		102

## LIST OF FIGURES

Figures	Page
Figure 1.1 Number of M&A in Indonesia Raised to KPPU .....	16
Figure 3.1 Theoretical Framework .....	47
Figure 4.1 Mean of Current Ratio .....	58
Figure 4.2 Mean of Debt to Equity.....	59
Figure 4.3 Mean of Total Asset Turnover.....	60
Figure 4.4 Mean of Return on Equity.....	61
Figure 4.5 Mean of Return on Asset.....	62
Figure 4.6 Mean of Net Profit Margin.....	63
Figure 4.7 Mean of Tobin's Q Ratio.....	64
Figure 4.8 Mean of DEA.....	65

## LIST OF TABLES

Table	Page
Table 2.1 Theoretical Perspectives .....	19
Table 2.2 Previous Studies .....	39
Table 3.1 Sample Size .....	51
Table 3.2 Financial Performance Indicators .....	51
Table 3.3 Efficiency Using DEA Variables .....	52
Table 4.1 List of Companies Code and Industry .....	55
Table 4.2 Number of Companies in Each Industry .....	57
Table 4.3 Descriptive Statistics of Current Ratio .....	57
Table 4.4 Descriptive Statistics of Debt to Equity .....	58
Table 4.5 Descriptive Statistics of Total Asset Turnover .....	59
Table 4.6 Descriptive Statistics of Return on Equity .....	60
Table 4.7 Descriptive Statistics of Return on Asset .....	61
Table 4.8 Descriptive Statistics of Net profit Margin.....	62
Table 4.9 Descriptive Statistics of Tobin's Q Ratio .....	63
Table 4.10 Descriptive Statistics of DEA .....	64
Table 4.11 Wilcoxon Signed Rank Test of Current Ratio .....	67
Table 4.12 Wilcoxon Signed Rank Test of Debt-to-Equity Ratio.....	67
Table 4.13 Wilcoxon Signed Rank Test of Total Asset Turnover Ratio .....	68
Table 4.14 Wilcoxon Signed Rank test of Return on Equity .....	68
Table 4.15 Wilcoxon Signed Rank Test of Return on Asset Ratio .....	69
Table 4.16 Wilcoxon Signed Rank Test of Net profit Margin.....	69
Table 4.17 Wilcoxon Signed Rank test of Tobin's Q ratio .....	70
Table 4.18 Frequency of Companies Reaching Full Efficiency Score .....	71
Table 4.19 Average Efficiency Scores.....	72
Table 4.20 Companies Experienced a Decline in Efficiency Score Between Pre-M&A and Post-M&A.....	72
Table 4.21 Companies Experienced an Improvement in Efficiency Scores .....	73
Table 4.22 Summary of Hypothesis Testing Results.....	79