The 3rd International Conference on Economic and Social Sciences
Fakultas Ekonomi dan Ilmu Sosial
Universitas Islam Negeri Sultan Syarif Kasim Riau

Vol. 3 (2025) E-ISSN : 3032 – 517X

# Assessing the Financial and Market Effects of Mergers and Acquisitions: Evidence from Indonesia's Capital Market

**Shierly Indriana Saputri[1], Faiza Muklis[2*]**

[1,2]Universitas Islam Negeri Sultan Syarif Kasim Riau, Riau, Indonesia

Email Correspondent
faiza.muklis@uin-suska.ac.id

**ARTICLE INFO**

***Article history:***
Received Dec 23, 2025
Revised Dec 30, 2025
Accepted Jan 11, 2026
Available online Jan 15, 2026

**Keywords:**
Financial Effects, Market Effects, Mergers, Acquisition

*This is an open access article under the CC BY-SA license.*
*Copyright © 2024 by Author.*
*Published by UIN Suska Riau*

**ABSTRACT**

This study aims to analyze the differences in financial performance and market performance of companies before and after mergers and acquisitions. The financial ratios used in this study include the current ratio (CR), debt to equity ratio (DER), debt to asset ratio (DAR), total asset turnover (TATO), return on assets (ROA), return on equity (ROE), earnings per share (EPS), and Tobin's Q. The research sample was obtained through purposive sampling, with a total of 30 companies that conducted mergers and acquisitions during the 2019–2021 period. The difference test was performed using the paired sample t-test and Wilcoxon signed-rank test. The results showed that there were no significant differences in most of the CR, DER, TATO, EPS, ROA, and ROE ratios because the impact of mergers and acquisitions was not yet visible in the short term and the company integration process was still ongoing. Conversely, differences in the DAR and Tobin's Q ratios occurred due to changes in the structure of assets and liabilities and market reactions to the company's prospects after the merger and acquisition.

## INTRODUCTION

The business world has experienced fluctuating economic growth with intense competition. Companies are required to create the right strategies to survive and grow, one of which is through mergers and acquisitions (M&A). M&A not only aims to increase scale and efficiency, but also as a strategy to survive in challenging external conditions, such as economic crises and the COVID-19 pandemic, which have reduced energy demand and affected the performance of certain industrial sectors (Anani et al., 2022). This phenomenon was experienced in 2021 by PT Delta Dunia Makmur Tbk (DOID) through its subsidiary's acquisition of Downer Mining East from Australia for US$99 million, which was fully funded by a loan from Bank Mandiri. After the acquisition, DOID faced a decline in financial performance, including a net loss of US$26.5 million in the first half of 2024 due to exchange rate losses and an increase in cost of revenue (Financialreview.id, 2024).

In addition, the use of large amounts of external financing added to the financial risk pressure. From an operational perspective, extreme weather caused a decline in land clearing, although it recovered in the following period (Duniaenergi.com, 2024). DOID also faces market challenges as it expands into international markets and diversifies its commodities, requiring adjustments to its operational strategy and exposing the company to fiercer global competition, which impacts efficiency and profit margins (pressrelease.id, 2022).

The COVID-19 pandemic also prompted various mergers in the banking sector in response to economic pressures, including in Indonesia with the formation of Bank Syariah Indonesia (BSI) in 2021 through the merger of BRI Syariah, BNI Syariah, and Bank Syariah Mandiri. Although this merger increased BSI's total assets and profit growth, the integration process faced major challenges, particularly in unifying technology systems and organizational culture. Disruptions to digital services have an impact on customer satisfaction and pose a risk to financial performance. In addition, BSI's dominance post-merger raises concerns about potential monopoly in the Islamic banking market, which could hamper innovation and reduce the overall competitiveness of the industry (Cahya & Anggraini, 2022).

Various external factors influence merger and acquisition (M&A) activities. First, unfair market competition may arise due to the dominance of post-M&A companies, which threatens small businesses, making it mandatory to report to the KPPU (Lawfirm.com, 2022). Second, government regulations and economic conditions due to the Covid-19 pandemic have a significant impact on market activity, demand, and supply chains, as well as increasing companies' caution in making strategic decisions such as M&A (Fauziah Dwiliandari, 2021). Third, expensive M&A financing through external loans poses risks and affects market perception, which can ultimately have a negative impact on a company's financial performance (Anani et al., 2022).

Mergers and acquisitions can have a negative impact on the financial performance of the acquiring company and affect market performance if they receive a negative reaction from investors (Samodra & Mulyati, 2022). The success of M&A can be measured by improvements in financial and market performance. Financial performance reflects the condition and health of a company in a certain period, which is the basis for investor assessment (Maulida & Novius, 2023). Meanwhile, market performance is measured by the increase in the company's share value in the capital market and reflects investor perceptions of the company's prospects (Hasanah, 2020). Therefore, financial ratio analysis is needed to assess the success of M&A.

Previous studies on mergers and acquisitions have shown mixed results. Putri & Rochdianingrum (2022) and Kurniati & Asmirawati (2022) found that there were

no significant differences in financial ratios such as CR, ROA, TATO, EPS, DER, QR, DAR, and PER before and after M&A. Conversely, Suprihatin (2022) and Husna & Irawati (2024) found significant differences in several financial indicators such as CR, DAR, TATO, ROA, ROE, NPM, and EPS after M&A. These differences in results prompted the author to re-examine the impact of M&A on company performance.

## LITERATURE REVIEW

### Signaling Theory

Signaling theory (Gumanti, 2017:250) is an action or statement in conveying company performance and information to external parties, namely shareholders. According to Suganda (2018) in (Qoni'ah & Hidayat, 2023), signaling theory is used to understand how management conveys information to investors, which in turn can influence investors' decisions about the company's condition in the capital market. These signals can be any information regarding the company's condition that shows that the company is superior to other companies through information provided by the company's management, such as appropriate, complete, and accurate information. Merger and acquisition announcements are a form of signaling for companies by sending information that is considered a signal for shareholders to assess the condition and prospects of the company's performance after the merger and acquisition (Nisak, 2020).

### Synergy Theory

Synergy Theory explains that two companies will obtain greater profits when they merge than the combined value of each company separately (Panayides, 2018). Syamsuddin & Pratama (2021) state that synergy is classified into two areas, namely operational synergy and financial synergy. Operational synergy occurs when two merged companies have almost identical production processes, and the main objective of this operational synergy is to reduce the costs incurred from the combination of the two companies. Financial synergy occurs when the merged companies have a strong capital structure and are able to obtain external funding more easily.

### Merger and Acquisition

According to (Hariyani et al., 2011) in his book, a merger is a strategy for corporate expansion or restructuring by combining two or more companies. “Merger” in English means “combination,” while in Latin it means “joining together, uniting, or combining, resulting in the loss of identity due to absorption.” In a merger, only one company is allowed to survive, while the other companies are dissolved without liquidation. Mergers are one of the strategies implemented by companies to diversify and expand, in addition to strengthening their position in the market (Ali, 2020).

An acquisition is when one company takes over ownership of another company. Although the name of the target company remains, ownership has been transferred to the acquiring company (Tarigan et al., 2016:8). If another company takes over ownership or control of a company's assets or shares, this is called an acquisition. In this case, both the acquiring and acquired companies continue to operate as separate legal entities (Moin, 2004). Usually, the acquired company cannot compete with other companies due to its poor management system and difficulty in developing despite having sufficient funds. Therefore, the purpose of this acquisition is to improve its management system (Gandamihardja & Rusliati, 2020).

Financial Performance

Financial performance is an analytical tool that describes a relationship or consideration between a certain amount and another amount in a financial report using an analytical tool in the form of a ratio that explains to analysts whether the company's financial condition is good or bad, especially when the ratio is compared with a comparative ratio used as a standard (Munawir, 2015). The financial ratios used as measurement tools in this study are as follows:

**Current Ratio.** Also known as the liquidity ratio, this is a measure of how well a company can pay its short-term liabilities or debts that are due immediately when billed in full (Kasmir, 2017:134).

H1 = There is a difference in CR before and after M&A

**Debt to equity ratio (DER).** As a ratio of debt to capital, this ratio is used to assess debt with equity (Kasmir, 2017:157).

H2 = There is a difference in DER before and after M&A

**Debt to asset ratio (DAR).** The debt to total assets ratio is a ratio used to measure the comparison between total debt and total assets (Kasmir, 2017).

H3 = There is a difference in DAR before and after M&A

**Total asset turnover (TATO).** This is the turnover of total assets used to measure the turnover of funds in a company's assets. TATO is also used to measure how much a company can sell from each rupiah of assets (Kasmir, 2017).

H4 = There is a difference in TATO before and after M&A

**Return on assets (ROA).** This is a ratio that shows the effectiveness of management or the results of the assets used by the company, which is calculated by comparing net profit after tax with total assets (Jirwanto et al., 2024).

H5 = There is a difference in ROA before and after M&A

**Return on equity (ROE).** This is the return on equity used to determine how capable a company is in generating net profit with its existing capital. The higher this ratio, the better the company's position, and vice versa (Kasmir, 2017).

H6 = There is a difference in ROE before and after M&A

**Earning per share (EPS).** The earnings per share ratio, also known as the book value ratio, is a measure of how well management has succeeded in generating profits for shareholders. A low ratio indicates that management has failed to meet shareholder needs, while a high ratio indicates that shareholder welfare has increased (Kasmir, 2017).

H7 = There is a difference in EPS before and after M&A

Market Performance

Market performance is an assessment of a company's performance based on its share price multiplied by the number of shares outstanding (Alandra & Yunita, 2022). A company can assess its performance by looking at the strengths and weaknesses evident in its annual report. There are many ways to assess market performance, one of which is using the following model;

**Tobin's Q.** This is a measure that shows the market's assessment of a company's assets compared to its book value, thereby providing better information on how to measure a company's market value (Setiawan et al., 2024). Thus, the formulation of the Tobin's Q ratio covers all components of a company's debt and share capital. This ratio is considered the most suitable for providing information about mergers and acquisitions (Hanafi & Halim, 2016).

H8 = There is a difference in Tobin's Q before and after M&A

## METHODOLOGY

This research employs a quantitative approach aimed at determining whether there are significant differences in companies' financial performance before and after mergers and acquisitions (M&A). The analysis focuses on financial performance variables measured using various financial ratios to assess changes in company performance. The study uses secondary data obtained from companies' annual financial statements, including the balance sheet, statement of comprehensive income, and statement of cash flows, which were accessed through the official website of the Indonesia Stock Exchange (IDX) at http://www.idx.co.id. The research population consists of all public companies listed on the IDX that published annual financial statements during the 2017–2023 period, representing conditions before and after M&A. The determination of research objects is based on companies that conducted mergers and acquisitions between 2019 and 2021, with 12 companies recorded in 2019, 12 companies in 2020, and 24 companies in 2021.

In determining the sample in this study, the researcher will use purposive sampling technique, where the researcher determines the sample by setting specific characteristics that are relevant to the research being studied. The following are samples with specific criteria: (1) Companies listed on the IDX that carried out merger and acquisition activities from 2019 to 2021. (2) Companies with clear merger and acquisition dates or years. (3) Publishing complete financial reports 2 years before and 2 years after the merger and acquisition. (4) The acquiring company purchases more than 50% of the target company's shares.

Table 1. Sample Determination Criteria

| No. | Sample Criteria | Amount |
|---|---|---|
| 1 | Companies that conducted acquisitions in 2019-2021 and are listed on the Indonesia Stock Exchange | 41 |
| 2 | Companies that conducted mergers in 2019-2021 and are listed on the Indonesia Stock Exchange | 7 |
| 3 | Companies that do not have complete financial data from 2017-2023 | (10) |
| 4 | Companies that acquired less than 50% of shares | (5) |
| 5 | No information available on share ownership after the acquisition process | (3) |
| | Total Sampel | 30 |

Source: Data processed, 2025

The analysis technique in this study first uses descriptive statistics and then uses the Shapiro Wilk test to determine whether the data is normally distributed or not. If the data is normally distributed, the hypothesis test used is the paired sample t-test. If the data is not normally distributed, the hypothesis test used is the Wilcoxon signed rank test. The significance level used is below 0.05.

## RESULTS AND DISCUSSION

### Results

Table 2. Descriptive Statistic

| Descriptive Statistic | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| CR SBMA | 30 | 0.369 | 9.648 | 2.16617 | 2.025436 |
| CR SSMA | 30 | 0.376 | 5.103 | 1.92231 | 1.296458 |
| DER SBMA | 30 | 0.108 | 5.751 | 1.44303 | 1.326379 |
| DER SSMA | 30 | 0.116 | 5.504 | 1.50074 | 1.251529 |

| | | | | | |
|---|---|---|---|---|---|
| DAR SBMA | 30 | 0.097 | 3.466 | 0.58633 | 0.580482 |
| DAR SSMA | 30 | 0.104 | 0.846 | 0.48959 | 0.217909 |
| TATO SBMA | 30 | 0.077 | 1.789 | 0.54016 | 0.352493 |
| TATO SSMA | 30 | 0.064 | 1.367 | 0.49826 | 0.323660 |
| ROA SBMA | 30 | -0.126 | 0.190 | 0.03390 | 0.059316 |
| ROA SSMA | 30 | -0.249 | 0.208 | 0.04028 | 0.079612 |
| ROE SBMA | 30 | -0.170 | 0.415 | 0.07161 | 0.109306 |
| ROE SSMA | 30 | -1.220 | 0.294 | 0.05383 | 0.257719 |
| EPS SBMA | 30 | -412.029 | 1773.895 | 140.65070 | 350.132542 |
| EPS SSMA | 30 | -145.859 | 15041.648 | 627.99815 | 2730.720653 |
| TOBINS Q SBMA | 30 | 0.575 | 5.154 | 1.71306 | 1.251395 |
| TOBINS Q SSMA | 30 | 0.455 | 5.533 | 1.57216 | 1.119132 |
| Valid N (listwise) | 30 | | | | |

Source: Data processed, 2025 SPSS 30

In 30 company samples, the descriptive statistics of variables 2 years before and 2 years after mergers and acquisitions in Table 2 can be explained as follows:

Current Ratio

It is known that the mean value 2 years before the merger and acquisition was 2.16617 with a smaller standard deviation of 2.025436. This indicates a low variation between the minimum and maximum values. The minimum value of the current ratio was 0.369 and the maximum value of the current ratio was 9.648. The mean value of the current ratio for the two years after the merger and acquisition was 1.92231 with a smaller standard deviation of 1.296458. A standard deviation that is lower than the mean indicates that there is low variation between the minimum and maximum values of the current ratio (CR). The minimum current ratio was 0.376 and the maximum was 5.103.

Debt to Equity Ratio

The mean value two years before M&A was 1.44303 with a smaller standard deviation of 1.326379. This indicates a low variation between the minimum and maximum values. The minimum value of the debt to equity ratio was 0.108 and the maximum value was 5.751. The mean value of the debt to equity ratio two years after the M&A increased to 1.50074 with a smaller standard deviation of 1.251529. A standard deviation that is lower than the mean indicates that there is little variation between the minimum and maximum values. The minimum value is 0.116 and the maximum value is 5.504.

Debt to Asset Ratio

The mean value two years before the M&A was 0.58633 with a smaller standard deviation of 0.580482. This indicates a low variation between the minimum and maximum values. The lowest value was 0.097 and the highest value was 3.466. The mean value of the debt to asset ratio two years after the M&A decreased to 0.48959 with a smaller standard deviation of 0.217909. A standard deviation that is lower than the mean indicates that there is low variation between the minimum and maximum values. The lowest value is 0.104 and the highest value is 0.846.

Total Asset Turn Over

The mean value two years before the M&A was 0.54016 with a smaller standard deviation of 0.352493. This indicates that there was little variation between the

minimum and maximum values. The lowest value was 0.077 and the highest value was 1.789. The mean TATO value 2 years after the M&A decreased to 0.49826 with a smaller standard deviation of 0.323660. A standard deviation that is lower than the mean indicates that there is low variation between the minimum and maximum values. The lowest value is 0.064 and the highest value is 1.367.

Return On Assets

The mean value 2 years before M&A was 0.03390 with a larger standard deviation of 0.059316. This indicates a large variation between the minimum and maximum values. The lowest value was -0.126 and the highest value was 0.190. The mean value of return on assets two years after the M&A increased by 0.04028 with a larger standard deviation of 0.079612. A standard deviation greater than the mean indicates that there is a large variation between the minimum and maximum values. The lowest value was -0.249 and the highest value was 0.208.

Return on Equity

The mean value two years before the M&A was 0.07161 with a larger standard deviation of 0.109306. This indicates a large variation between the minimum and maximum values. The lowest value was -0.170 and the highest value was 0.415. The mean value of return on equity two years after the M&A decreased by 0.05383 with a larger standard deviation of 0.257719. A standard deviation higher than the mean indicates that there is a large variation between the minimum and maximum values. The lowest value was -1.220 and the highest value was 0.294.

Earning Per Share

The mean value two years before the M&A was 140.65070 with a larger standard deviation of 350.132542. This indicates a large variation between the minimum and maximum values. So the lowest value is -412.029 and the highest value is 1773.895. The mean value of earnings per share two years after the M&A increased by 627.99815 with a larger standard deviation of 2730.720653. The standard deviation value, which is higher than the mean, indicates that there is a large variation between the minimum and maximum values. The lowest value is -145.859 and the highest value is 15041.65.

Tobin's Q

The mean value of Tobin's Q two years before the M&A was 1.71306 with a smaller standard deviation of 1.251395. This indicates a low variation between the minimum and maximum values, with the lowest value being 0.575 and the highest value being 5.154. The mean value of Tobin's Q two years after the M&A decreased to 1.57216 with a smaller standard deviation of 1.119132. A standard deviation that is lower than the mean indicates that there is low variation between the minimum and maximum values. The lowest value was 0.455 and the highest value was 5.533.

Normality Test

A normality test is a test obtained from data distribution to determine whether the data is normally distributed or not. The normality test used in this study is the Shapiro-Wilk test.

Table 3. Normality Shapiro Wilk test

| Variable | Period | Sig. | α | Information |
|---|---|---|---|---|
| Current Ratio (CR) | 2 th Sebelum M&A | 0.067 | 0.05 | Tidak Normal |
| | 2 th Sesudah M&A | 0.003 | 0.05 | Tidak Normal |

| | | | | |
|---|---|---|---|---|
| Debt to Asset Ratio (DAR) | 2 th Sebelum M&A | 0.640 | 0.05 | Normal |
| | 2 th Sesudah M&A | 0.147 | 0.05 | Normal |
| Debt to Equity Ratio (DER) | 2 th Sebelum M&A | 0.000 | 0.05 | Tidak Normal |
| | 2 th Sesudah M&A | 0.014 | 0.05 | Tidak Normal |
| Total Asset Turn Over (TATO) | 2 th Sebelum M&A | 0.575 | 0.05 | Normal |
| | 2 th Sesudah M&A | 0.065 | 0.05 | Normal |
| Return On Asset (ROA) | 2 th Sebelum M&A | 0.038 | 0.05 | Tidak Normal |
| | 2 th Sesudah M&A | 0.000 | 0.05 | Tidak Normal |
| Return On Equity (ROE) | 2 th Sebelum M&A | 0.517 | 0.05 | Normal |
| | 2 th Sesudah M&A | 0.029 | 0.05 | Tidak Normal |
| Earning Per Share (EPS) | 2 th Sebelum M&A | 0.000 | 0.05 | Tidak Normal |
| | 2 th Sesudah M&A | 0.000 | 0.05 | Tidak Normal |
| Tobins Q | 2 th Sebelum M&A | 0.000 | 0.05 | Tidak Normal |
| | 2 th Sesudah M&A | 0.000 | 0.05 | Tidak Normal |

Source: Data processed, 2025 SPSS 30

The normality test results show that most financial variables (CR, DER, ROA, ROE, EPS, TOBINS Q) in the two-year period before and after the merger and acquisition are not normally distributed (p-value < 0.05), except for the DAR and TATO variables, which meet the normality assumption (p-value > 0.05). Based on these findings, the analysis method used was adjusted to the data distribution, namely the paired sample t-test for normal data and the Wilcoxon signed rank test for non-normal data.

Paired Sample T-Test

Hypothesis testing was used to explain the hypotheses that had been analyzed at the beginning. For the results of the normal distribution data test, a parametric test was used, namely the following paired sample t-test:

Table 4.Results of the Paired Sample T-Test for Two Years Before and Two Years After Mergers and Acquisitions

| Variable | t-test | Sig. t-test | Information |
|---|---|---|---|
| DAR before - DAR after | 2.080 | 0.046 | H3 Diterima |
| TATO before - TATO after | 1056.000 | 0.300 | H4 Ditolak |

Source : Data processed, 2025 SPSS 30

Based on Table 4, it can be seen that DAR shows a T value of 2.080 and an Asymp. Sig. (2-tailed) value of 0.046, which is smaller than the significance level of 5% (0.05), so H3 is accepted. Therefore, the conclusion is that there is a difference in the leverage ratio with the DAR measurement before and after the M&A. Meanwhile, TATO shows a T value of 1.056 and an Asymp. Sig. (2-tailed) value of 0.300, which is greater than the significance level of 5% (0.05), so H4 is rejected. Therefore, the conclusion is that there is no difference in the activity ratio with the TATO measurement before and after M&A.

Wilcoxon Signed Rank Test

Based on the results of the normality test that has been analyzed previously, it is known that not all data results are normally distributed. For more significant results, a non-parametric test is used, namely the following Wilcoxon signed rank test:

Table 5. Results of the Wilcoxon Signed Rank Test for Two Years Before and Two Years After Mergers and Acquisitions

| Variable | Z | Sig. | Significance Level | Information |
|---|---|---|---|---|
| CR before - CR after | -0.240 | 0,810 | 0,05 | H1 Rejected |
| DER before - DER after | -0.616 | 0,538 | 0,05 | H2 Rejected |
| ROA before - ROA after | -0.216 | 0,829 | 0,05 | H5 Rejected |
| ROE before - ROE after | -0.381 | 0,704 | 0,05 | H6 Rejected |
| EPS before - EPS after | -0.854 | 0,393 | 0,05 | H7 Rejected |
| TB Q before - TB Q after | -2.282 | 0,022 | 0,05 | H8 Accepted |

Source: Data processed, 2025 SPSS 30

Discussion

Difference in Current Ratio (CR) before and after M&A

The liquidity ratio reflects a company's ability to pay off short-term liabilities with current assets without external funding. Based on the results of the hypothesis test, H1 was rejected. This shows that there is no significant difference in the current ratio before and after the merger and acquisition. The decline in the average current ratio after the merger was due to suboptimal management of current assets in the face of increased short-term liabilities. This shows that the synergy from the merger has not yet improved overall short-term financial efficiency, mainly because the assets of the acquired company have not been optimally utilized. This can occur as a result of improvements made in various aspects, thereby reducing the availability of assets that can be used to pay debts (Ali, 2020). The results of this study are in line with (Putri & Yunita, 2023; S. R. Putri & Rochdianingrum, 2022), which also states that the current ratio does not differ before and after the merger and acquisition, even though there has been a decline, but it still has the ability to meet its current debts.

The difference in the Debt to Equity Ratio (DER) before and after M&A

The results show that there is no significant difference in the DER before and after mergers and acquisitions. The DER ratio reflects a company's ability to meet its short- and long-term obligations, where a lower DER value is considered better (Jirwanto et al., 2024). The DER tends to increase two years after the merger, indicating that the company is likely to use more debt to finance post-acquisition operations, with an increase in debt exceeding the increase in equity, reflecting suboptimal debt and capital management and a potential negative signal to external parties (Salsadila et al., 2021). The results of this study are in line with (Anani et al., 2022; Putri & Yunita, 2023), which found no significant difference in the debt to equity ratio (DER) before and after mergers and acquisitions.

Differences in Debt to Asset Ratio (DAR) before and after M&A

The results of this study found a significant difference in DAR before and after mergers and acquisitions. The average DAR decreased after the merger, reflecting an improvement in capital structure and a decrease in debt dependence (Faisal et al., 2018). This decline indicates the achievement of financial synergy and capital cost efficiency. According to Jirwanto et al (2024), this ratio shows how much of the assets are financed by debt, and the lower the value, the better the company's financial condition. From a signaling theory perspective, a decrease in DAR sends a positive signal to investors about financial health and the potential for increased market confidence (Swari & Masdiantini, 2024). The results of this study are supported by

Putri & Yunita (2023; Suprihatin, 2022), who also stated that there was a significant difference in the debt to asset ratio (DAR) before and after mergers and acquisitions.

Difference in Total Asset Turn Over (TATO) before and after M&A

The results of the study found that there was no significant difference in TATO before and after mergers and acquisitions. The average TATO decreased after M&A, reflecting a decline in the effectiveness of assets in generating sales (Siswanto, 2021). This shows that the operational synergy of the merger has not been optimally achieved (Anani et al., 2022). The decline in TATO was caused by an increase in assets that was not matched by sales growth, thus sending a weak signal to investors regarding the efficiency of post-acquisition company management. However, if asset growth does not immediately follow sales growth, the signal may be considered weak or may even create a negative perception of the efficiency of company management (Alamsyah et al., 2022). The results of this study are supported by (Putro & Kusuma, 2020; Samodra & Mulyati, 2022), which show that companies' ability to manage assets to generate income does not differ after mergers and acquisitions.

Differences in Return On Equity (ROE) before and after M&A

The results of this study found no significant difference in ROA before and after mergers and acquisitions. Although descriptively, the average ROA increased after M&A, the increase was not significant. This shows that mergers and acquisitions have not had a real impact on company profitability in the short term. However, the increase in ROA indicates a gradual improvement in operational efficiency and asset utilization. According to signaling theory, an increase in ROA has the potential to attract investors because it reflects better financial prospects (Swari & Masdiantini, 2024). These research results are in line with Fitriani & Zs (2023) and Putro & Kusuma (2020) in that the ROA variable does not differ significantly before and after mergers and acquisitions.

Differences in Return On Equity (ROE) before and after M&A

The results of the study prove that there is no significant difference in ROE before and after mergers and acquisitions. Descriptively, ROE decreased after M&A, indicating a reduction in the company's ability to generate profits for shareholders (Lyssa'adah & Budiman, 2022). This shows that the expected synergies from the merger have not been achieved, and the new management has not been able to utilize assets and equity optimally. This failure also weakens positive signals to investors, reducing confidence in the effectiveness of M&A strategies (Anani et al., 2022). These findings are in line with Mansur et al (2023) and Utari et al (2022), who concluded that ROE did not show significant differences before and after mergers and acquisitions.

Differences in Earning Per Share (EPS) before and after M&A

The results of the hypothesis test show that there is no significant difference in EPS before and after mergers and acquisitions. Although the average EPS increased after M&A, this increase did not reflect the achievement of effective financial synergies. Post-merger performance has not been able to drive significant growth in earnings per share, thus failing to meet shareholder expectations and provide a strong signal to the market (Putri & Rochdianingrum, 2022). This study is in line with Utari et al (2022) where there was no difference in the EPS ratio before and after mergers and acquisitions.

The difference in Tobin's Q before and after M&A

The hypothesis test results show a significant difference in the value of Tobin's Q before and after mergers and acquisitions. Despite the average decline, the value of Tobin's Q remains above one, indicating that the company's market value is higher than its asset value. This reflects good asset management and sends a positive signal to investors regarding the company's prospects after the merger. A safe Tobin's Q value will send a positive signal regarding market confidence in the company's performance and future prospects. With companies implementing good business practices, coupled with high market valuations, this can attract investors to invest (Qodary & Tambun, 2021). These results are in line with Oktavia & Kennedy (2021), who concluded that there is a very significant difference in the Tobin's Q ratio before and after M&A.

## CONCLUSION

The results of this study indicate that there are no significant differences in the CR, DER, TATO, EPS, ROA, and ROE ratios, suggesting that the impact of mergers and acquisitions is not yet observable in the short term, as the integration process between companies is still in progress. However, significant differences are found in the DAR and Tobin's Q ratios, which may be attributed to changes in asset and debt structures as well as market reactions to the companies' prospects following mergers and acquisitions.

This research has several limitations. It focuses only on companies listed on the Indonesia Stock Exchange (IDX) that conducted mergers and acquisitions during the 2019–2021 period, with an observation period from 2017 to 2023. The sample consists of 30 companies, which may not fully represent all firms engaging in mergers and acquisitions due to data availability constraints. Furthermore, the study examines only eight financial ratios and limits the observation period to two years before and two years after the mergers and acquisitions. For future research, it is recommended to extend the observation period—for instance, to five years before and five years after the mergers and acquisitions—and to increase the sample size to obtain more representative and comprehensive results.

## REFERENCES


Alamsyah, S., Ar, K., & Artika, S. P. (2022). *Setelah Mengakuisisi, Apakah Terjadi Kerbedaan Kinerja Keuangan? 6*(2).

Alandra, K., & Yunita, I. (2022). Analisis Perbandingan Kinerja Keuangan dan Kinerja Pasar Sebelum dan Sesudah Akuisisi pada Perusahaan Pengakuisisi (Studi Kasus pada Perusahaan Publik yang Melakukan Akuisisi pada Tahun 2019-2020). *MBIA*, *21*(2), 200–212. https://doi.org/10.33557/mbia.v21i2.1876

Ali, K. (2020). Analisis Perbedaan Kinerja Keuangan Sebelum Dan Sesudah Merger Dan Akuisisi Pada Perusahaan Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Manajemen*, *14*(2).

Anani, P., Gusnardi, G., & Riadi, Rm. (2022). Perbandingan Kinerja Keuangan Perusahaan Sebelum dan Sesudah Merger dan Akuisisi Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal GeoEkonomi*, *13*(1), 1–12. https://doi.org/10.36277/geoekonomi.v13i1.168

Faisal, A., Samben, R., & Pattisahusiwa, S. (2018). Analisis kinerja keuangan. *KINERJA*, *14*(1), 6. https://doi.org/10.29264/jkin.v14i1.2444

Fauziah Dwiliandari, A. (2021). Dilematika Pelonggaran Pengawasan Aksi Merger sebagai Kebijakan Reformasi Pemulihan Ekonomi. *Jurnal Persaingan Usaha*, *1*(1), 39–53. https://doi.org/10.55869/kppu.v1i1.11

Fitriani, Z., & Zs, N. Y. (2023). *Komparasi Kinerja Keuangan Sebelum dan Sesudah Merger dan Akuisisi Pada Perusahaan Pengakuisisi Di Bei*. *4*(2).

Gandamihardja, S., & Rusliati, E. (2020). Kinerja Keuangan Sebelum dan Sesudah Akuisisi Pada Perusahaan Non-Keuangan. *Jurnal Riset Akuntansi Kontemporer*, *12*(1), 24–30. https://doi.org/10.23969/jrak.v12i1.4042

Gumanti, T. A. (2017). *Keuangan Korporat: Tinjauan Teori dan Praktik Empiris*. Mitra Wacana Media.

Hanafi, M. M., & Halim, A. (2016). *Analisis Laporan Keuangan*. UPP STIM YKPN.

Hariyani, I., Serfianto, R., & Yustisia, C. (2011). *Merger, Konsolidasi, Akuisisi, & Pemisahan Perusahaan Cara Cerdas Mengembangkan & Memajukan Perusahaan*. Visimedia.

Hasanah, H. (2020). Analisis Kinerja Keuangan Sebelum dan Sesudah Akuisisi (Studi Komparatif Pada Perusahaan Food And Baverage Di Bursa Efek Indonesia). *EKONOMI BISNIS*, *25*(2), 122–130. https://doi.org/10.33592/jeb.v25i2.425

Jirwanto, H., Aqsa, M. A., Agusven, T., Herman, H., & Virna, S. (2024). *Manajemen Keuangan*. CV, Azka Pustaka.

Kasmir. (2017). *Analisis Laporan Keuangan*. Rajawali Pers.

Kurniati, M., & Asmirawati, A. (2022). Efek Merger Dan Akuisisi Terhadap Kinerja Keuangan Perusahaan Go Public. *JPS (Jurnal Perbankan Syariah)*, *3*(1), 72–84. https://doi.org/10.46367/jps.v3i1.473

Lyssa'adah, I., & Budiman, A. (2022). *Analisis Perbedaan Kinerja Keuangan Sebelum dan Sesudah Merger dan Akuisisi Pada Perusahaan Sektor Keuangan*. *1*.

Mansur, F., Febriyana, L., & Hernando, R. (2023). Analisis Perbandingan Rasio Keuangan Sebelum dan Sesudah Akuisisi (Studi Kasus Pada Perusahaan Yang Terdaftar Di BEI dan Melakukan Akuisisi Periode 2019). *Jurnal Akuntansi & Keuangan Unja*, *7*(3), 192–203. https://doi.org/10.22437/jaku.v7i3.25247

Maulida, N. R., & Novius, A. (2023). *Pengaruh Good Corporate Governance, Intellectual Capital, Leverage, Corporate Social Responsibility Dan Green Accountingmukl*. *1*.

Milfah, S. (2024, Desember). *Januari-September 2024, Delta Dunia Makmur (DOID) Derita Rugi Bersih USD13,96 Juta* [FinancialReview.id]. https://www.financialreview.id/korporasi/63414185104/januari-september-2024-delta-dunia-makmur-doid-derita-rugi-bersih-usd1396-juta

Moin, A. (2004). *Merger Akuisisi dan Divestasi*. Ekonisia.

Nisak, U. K. (2020). Analisis Perbandingan Kinerja Keuangan Perusahaan Akuisitor Sebelum dan Sesudah Merger & Akuisisi (M&A) Tahun 2015. *Jurnal Ilmu Manajemen*, *8*(3), 756. https://doi.org/10.26740/jim.v8n3.p756-767

Oktavia, B., & Kennedy, P. S. J. (2021). *Analisis Profitabilitas dan Nilai Pasar Perusahaan Publik Tiga Tahun Sebelum dan Tiga Tahun Setelah Merger/Akuisisi*. *4*.

Panayides, et al. (2018). The Reasons and Evaluations of Mergers and Acquisitions. *Accounting and Finance Research*, *7 (3)*.

Putri, D. D., & Yunita, I. (2023). *Analisis Kinerja Keuangan Perusahaan Sebelum dan Sesudah Melakukan Akuisisi Pada Perusahaan Pengakuisisi*. *7*(2).

Putri, S. R., & Rochdianingrum, W. A. (2022). *Pengaruh Merger dan Akuisisi Terhadap Kinerja Keuangan Perusahaan Non Keuangan Yang Terdaftar Di BEI Periode 2016-2018*. *11*.

Putro, D. N. S., & Kusuma, D. R. (2020). Analisis Perbandingan Kinerja Keuangan Sebelum dan Sesudah Merger-Akuisisi Pada Perusahaan Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2015. *Jurnal Fokus Manajemen Bisnis*, *9*(2), 143. https://doi.org/10.12928/fokus.v9i2.1556

Qoni'ah, N., & Hidayat, R. (2023). Analisis Perbandingan Kinerja Keuangan Sebelum dan Sesudah Merger Akuisisi pada Perusahaan Non Keuangan yang Terdaftar di Bursa Efek Indonesia. *REVITALISASI*, *12*(1), 1. https://doi.org/10.32503/revitalisasi.v12i1.3701

Rahmadhani, M. W., & Sundari, S. (2022). *Analisis Kinerja Keuangan Sebelum Dan Sesudah Akuisisi*. *2*, 374–385.

Salsadila, A. N., Miftah, M., & Fadila, A. (2021). *Analisis Kinerja Keuangan Sebelum dan Sesudah Akuisisi Pada Perusahaan Sektor Non Keuangan*. *7*.

Samodra, R. G., & Mulyati, S. (2022). *Analisis Kinerja Keuangan dan Kinerja Pasar Sebelum dan Sesudah Merger dan Akuisisi pada Perusahaan Go Public*. *01*(02).

Sayekti, I. M. S. (2022, March 28). *Kinerja PT Delta Dunia Makmur Tbk di 2022* [Pressrelease.id]. https://pressrelease.kontan.co.id/news/kinerja-pt-delta-dunia-makmur-tbk-di-2022

Setiawan, R., Afrianti, N., & Anisa, N. (2024). Komisaris Independen, Konsentrasi Kepemilikan Dan Kinerja Perusahaan. *Open Journal Systems*, *18*(12).

Siswanto, E. (2021). *Buku Ajar Manajemen Keuangan Dasar*. Universitas Negeri Malang.

Suprihatin, N. S. (2022). Komparasi Kinerja Keuangan Sebelum Dan Sesudah Merger Dan Akuisisi Pada Perusahaan Pengakuisisi Di BEI. *JAK (Jurnal Akuntansi) Kajian Ilmiah Akuntansi*, *9*(1), 126–144. https://doi.org/10.30656/jak.v9i1.4038

Swari, N. P. W. C., & Masdiantini, P. R. (2024). Analisis Perbandingan Kinerja Keuangan Sebelum dan Sesudah Merger dan Akuisisi (Studi Pada Perusahaan Sub Sektor Perbankan Yang Terdaftar Di BEI Periode 2018-2022). *Jurnal Ilmiah Akuntansi dan Humanika*, *14*(1), 122–134. https://doi.org/10.23887/jiah.v14i1.73982

Syamsuddin, S., & Pratama, V. Y. (2021). The Announcement of Sharia Bank's Conditional Merger Agreement. How Investor Reacted?: Event Study at BRI Syariah. *Journal of Business Management Review*, *2*(2), 136–146. https://doi.org/10.47153/jbmr22.1002021

Tanjung, A. (2024, January 8). *Rugi US$26,5 Juta, Fluktuasi Nilai Tukar Tekan Kinerja Keuangan Delta Dunia Semester 1 2024* [Dunia-energi.com]. https://www.dunia-energi.com/rugi-us265-juta-fluktuasi-nilai-tukar-tekan-kinerja-keuangan-delta-dunia-semester-i-2024/

Tarigan, J., Yenewan, S., & Natalia, G. (2016). *Merger dan Akuisisi: Dari perspektif strategis dan kondisi indonesia (Pendekatan Konsep dan Studi Kasus)*. Ekuilibria.

Utari, N. A., Asriany, A., & Hamid, R. S. (2022). Analisis Perbandingan Kinerja Keuangan Sebelum dan Sesudah Akuisisi Pada Perusahaan Yang Terdaftar Di BEI Periode 2015-2020. *Jesya (Jurnal Ekonomi & Ekonomi Syariah)*, *5*(1), 536–545. https://doi.org/10.36778/jesya.v5i1.630