ABSTRACT

The implementation of the ASEAN Economic Community (AEC) on December 31, 2015, is known to have increased industrial competition in the Asian region, spreading across various sectors. The implementation of the AEC presents both opportunities and challenges for business players, as it leads to intensified competition among the ten ASEAN member countries. As a strategy to enhance competitiveness, companies commonly undertake expansion actions such as mergers and acquisitions to maintain their presence in the market. The most common motive for engaging in mergers and acquisitions is to create operational and financial synergies. This strategy is also considered the fastest path to confront competition, as it avoids starting a business from scratch.

This research aims to analyze the differences in operational synergy, financial synergy, financial performance, and stock performance before and after mergers and acquisitions in companies listed on the Indonesia Stock Exchange (IDX) from 2015 to 2019. The study utilizes Sales Growth and Earnings per Share (EPS) to measure operational synergy, Debt Equity Ratio (DER) to measure financial synergy, Return on Equity (ROE) to measure financial performance, and Stock Return (R) to assess stock performance.

This study examines 17 companies that underwent M&A during the period of 2015-2019 with a testing period of 3 years before and after the event. The objects of this research are divided into two groups: (i) companies with a testing period in general market conditions, and (ii) companies with a testing period in the market conditions with a specific event (Covid-19).

The research indicates that most hypotheses are accepted (SR, EPS, DER, ROE, R), which means there is no significant difference before and after the event, both in general market conditions and in specific conditions. However, only Sales Growth and Actual Return show differing results between the two different market conditions. Meanwhile, the synergy test indicates that only 41.17% of companies show operational synergy occurring, proxied through Sales Growth, and 35.29% of companies show operational synergy occurring through Earnings per Share proxy. In the financial synergy test, 52.94% of companies demonstrate financial synergy occurring, proxied through the Debt Equity Ratio.

Keywords : *Merger*, Akuisisi, *Sales Growth, Earning per Share, Debt Equity Ratio, Return Equity Ratio, Actual Return*