ANALYSIS OF ACQUISITION ON FINANCIAL PERFORMANCE IN ACQUIRING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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Abstract

In recent years, several companies in Indonesia have engaged in acquisition activities as part of their growth and expansion strategies. The acquisition process involves one company acquiring another company, which can have various implications for the financial health and operational efficiency of both the acquiring and target companies. This study aims to analyze the comparison of the financial performance of companies listed on the Indonesia Stock Exchange before and after making acquisitions. The study uses a quantitative method with a descriptive approach, and the data used are secondary data obtained from the Indonesia Stock Exchange. In this study, the sample was obtained using purposive sampling technique, resulting in the selection of three companies that carried out acquisition activities in 2020. Data analysis in this study is divided into three parts: descriptive statistical tests, normality tests using the Kolmogorov-Smirnov test, and hypothesis testing consisting of paired sample t-tests for normally distributed data and Wilcoxon signed rank tests for data that are not normally distributed. Based on the results, it is evident that out of the eight financial ratios that have been tested, only one financial ratio experiences significant differences after making an acquisition, namely the Quick Ratio. The other seven ratios, namely Current Ratio, Total Asset Turnover, Debt to Asset Ratio, Debt to Equity Ratio, Return on Asset, Return on Equity, and Earnings Per Share, do not show significant differences. This suggests that the company has not fully optimized its performance in achieving the expected synergy through the acquisition process.

Keywords: Acquisition, Financial Performance, Ratio Analysis

1. INTRODUCTION

In today's rapidly evolving era of globalization and free-market dynamics, the imperative for corporate management to devise effective short-term and long-term business strategies has become increasingly pronounced. Among the diverse strategies available, one that frequently garners attention and consideration is the merger or acquisition of multiple businesses. This avenue of corporate development is a complex and multifaceted undertaking, primarily due to the myriad of aspects and vested interests intertwined within it.

Through mergers and acquisitions, companies aspire to achieve several strategic objectives. First and foremost, these actions are geared toward bolstering the company's market share, which can lead to increased competitiveness and potential economies of scale. Additionally, such corporate maneuvers offer opportunities for diversifying the business portfolio, allowing companies to tap into different industries or product segments, thereby reducing risk exposure. Moreover, mergers and acquisitions often aim to enhance the vertical integration of a company's existing operational activities, optimizing supply chains and synergies between business units.

Acquisition, as a strategy for external growth, stands out as a rapid and effective route to accessing new markets or products without the need for extensive groundwork and infrastructure development. Broadly defined, an acquisition involves the purchase of either the entirety or a portion of another company's ownership, affording the acquiring company a direct path to harness the assets and capabilities of the target company (Siti & Arfianto, 2011).

The decision of a company to embark on an acquisition journey is, in essence, a strategic effort to improve its financial performance without the necessity of constructing a business from scratch. This approach is particularly advantageous because it can significantly reduce the time required to gain access to new markets or products. Consequently, the financial benefits accrued by the acquiring company can be substantial, as it inherits not only one but multiple businesses under its umbrella (Normalita, 2018). Sutrisno (2009) asserts that the financial performance of a company serves as a reflection of its achievements during a specific period, providing valuable insights into the company's stability. To evaluate this performance, various analytical tools are available, with financial ratio analysis emerging as a comprehensive approach encompassing liquidity, profitability, activity, and solvency measures.

This research aims to explore the comparison of financial performance in companies that have undergone acquisition, specifically those listed on the Indonesia Stock Exchange, both before and after the acquisition. Over a span of two years prior to and two years following the acquisition, this study seeks to shed light on the impact of acquisition strategies on the financial performance of companies operating within the Indonesian capital market. By shedding light on the dynamics surrounding mergers and acquisitions, this research strives to provide decision-makers, investors, and stakeholders with a richer understanding of the intricacies involved in corporate consolidation. Such insights can prove invaluable in navigating the complexities of strategic decision-making, thereby contributing to a more informed and effective approach to corporate growth and development in the evolving business landscape.

2. LITERATURE REVIEW
2.1. Acquisition

Acquisition, derived from the Latin word "acquisition," refers to the act of buying or obtaining something specific to add it to something one already owns. According to PSAK No. 2 paragraph 08 of 1999, "Acquisition is a business combination in which one company, the acquirer, obtains control over the net assets and operations of the acquired company, the acquiree, by giving certain assets, assuming a liability, or issuing shares." According to Sartono (2010), acquisition is a form of business combination. Through acquisition, a company can make the target company its subsidiary, meaning both the acquiring and target companies continue to exist. In this acquisition process, most of the target company's shareholders often benefit more than the acquiring company's shareholders. Acquisition differs from a merger because it does not lead to the dissolution of the other party as a legal entity. Companies involved in acquisitions still stand legally and operate independently, albeit having undergone a transfer of ownership by the acquirer (Moin, 2010).

2.2. Financial Performance of Companies

According to Normalita (2018), the financial performance of a company is a representation of its achievement over a specific period, indicating the level of success attained. Financial performance in a company can be assessed using various analytical tools, one of which is financial ratio analysis. Financial ratio analysis is a primary tool for analyzing a company's financial health, as it can answer questions related to financial performance and the financial state of a company. Financial ratios are categorized into four main groups: liquidity, profitability, activity, and solvency (Tampubolon, 2013).

According to Harjito & Martono (2014), liquidity ratios show the relationship between current assets and current liabilities. The goal of liquidity ratios is to measure a company's ability to meet its short-term obligations. A company that wishes to maintain its existence must be capable of settling its financial obligations. Therefore, this ratio serves as an indicator of a company's ability to meet its obligations when they become due by using its current assets.

Profitability ratios measure a company's ability to generate profit, both from sales and investments made with the capital it possesses. Activity ratios gauge a company's efficiency in using its assets, encompassing the management of raw materials, work-in-progress, finished goods, asset management, and marketing policies. Solvency ratios demonstrate a company's ability to fulfill all its financial obligations, whether short-term or long-term. Market value ratios measure the size of a company's market value compared to its book value.

2.3. Hypotheses

Based on the consideration of acquisition theory regarding financial performance, where after an acquisition, the size of the company increases due to the merging of two or more companies. Therefore, the financial performance of companies that undergo acquisitions should improve compared to their performance before the acquisition. With this in mind, this research proposes the following hypotheses:

H1: There is a difference in the current ratio of companies before and after acquisition.
H2: There is a difference in the quick ratio of companies before and after acquisition.
H3: There is a difference in the return on assets of companies before and after acquisition.
H4: There is a difference in the return on equity of companies before and after acquisition.
H5: There is a difference in the total asset turnover of companies before and after acquisition.
H6: There is a difference in the debt to asset ratio of companies before and after acquisition.
H7: There is a difference in the debt to equity ratio of companies before and after acquisition.
H8: There is a difference in the earnings per share of companies before and after acquisition.

3. RESEARCH METHODS

The type of research used in this study is quantitative research with a descriptive approach. In this research, data is managed in numerical form and explanations are provided for the data. This study employs a descriptive approach with the aim of

describing or depicting the research object and its results. The research duration spanned six months, from March to August 2023, but may be subject to change depending on the field's situation and conditions. The research was conducted through the official website of the Indonesia Stock Exchange (BEI) at www.idx.co.id and the website of the Commission for the Supervision of Business Competition (*Komisi Pengawasan Persaingan Usaha* or KPPU) at https://kppu.go.id as a supporting web source.

The population in this research includes all companies that underwent mergers and acquisitions in the 2020 period. In 2020, there were a total of 195 such companies based on data from the Commission for the Supervision of Business Competition (KPPU). According to Sugiyono (2013), "A sample is a portion of the number and characteristics possessed by the population." The sampling technique used in this research is purposive sampling. According to Sugiyono (2013), "Purposive sampling is a sampling technique based on specific considerations." This means that the sample used must meet certain criteria or requirements determined based on various considerations. Based on the established sample criteria, three companies were selected as samples for this research.

According to Sugiyono (2013), "Research variables are attributes or characteristics or values of individuals, objects, or activities that have certain variations determined by the researcher for study and subsequent conclusions." The following is an explanation of the variables used in this study:

a. Liquidity Ratio

The liquidity ratios used in this study are Current Ratio (CR) and Quick Ratio (QR). Current Ratio and Quick Ratio can show the company's ability to use its current assets to pay off its current debt. The CR and QR formulas are as follows:

$$\textbf{Current Ratio (CR)} = \frac{\textbf{\textit{Current Assets}}}{\textbf{\textit{Current Debt}}}$$

$$\textbf{Quick Ratio (QR)} = \frac{\textbf{\textit{Current Assets} − \textit{Supplies}}}{\textbf{\textit{Current Debt}}}$$

b. Activity Ratio

The activity ratio used in this study is Total Asset Turnover (TATO) because it can show how the company manages and manages its assets effectively and efficiently. The formula for TATO is as follows:

$$\textbf{TATO} = \frac{\textbf{\textit{Revenue}}}{\textbf{\textit{Total assets}}}$$

c. Solvency Ratio

The solvency ratios used in this study are Debt to asset ratio (DAR) and Debt to equity ratio (DER). DAR is a comparison that measures the percentage of funds originating from debt, both short-term and long-term debt. Meanwhile, the debt to equity ratio is the ratio between the company's debt and its capital. The DAR and DER formulas are as follows:

$$\textbf{Debt to Asset Ratio (DAR)} = \frac{\textbf{\textit{Total Debt}}}{\textbf{\textit{Total Activas}}}$$

$$\textbf{Debt to Equity Ratio (DER)} = \frac{\textbf{\textit{Total Debt}}}{\textbf{\textit{Modal}}}$$

d. Profitability Ratio

The profitability ratios used in this study are Return on Asset (ROA) and Return on Equity (ROE) because this profitability ratio is a ratio that can measure the overall level of company profits in both sales and investment, the greater this ratio, the more effective the company will be in using its assets. The ROA and ROE formulas are as follows:

$$\textit{Return on Asset (ROA)} = \frac{\textbf{\textit{Net Profit}}}{\textbf{\textit{Total Assets}}}$$

$$\textit{Return on Equity (ROE)} = \frac{\textit{Profit After Tax}}{\textit{Total Equity}} \text{ x 100\%}$$

e. Market value ratio

The market ratio shows how much the market value of the company's shares is compared to the book value. In addition, this ratio also shows how the company's current and future value is compared to the company's past value. The market ratios used in this study is earnings per share that is a ratio that measures how much the ratio between net profit after tax and the number of shares issued by the company. The EPS formula is as follows:

$$EPS = \frac{\textbf{\textit{Earning After Interest and Tax}}}{\textbf{\textit{Number of outstanding shares}}}$$

4. RESULTS AND DISCUSSION

4.1. Overview of the Company

4.1.1. PT Garudafood Putra Putri Jaya Tbk.

PT Garudafood Putra Putri Jaya Tbk. is a food and beverage company that began its journey in 1979 through PT Tudung Putrajaya (TPJ). Based in Pati, Central Java, TPJ initially marketed peanut products under the brand "Kacang Garing Garuda," which later became known as "Kacang Garuda" in 1994. Initially, TPJ was founded by Darmo Putro under the name PT. Tudung and was involved in tapioca flour production.

4.1.2. Indo-Rama Synthetics Tbk.

PT Indo-Rama Synthetics Tbk. operates in various business sectors, including polyester production, power generation, polyethylene, polypropylene, polyester fiber, filament, yarn spinning, and medical gloves. The company is known for its high capacity utilization, surpassing similar companies in Asia and globally. Currently, Indo-Rama is one of the leading textile companies in Asia and exports its products to 75 countries worldwide.

4.1.3. PT. Dian Swastatika Sentosa Tbk.

PT. Dian Swastatika Sentosa Tbk. operates in various sectors, including the provision of electricity and steam, coal and gold mining and trading, technology business, and trading in chemicals and materials. The company was founded in 1996 and through

its four business lines, it produces products and services such as electricity, coal, gold, pay television, internet, pesticides, fertilizers, and chemicals.

4.2. Research Result
4.2.1. Financial Ratio Analysis Before and After Acquisition

The CR (Current Ratio) of PT. Garudafood Putra Putri Jaya Tbk. experienced fluctuations after the acquisition. The CR of PT. Garudafood Putra Putri Jaya Tbk. was 118.2% in 2018 and 153.4% in 2019 before the acquisition. It decreased to 148.7% in 2021 but increased to 174.1% in 2022. Meanwhile, the CR of PT. Indo-Rama Synthetics Tbk. increased after the acquisition. It was 357.7% in 2018 and 310.5% in 2019 before the acquisition. The CR increased to 340.5% in 2021 and then to 297.8% in 2022. Additionally, the CR of PT. Dian Swastatika Sentosa Tbk. also increased after the acquisition. It was 121.9% in 2018 and 129.7% in 2019 before the acquisition. The CR increased to 170.2% in 2021 and then to 136% in 2022.

Furthermore, the QR (Quick Ratio) of PT. Garudafood Putra Putri Jaya Tbk. fluctuated after the acquisition. It was 57.2% in 2018 and 91.6% in 2019 before the acquisition. It decreased to 90.8% in 2021 but increased to 104.7% in 2022. In contrast, the QR of PT. Indo-Rama Synthetics Tbk. increased after the acquisition. It was 51.2% in 2018 and 47% in 2019 before the acquisition. The QR increased to 69.2% in 2021 and 61.1% in 2022. Additionally, the QR of PT. Dian Swastatika Sentosa Tbk. increased after the acquisition. It was 110.3% in 2018 and 119.9% in 2019 before the acquisition. The QR increased to 158.3% in 2021 and 119% in 2022.

Moreover, the TATO (Total Asset Turnover) of PT. Garudafood Putra Putri Jaya Tbk. decreased after the acquisition. It was 1.911 times in 2018 and 1.667 times in 2019 before the acquisition. The TATO was 1.300 times in 2021 and 1.434 times in 2022. Similarly, the TATO of PT. Indo-Rama Synthetics Tbk. also decreased after the acquisition. It was 1.042 times in 2018 and 1.019 times in 2019 before the acquisition. The TATO was 0.976 times in 2021 and 1.076 times in 2022. In contrast, PT. Dian Swastatika Sentosa Tbk. experienced an increase in TATO after the acquisition. It was 0.522 times in 2018 and 0.448 times in 2019 before the acquisition. The TATO was 0.719 times in 2021 and 0.926 times in 2022. Additionally, the DAR (Debt Asset Ratio) and DER (Debt Equity Ratio) of PT. Garudafood Putra Putri Jaya Tbk. increased after the acquisition, unlike PT. Indo-Rama Synthetics Tbk. and PT. Dian Swastatika Sentosa Tbk., which experienced a decrease in DAR and DER after the acquisition.

Furthermore, the ROA (Return on Assets) and ROE (Return on Equity) of PT. Garudafood Putra Putri Jaya Tbk. decreased after the acquisition. In contrast, PT. Indo-Rama Synthetics Tbk. experienced an increase in ROA after the acquisition but a decrease in ROE. PT. Dian Swastatika Sentosa Tbk. saw an increase in both ROA and ROE after the acquisition.

Lastly, the EPS (Earnings per Share) of PT. Garudafood Putra Putri Jaya Tbk. remained unchanged after the acquisition, with EPS being Rp.1 in 2018, 2019, 2021, and 2022. However, PT. Indo-Rama Synthetics Tbk. witnessed an increase in EPS after the acquisition. EPS was Rp.1 in 2018 and 2019, then increased to Rp.2 in 2021, and returned to Rp.1 in 2022. Similarly, PT. Dian Swastatika Sentosa Tbk. experienced an increase in EPS after the acquisition, with EPS being Rp.2 in 2018, Rp.1 in 2019, Rp.4 in 2021, and Rp.18 in 2022. It can be seen at the table below:

Table 1. List of Financial Ratios Before and After Acquisition

Company		Year	CR (%)	QR (%)	TATO (kali)	DAR (%)	DER (%)	ROA (%)	ROE (%)	EPS (Rp)
GOOD	Before	2018	118.2	57.2	1.911	40.9	69.2	10.1	17.1	1
		2019	153.4	91.6	1.667	45.4	83.1	8.6	15.8	1
	After	2021	147.5	90.8	1.3	55.2	123.3	7.3	16.3	1
		2022	174.1	104.7	1.434	54.3	118.6	7.1	15.6	1
INDR	Before	2018	357.7	51.2	1.042	56.6	130.6	7.7	17.8	1
		2019	310.5	47.0	1.019	50.7	102.8	5.5	11.2	1
	After	2021	340.5	69.2	0.976	48.8	95.2	9.3	18.2	2
		2022	297.8	61.1	1.076	46.5	87.0	4.9	9.1	1
DSSA	Before	2018	121.9	110.3	0.522	55.3	123.8	3.6	8.0	2
		2019	129.7	119.9	0.448	56.0	127.0	1.9	4.4	1
	After	2021	170.2	158.3	0.719	41.9	72.0	8.8	15.2	4
		2022	136.0	119.0	0.926	53.5	114.9	20.3	43.6	18

4.2.2. Data Analysis (Descriptive Statistics)

Table 2. Descriptive Analysis Before Acquisition

	N	Minimum	Maximum	Mean	Std. Deviation
CR SB	6	118.2	357.7	198.567	106.7443
QR SB	6	47.0	119.9	79.533	31.8799
TATO SB	6	.448	1.911	1.10150	.591322
DAR SB	6	40.9	56.6	50.817	6.4515
DER SB	6	69.2	130.6	106.083	25.5023
ROA SB	6	1.9	10.1	6.243	3.1312
ROE SB	6	4.4	17.8	12.374	5.4463
EPS SB	6	1	2	1.17	.408
Valid N (listwise)	6				

Table 2 above presents the results of descriptive statistical tests for all financial ratios used in this study for the two years before the acquisition. From the table, we can observe that the mean CR (Current Ratio) before the acquisition was 198.567 with a standard deviation of 106.7443. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum CR was 118.2 for PT. Garudafood Putra Putri Jaya Tbk., while the maximum was 357.7 for PT. Indo-Rama Synthetics Tbk.

- The mean QR (Quick Ratio) before the acquisition was 79.533 with a standard deviation of 31.8799. Similar to CR, a smaller standard deviation compared to the mean implies that there is not a significant difference between the maximum and

minimum values. The minimum QR was 47 for PT. Indo-Rama Synthetics Tbk., and the maximum was 119.9 for PT. Dian Swastatika Sentosa Tbk.

-   The mean TATO (Total Asset Turnover) before the acquisition was 1.10150 with a standard deviation of 0.591322. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum TATO was 0.448 for PT. Dian Swastatika Sentosa Tbk., and the maximum was 1.911 for PT. Garudafood Putra Putri Jaya Tbk.
-   The mean DAR (Debt Asset Ratio) before the acquisition was 50.817 with a standard deviation of 6.4515. A smaller standard deviation compared to the mean implies that there is not a significant difference between the maximum and minimum values. The minimum DAR was 40.9 for PT. Garudafood Putra Putri Jaya Tbk., and the maximum was 56.6 for PT. Indo-Rama Synthetics Tbk.
-   The mean DER (Debt Equity Ratio) before the acquisition was 106.083 with a standard deviation of 25.5023. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum DER was 69.2 for PT. Garudafood Putra Putri Jaya Tbk., and the maximum was 130.6 for PT. Indo-Rama Synthetics Tbk.
-   The mean ROA (Return on Assets) before the acquisition was 6.243 with a standard deviation of 3.1312. A smaller standard deviation compared to the mean implies that there is not a significant difference between the maximum and minimum values. The minimum ROA was 1.9 for PT. Dian Swastatika Sentosa Tbk., and the maximum was 10.1 for PT. Garudafood Putra Putri Jaya Tbk.
-   The mean ROE (Return on Equity) before the acquisition was 12.374 with a standard deviation of 5.4463. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum ROE was 4.4 for PT. Dian Swastatika Sentosa Tbk., and the maximum was 17.8 for PT. Indo-Rama Synthetics Tbk.
-   The mean EPS (Earnings per Share) before the acquisition was 1.17 with a standard deviation of 0.408. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum EPS was 1 for PT. Garudafood Putra Putri Jaya Tbk., and the maximum was 2 for PT. Dian Swastatika Sentosa Tbk.

Table 3. Descriptive Analysis after Acquisition

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CR SS	6	136.0	340.5	211.017	86.0093
QR SS	6	61.1	158.3	100.517	35.5721
TATO SS	6	.719	1.434	1.07183	.260071
DAR SS	6	41.9	55.2	50.033	5.2359
DER SS	6	72.0	123.3	101.833	20.3309
ROA SS	6	4.9	20.3	9.619	5.4449
ROE SS	6	9.1	43.6	19.652	12.1070
EPS SS	6	1	18	4.50	6.716
Valid N (listwise)	6				

Table 3 above presents the results of descriptive statistical tests for all financial ratios used in this study for the two years after the acquisition. From the table, we can observe that the mean CR (Current Ratio) after the acquisition was 211.017 with a standard deviation of 86.0093. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum CR was 136 for PT. Dian Swastatika Sentosa Tbk., while the maximum was 340.5 for PT. Indo-Rama Synthetics Tbk.

- The mean QR (Quick Ratio) after the acquisition was 100.517 with a standard deviation of 35.5721. Similar to CR, a smaller standard deviation compared to the mean implies that there is not a significant difference between the maximum and minimum values. The minimum QR was 61.1 for PT. Indo-Rama Synthetics Tbk., and the maximum was 158.3 for PT. Dian Swastatika Sentosa Tbk.
- The mean TATO (Total Asset Turnover) after the acquisition was 1.07183 with a standard deviation of 0.260071. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum TATO was 0.719 for PT. Dian Swastatika Sentosa Tbk., and the maximum was 1.434 for PT. Garudafood Putra Putri Jaya Tbk.
- The mean DAR (Debt Asset Ratio) after the acquisition was 50.033 with a standard deviation of 5.2359. A smaller standard deviation compared to the mean implies that there is not a significant difference between the maximum and minimum values. The minimum DAR was 41.9 for PT. Dian Swastatika Sentosa Tbk., and the maximum was 55.2 for PT. Garudafood Putra Putri Jaya Synthetics Tbk.
- The mean DER (Debt Equity Ratio) after the acquisition was 101.833 with a standard deviation of 20.3309. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum DER was 72 for PT. Dian Swastatika Sentosa Tbk., and the maximum was 123.3 for PT. Garudafood Putra Putri Jaya Tbk.
- The mean ROA (Return on Assets) after the acquisition was 9.619 with a standard deviation of 5.4449. A smaller standard deviation compared to the mean implies that there is not a significant difference between the maximum and minimum values. The minimum ROA was 4.9 for PT. Indo-Rama Synthetics Tbk., and the maximum was 20.3 for PT. Dian Swastatika Sentosa Tbk.
- The mean ROE (Return on Equity) after the acquisition was 19.652 with a standard deviation of 12.1070. A smaller standard deviation compared to the mean suggests that there is not a significant difference between the maximum and minimum values. The minimum ROE was 9.1 for PT. Indo-Rama Synthetics Tbk., and the maximum was 43.6 for PT. Dian Swastatika Sentosa Tbk.
- The mean EPS (Earnings per Share) before the acquisition was 4.50 with a standard deviation of 6.716. A larger standard deviation compared to the mean indicates a significant variation or gap between the minimum and maximum EPS values after the acquisition, or in other words, there is a significant difference between the maximum and minimum values. The minimum EPS was Rp. 1 for PT. Garudafood Putra Putri Jaya Tbk., and the maximum was Rp. 18 for PT. Dian Swastatika Sentosa Tbk.

4.2.3. Data Analysis (Normality Test)

Table 4. Normality Test Results

Variable	Sig	A	Description
CR	0,005	0,05	Not Normal
QR	0,200	0,05	Normal
TATO	0,200	0,05	Normal
DAR	0,160	0,05	Normal
DER	0,200	0,05	Normal
ROA	0,067	0,05	Normal
ROE	0,001	0,05	Not Normal
EPS	0,000	0,05	Not Normal

4.2.4. Data Analysis (Hypothesis Test)

Table 5. Paired Sample T-test and Wilcoxon Signed Rank Test Results

Hypothesis Test	Variable	sig. (2-tailed)	A	Description
Wilcoxon Signed Rank Test	CR	0,249	0.05	Hypothesis Rejected
Paired Sample T-test	QR	0,031	0,05	Hypothesis Accepted
Paired Sample T-test	TATO	0,853	0,05	Hypothesis Rejected
Paired Sample T-test	DAR	0,861	0,05	Hypothesis Rejected
Paired Sample T-test	DER	0,810	0,05	Hypothesis Rejected
Paired Sample T-test	ROA	0,341	0,05	Hypothesis Rejected
Wilcoxon Signed Rank Test	ROE	0,600	0,05	Hypothesis Rejected
Wilcoxon Signed Rank Test	EPS	0,109	0,05	Hypothesis Rejected

Based on the results of the hypothesis testing above, it can be interpreted that the significance value of the Current Ratio (CR) obtained from the Wilcoxon Signed Rank Test is 0.249, which is greater than the significance level of 0.05. This result indicates that there is no significant difference in the financial performance of the company in terms of the Current Ratio before and after the acquisition, and in other words, the hypothesis is rejected. Similarly, with CR, the ROE ratio, and EPS also have significance values greater than their significance levels, which means there is no significant difference in financial performance in terms of ROE and EPS.

Furthermore, the significance value of the Quick Ratio (QR), tested using the Paired Sample T-test, shows a value of 0.031, which is smaller than the significance level of 0.05. This indicates a significant difference in the financial performance of the company

in terms of the Quick Ratio before and after the acquisition, or in other words, the hypothesis is accepted.

Next, the significance value of Total Asset Turnover (TATO), also tested using the Paired Sample T-test, shows a value of 0.853, which is greater than the significance level of 0.05. This result indicates that there is no significant difference in the financial performance of the company in terms of Total Asset Turnover before and after the acquisition, or in other words, the hypothesis is rejected. Similarly, with TATO, the DAR, DER, and ROA ratios also have significance values greater than their significance levels, which means there is no significant difference in financial performance in terms of DAR, DER, and ROA.

4.3. Discussion
4.3.1. There is No Difference in the Current Ratio Before and After the Acquisition

Based on the results of the Wilcoxon Signed Rank Test above, the significance value is 0.249 > 0.05, which can be concluded that there is no significant difference between before and after the acquisition.

This research result is consistent with the findings of Dewi & Suryantini (2018), which stated that the acquiring company experienced a decrease compared to before the acquisition, as measured using the current ratio.

4.3.2. There is a Difference in the Quick Ratio Before and After the Acquisition

The second hypothesis, based on the results of the Paired Sample T-test above, shows a significance value of 0.031 < 0.05, which can be concluded that there is a significant difference between before and after the acquisition.

This research result is in line with the study conducted by Pramadi & Triani (2018), where the hypothesis test for the QR showed a significant difference in liquidity projected with QR before and after the acquisition.

4.3.3. There is No Difference in Total Asset Turnover Before and After the Acquisition

The third hypothesis, based on the results of the Paired Sample T-test above, shows a significance value of 0.853 > 0.05, which can be concluded that there is no significant difference between before and after the acquisition.

This research result is consistent with the research by Aprilia & Oetomo (2015), which stated that there is no significant difference in TATO before and after the acquisition. This may happen because the asset turnover increased but was unable to generate profits from sales processes that exceeded total debt, and also due to the economic situation, even though the company took steps to acquire, it was unable to improve the TATO ratio after the acquisition.

4.3.4. There is No Difference in Debt to Asset Ratio (Dar) Before and After The Acquisition

The fourth hypothesis, based on the results of the Paired Sample T-test above, shows a significance value of 0.861 > 0.05, which can be concluded that there is no significant difference between before and after the acquisition.

This may happen because the company uses a lot of external funds or debt to finance operations or transactions in the acquisition.

4.3.5. There is no difference in Debt-to-Equity Ratio (DER) before and after the acquisition

The fifth hypothesis, based on the results of the Paired Sample T-test above, shows a significance value of $0.810 > 0.05$, which can be concluded that there is no significant difference between before and after the acquisition.

Based on the data obtained, this happens because the company's debt and equity tend to be constant each year, with no significant increase or decrease in the period before and after the acquisition, indicating that the company has not optimally used its equity to repay debt to creditors after the acquisition.

4.3.6. There is No Difference in Return on Asset (ROA) Before and After the Acquisition

The sixth hypothesis, based on the results of the Paired Sample T-test above, shows a significance value of $0.341 > 0.05$, which can be concluded that there is no significant difference between before and after the acquisition.

Ideally, with acquisition activities, there should be an increase in assets due to business combinations, but the results show no significant difference in the company after the acquisition, indicating the company's ineffectiveness in utilizing its assets to generate profits.

4.3.7. There is No Difference in Return On Equity (ROE) Before and After the Acquisition

The seventh hypothesis, based on the results of the Wilcoxon Signed Rank Test above, shows a significance value of $0.600 > 0.05$, which can be concluded that there is no significant difference between before and after the acquisition.

This may occur because there is a decrease in profit after the acquisition. Profit has decreased more than the decrease in the company's equity, meaning the company's ability to generate profits from its equity has become smaller and less effective.

4.3.8. There is No Difference in Earnings Per Share (EPS) Before and After the Acquisition

The eighth hypothesis, based on the results of the Wilcoxon Signed Rank Test above, shows a significance value of $0.109 > 0.05$, which can be concluded that there is no significant difference between before and after the acquisition. However, there is an average increase from 1.17 before the acquisition to an average of 4.50 after the acquisition.

This indicates an increase in the company's EPS ratio after the acquisition, but there is no significant difference between before and after the acquisition. The increased EPS indicates that the company's ability to distribute profits to shareholders has improved, thereby increasing investor welfare. This is an attraction for investors to invest capital, and the higher investor interest in buying company shares, leading to an increase in stock prices, ultimately increasing the company's value.

5. CONCLUSION

Based on the hypothesis testing results, it can be concluded that most of the financial ratios do not exhibit significant differences after undergoing an acquisition, including Current Ratio (CR), Total Asset Turnover (TATO), Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER), Return on Asset (ROA), Return on Equity (ROE), and Earning Per Share (EPS). Despite fluctuations in some ratios, these changes do not reflect a significant improvement in the company's financial performance.

Moreover, the Quick Ratio (QR) demonstrates a significant difference after the acquisition, indicating that positive synergies resulting from the acquisition activity can positively affect the company's liquidity. Therefore, companies planning for an acquisition should carefully consider the potential impact on their financial ratios and prioritize liquidity management post-acquisition to ensure the sustainability of a healthy financial position in the long term. In conclusion, thorough evaluation and meticulous planning before and after an acquisition are crucial keys to achieving optimal outcomes in such activities.

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