The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom.” in Sabty Garden Hotel-*Kisaran North Sumatra,***
March 23rd, 2019

THE EFFECT OF MERGERS AND ACQUISITIONS ON FINANCIAL PERFORMANCE OF GO PUBLIC MANUFACTURING COMPANIESIN INDONESIA WHICH REGISTERED IN INDONESIA STOCK EXCHANGE

[1] Bati, [2]Ade Ariyani

Asahan University Faculty of Economics, Jl. Jend Ahmad YaniKisaran
Email: ekonomiuna@yahoo.com

Abstract

The purpose of this study is to explain the effect of mergers and acquisitions on the financial performance of Go Public manufacturing companies in Indonesia which are listed on the Indonesia Stock Exchange. The calculated ratio is financial ratios, namely Current Ratio, Debt to Equity Ratio, Net Profit Margin, Return on Assets, Return on Equity, Current Ratio Variables, showing no difference in the period of 2 years before and after mergers and acquisitions, seen by paired test sample t_{test} is greater than probability value or Sig. (2-tailed) which has a significance value of 0.745 (0.745> 0.05). The variable Debt to Equity Ratio shows that there is no difference in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} test greater than the probability value or the Sig. (2-tailed) which has a significance value of 0.122 (0.122> 0.05). The Net Profit Margin variable shows that there is no difference in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} test that is greater than the probability value or Sig. (2-tailed) value of 0.132 (0.132> 0, 05). Variable Return on Asset shows that there is a difference in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} test lower than the probability value or the Sig (2-tailed) value which is a significance value of 0.020 (0.020 <0.05) Variable Return on Equity shows that there is a difference in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} lower than the probability value or the Sig (2-tailed) value which is a significance value of 0.010 (0.010 <0.05).

Keywords*: Mergers and Acquisitions, Financial Performance*

A. Introduction

Globalization brings a series of impacts on the Indonesian economy in terms of both positive and negative aspects. In positive terms with this globalization, progress in the field of finance and investment is increasing. With the progress of Globalization, it can help increase funding sources for national and multinational companies in the capital market through stock sales and investment. So that competition between companies that have listed their shares on the stock market. In this case, the company develops strategies in order to survive and develop more.

One alternative to merging companies is mergers and acquisitions so that the act of uniting one or more of the same companies into one company that continues to live as a legal entity. Whereas Acquisition is the purchase of shares of a company that exceed 50 percent of the issued and fully paid capital of the target company and there is a change of management in the target company.

Mergers and acquisitions are a form of merger, where acquring company is an acquiring company while the company taken over is called the target company. The target company will pay for the replacement of acquiring company which can be in the form of cash or company stock payments.

Table 1. Average Value of CR, DER, NPM, ROA, and ROE Before and After Mergers and AcquisitionsVariables Before Year After mergers and acquisition**s**

Variable	Before		Years of mergers and acquisitions	After	
	2012	2013		2015	2016
CR	2.38	1.87	2014	2.72	5.52
DER	3.52	0.65	2014	0.79	0.63
NPM	16.85	13.04	2014	9.94	2.75
ROA	11.05	10.96	2014	7.34	9.89
ROE	23	17.46	2014	11.14	6.28

Source: 2018 Research (data processed)

The 1st Multi-Discipinary International conference University Of Asahan 2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-*Kisaran North Sumatra,***
March 23rd, 2019

Variable	Before		Years of mergers and acquisitions	After	
	2013	2014		2016	2017
CR	2.72	2.77	2015	2.05	1.02
DER	0.91	0.67	2015	1.35	1.39
NPM	3.77	2.16	2015	0.75	0.68
ROA	3.62	2.75	2015	1.16	1.67
ROE	7.97	3.5	2015	2.99	3.54

Sumber: Penelitian 2018 (data diolah)

The table above shows 4 companies financial performance (CR) in 2012 of 2.38 and the last year before mergers and acquisitions, which was 2013 at 1.87. In 2015 and 2016 (after mergers and acquisitions) an increase of 45.45%. DER in 2012 was 3.52 and the last before mergers and acquisitions was in 2013 of 0.65. In 2015 and 2016 (after mergers and acquisitions) DER increased by 21.54%. The 2012 NPM was 16.85 and the last year before mergers and acquisitions was 2013 at 13.04.

In 2015 and 2016 (after mergers and acquisitions) NPM decreased by 23.77%. ROA in 2012 was 11.05 and the last year before mergers and acquisitions was 2013 at 10.96. In 2015 and 2016 (first period after mergers and acquisitions) ROA decreased by 33.02%. ROE in 2012 amounted to 23.00 and the last year before mergers and acquisitions, namely in 2013 amounted to 17.46. In 2015 (after mergers and acquisitions) ROE decreased by 36.19%.

The table above shows financial performance (CR) in 2013 amounting to 2.72 and the last year before mergers and acquisitions, namely 2014 amounting to 2.77. In 2016 and 2017 (after mergers and acquisitions) financial performance fell by 25.99%. DER in 2013 amounted to 1.91 and the last before mergers and acquisitions was 2014 at 0.67. In 2016 and 2017 (after mergers and acquisitions) DER increased by 101.4% from 4 companies. The NPM in 2013 was 3.77 last before mergers and acquisitions, namely 2014 at 2.16.

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-*Kisaran North Sumatra***,**
March 23rd, 2019

In 2016 and 2017 (after mergers and acquisitions) NPM decreased by 62.27%. ROA in 2013 was 3.62 and the last before mergers and acquisitions was 2014 at 2.75. In 2016 and 2017 (after mergers and acquisitions) ROA decreased by 57.81%. ROE in 2013 was 7.97 and the last before 2014 mergers and acquisitions was 3.50. In 2016 and 2017 (after mergers and acquisitions) ROE decreased by 14.57%.

B. Literature Review
Merger

Mergers come from the Latin "mergerer", namely: join, together, unite, combine to cause loss of identity because something is absorbed or ingested. Mergers are a combination of two or more companies to form a new company (Whitaker, 2012).

Acquisition

Acquisition under PSAK No. 22 is a business combination whereby one company, namely an acquirer acquires control of the net assets and operations of the acquiree by providing certain assets, recognizing an obligation or issuing shares. acquisition is to create a strategic advantage by buying a business and integrating the business into the company's strategy.

Company Financial Performance

Factors that affect company performance, namely:
1. Internal factors, including:
   a. Personnel management
   b. Marketing Management
   c. Production management
   d. Financial management
2. External factors, including:
   a. Economic condition
   b. Industrial conditions

Company performance ratio before/after mergers and acquisitions in manufacturing companies:
1. Liquidity Ratio
   Ratio that shows the relationship between company cash and other current assets with current debt.

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-Kisaran North Sumatra,
March 23rd, 2019

2. Activity Ratio

   Ratio that measures the efficiency of a company in using its assets.

3. Financial Leverage Ratio

   A ratio that measures how many companies use funds from loans (loans).

4. Profitability Ratio

   This ratio can be called Rentability which shows the company's ability to profit from the use of capital.
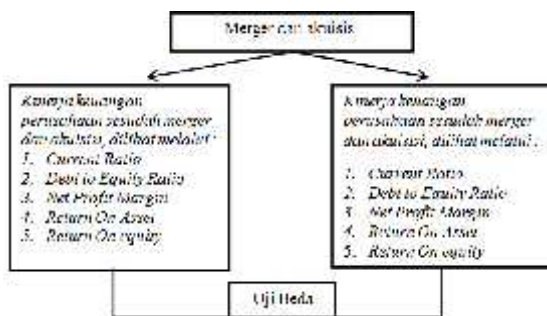
Conceptual Framework

Figure 1. Conceptual Framework

Hypothesis

H1: There are differences in CR before and after mergers and acquisitions

H2: There are DER differences before and after mergers and acquisitions

H3: There are differences in NPM before and after mergers and acquisitions

H4: There are differences in ROA before and after mergers and acquisitions

H5: There are differences in ROE before and after mergers and acquisitions

C. Research Methods

Place and time of research

This research was carried out on the Indonesia Stock Exchange through Media Internet with the www.idx.co.id website for companies

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-Kisaran North Sumatra,
March 23rd, 2019

that Merged and Acquired Go Public Manufacturing Indonesia, when this research was conducted in September 2018 to January 2019.

Population and Samples

Population is the overall member of a group that will be the subject of research. The merger and acquisition company in 2014-2015 was based on the monitoring of KPPU (Business Competition Supervisory Commission) which will be used as a population, namely 20 companies with a total sample of 8 companies.

The sampling technique of this study used a purposive sampling method. The criteria used to select samples in this study are as follows:

1. Go public manufacturing companies listed on the Indonesia Stock Exchange and conducted mergers and acquisitions in 2014 and 2015.
2. The company has a clear date of merger and acquisition.
3. Publish financial statements in full for two years before mergers and acquisitions and two years after mergers and acquisitions with the period ending December 31.

Table 2. List of Sample Companies

No	Kode	Nama Perusahaan	Perusahaan target
1	AISA	PT Tiga Pilar Sejahtera Food,Tbk	PT Golden Plantation
2	ASII	PT Astra Internasional,Tbk	PT Asuransi Viva Indonesia
3	AALI	PT Astra Agro Lestari,Tbk	PT Palma Platasindo
4	SIDO	PT Sido Muncul, Tbk	PT Berlico Mulia
5	GOLL	PT Golden Plantation,Tbk	PT Persada Alam Hijau
6	TELE	PT Tiphone mobile Indonesia,Tbk	PT Simpatindo Multimedia
7	DSSA	PT Dian Swastika Sentosa, Tbk	United Fiber System Limited
8	SMCB	Holcim Indonesia, Tbk	Lafarge SA

Source: 2018 Research (data processed)

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-*Kisaran North Sumatra,***
March 23rd, 2019

Data Types and Sources

The types and sources of data used in this study are secondary data. Secondary data is data that is generally in the form of evidence, records, or historical reports that have been arranged in an archive (documentary data) both published and unpublished. The data needed in this study was obtained through various sources such as Indonesian Capital Market Directory (ICMD), IDX Statistics, Indonesian Central Custodian as a source of corporate data.

Data collection technique

This study uses documentary data types. Documentary data contains an event or transaction and the parties involved in the incident. While the data source in this study is secondary data. Secondary data is data obtained from existing sources. Generally in the form of historical, published or unpublished notes, evidence or reports.

The data source used in this study is financial statements originating from the Indonesia Stock Exchange (IDX). Data collection techniques used in this study are documentation techniques. Documentation techniques are data collection techniques by analyzing documents in the form of notes, reports and several other archives.

Variable Operational Definition

Based on the problems that have been formulated and the hypothesis proposed, the Independent Variable or Free Variable (X) is a merger and acquisition.

A merger is a business combination of two or more companies, but one company name is still used, while the other merges into a single legal entity. Whereas the acquisition is the takeover of all or most of the company's shares which results in the transfer of control to the company concerned.

Dependent variable or bound variable (Y) is financial performance with an indicator of five variable ratios.

1. Liquidity Ratio

   In general, the first concern of a financial analyst is the level of liquidity. Liquidity ratio is used to measure a company's ability to meet

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-Kisaran North Sumatra,
March 23rd, 2019

short-term obligations or financial obligations that must be met immediately.

a. Current Ratio

This ratio shows the level of security (margin of safety) of short-term creditors or the company's ability to pay off these debts (Munawir, 2002).

$$CR = \frac{\text{current asset}}{\text{short term liability}}$$

2. Leverage Ratio

It is referred to as a solvency ratio, which is a ratio that indicates the company's ability to fulfill its financial obligations if the company is liquidated, both short-term and long-term obligations.

a. Debt to Equity Ratio

Debt to equity is a comparison between the total amount of debt and the amount of equity (shareholders' equity). The lower this ratio, the higher the level of corporate funding provided by shareholders, and the greater the protection for creditors, if there is a depreciation in the value of assets or large losses. Systematically, this ratio can be formulated as follows:

$$DER = \frac{\text{Total Space}}{\text{Shareholders' Equity}}$$

3. Profitability Ratio

This ratio is often also called the profitability ratio, which is the ratio used to measure the operational effectiveness of the company as a whole, which is shown through profits earned from sales and investment. Profitability in relation to sales includes:

a. Net Profit Margin

Net profit margin is a measure of a company's profit from sales after accounting for all costs and income taxes. This ratio is calculated by the formula:

$$NPM = \frac{\text{Net Income After Tax}}{\text{Net sales}}$$

Profitability in relation to investment includes:

a. ROA

Ratio that shows the percentage of profit (net profit) obtained by the company in relation to the overall resource or the average number of assets. ROI is calculated by the formula:

$$ROA = \frac{\text{Net Income After Tax}}{Total\ assets}$$

b. ROE

This ratio shows the power to generate return on investment based on the book value of shareholders and is often used in comparing two or more companies in the same industry. ROE is calculated by the following formula:

$$ROA = \frac{Net\ Income\ After\ Tax}{Shareholders'Equity} \times 100\%$$

Variable Measurement Scale

The variable measurement scale used in this study is using the ratio scale.

Normality test

Data normality test using the Kolmogorov-Smirnov Test method. The purpose of this test is to find out whether the sample used in this study is normally distributed or not. The sample is normally distributed if the probability value> level of significance is set (α = 0.05). If the test results show that the sample / data is normally distributed, the different test will use a non-parametric test. But what if the sample / data is not normally distributed then the different test that will be used is the non-parametric test.

Hypothesis testing

The statistical test used was paired sample t_{test}test. Paired sample t_{test} is a different test in two pairs of samples. Paired samples were the same subject but experienced different treatments. This hypothesis test aims to determine whether the variables studied have a significantly different average after experiencing two different treatments. This study was analyzed by testing the difference in the average of two paired sample tests. The basis of decision making is if the significance value or

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-Kisaran North Sumatra,
March 23rd, 2019

probability is below 0.05, then the hypothesis concludes or means the two populations are significantly different or significant (Santoso, 2012).

The guideline for making a paired sample t-test decision is based on a significant value with SPSS:

1. If the Probability value or sig. (2-tailed) <0.05, there are significant differences between the results of financial performance before and after mergers and acquisitions, which means that there is the effect of conducting mergers and acquisitions on companies in improving financial performance.

2. If the Probability value or sig. (2-tailed)> 0.05, there is no significant difference between the results of financial performance before and after mergers and acquisitions, which means that there is no effect on mergers and acquisitions in companies to improve financial performance.

There are several steps that must be tested on the paired sample t_{test}:

1. **Determining the Hypothesis**

   H_0 = Not significantly different from the company's financial performance before and after mergers and acquisitions

   Ha {H_1, H_2, H_3, H_4, H_5} = Significantly different financial performance of the company before and after mergers and acquisitions

2. **Determine the significance level or confidence level of 5% or 0.05**

3. **Determine the statistical testing criteria**

   H_0 is accepted if $t_{count} < t_{table}$ (t value can be seen from the distribution table t). another way to see H_0 is accepted can also be from the probability value where the value of sig> 0.05. H_0 is rejected at other prices, meaning if $t_{count} > t_{table}$ (t value can be seen from the distribution table t). Another way to see H_0 is rejected can also be from the probability value where the value of sig <0.05.

Based on the results of the guideline, the decision on the paired sample t_{test} based on significant values with SPSS which will be tested in this study are as follows:

H_1: If the Probability value or sig. (2-tailed) <0.05 then the Current Ratio there is a significant difference between the results of financial

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-*Kisaran North Sumatra,*
March 23rd, 2019

performance before and after mergers and acquisitions, which means that there is the effect of making mergers and acquisitions in companies to improve financial performance.

H_2: If the Probability value or sig. (2-tailed) <0.05, the Debt to Equity Ratio has a significant difference between the results of financial performance before and after mergers and acquisitions, which means that there is the effect of mergers and acquisitions on the company in improving financial performance.

H_3: If the Probability value or sig. (2-tailed) <0.05 then Net Profit Margin there are significant differences between the results of financial performance before and after mergers and acquisitions, which means that there is the effect of mergers and acquisitions on the company in improving financial performance.

H_4: If the Probability value or sig. (2-tailed) <0.05, so that Return on Assets has a significant difference between the results of financial performance before and after mergers and acquisitions, which means that there are effects of mergers and acquisitions on companies in improving financial performance.

H_5: If the Probability value or sig. (2-tailed) <0.05, the Return on Equity has a significant difference between the results of financial performance before and after mergers and acquisitions, which means that there are effects of mergers and acquisitions on companies in improving financial performance.

D. Research Result
Normality test

Data normality test using the Kolmogorov-Smirnov Test method. The purpose of this test is to find out whether the sample used in this study is normally distributed or not. The sample is normally distributed if the probability value> level of significance is set ($\alpha = 0.05$).

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-Kisaran North Sumatra,
March 23rd, 2019

Table 3. Kolmogorov-Smirnov Test NormalityTest Results

Variable	Sig.(2-*tailed*)		Significant level	Conclusion
	Before	After		
CR	0 ,052	0,109	0,05	Normal
DER	0,394	0,823	0,05	Normal
NPM	0,993	0,993	0,05	Normal
ROA	0,.949	0,95	0,05	Normal
ROE	0,889	0,85	0,05	Normal

Source: Primary Data processed, 2018

Based on the results of the above normality test, it is known that all data before and after Mergers and acquisitions have a probability value> significant level (α = 0.05) so that financial ratio data can be concluded to be normally distributed.

Hypothesis testing
Table 4. Paired Sample Test Results

Hypothesis	Variable	t^{count}	Sig. (2-*tailed*)		Conclusion
H^1	CR	-0,331	0,745	0,05	Ditolak
H^2	DER	-1,638	0,122	0,05	Ditolak
H^3	NPM	1,591	0,132	0,05	Ditolak
H^4	ROA	2,611	0,02	0,05	Diterima
H^5	ROE	2,958	0,01	0,05	Diterima

Source: Primary Data processed, 2018

Information:
1. The t_{count} is -0.333 <2.131 with a significance value of 0.745. > 0.05 so that H_1 is rejected and H_0 is accepted, meaning that there is no difference in the CR variable before and after mergers and acquisitions in the comparison period of 2 years before and 2 after.
2. Value of t_{count} -1,638 <2,131 with a significance value of 0,122. >0.05 so that H_2 is rejected and H_0 is accepted, meaning that there is no difference in the variable variable Debt to equity ratio before and after mergers and acquisitions in the comparison period of 2 years before with 2 years after.

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-Kisaran North Sumatra,
March 23rd, 2019

3. T_{count} 1.591 <2.131 with a significance value of 0.132> 0.05 so that H_3 is rejected and H_0 is accepted, meaning that there is no difference in the NPM variable before and after mergers and acquisitions in the comparison period of 2 years before 2 years after.

4. The value of t_{count} is 2.611> 2.131 with a significance value of 0.020 <0.05 so that H_0 is rejected and H_4 is accepted, there is a difference in the ROA variable before and after mergers and acquisitions in the comparison period of 2 years before and 2 years after.

5. Value of t_{count} 2.958> 2.131 with a significance value of 0.010 <0.05 so that H_0 is rejected and H_5 is accepted, there is a difference in the ROE variable before and after mergers and acquisitions in the comparison period of 2 years before and 2 years after.

E. DISCUTION of RESEARCH RESULTS

Current Ratio (CR)

Based on the results of the Paired Sample T_{test}Test, the value of t_{count} was 0.331 <2.131. Because the significance value is greater than 0.05 (0.745> 0.05) thus H_1 is rejected and H_0 is accepted, it means there is no difference in the Current Ratio variable before and after mergers and acquisitions in the financial performance of the company's liquidity to pay debtterm debt short in a comparison period of 2 years before 2 years after mergers and acquisitions.

The results of this study explain that there are similarities with the results of previous studies conducted by Nidia Anggraini Lestari and Muazaroh (2014) where a significance value of 0.59> 0.05 which means H_1 is rejected. As for the first year CR with the third year after mergers and acquisitions obtained a significance value of 0.41> 0.05 which means H_2 is rejected and also the first year CR with the fourth year after mergers and acquisitions obtained a significance value of 0.19> 0.05 which means H_3 is rejected. So it can be concluded that there is no significant difference between the first year current ratio and the second, third and fourth year current ratios after mergers and acquisitions.

Debt to Equity Ratio (DER)

Based on the results of the Paired Sample T_{test}, the t_{count} obtained was -1.638 <2.131. Because the significance value is greater than 0.05

(0.122> 0.05), thus H_2 is rejected and H_0 is accepted, it means that there is no difference in the variable before and after mergers and acquisitions in the financial performance of the company's solvability to meet the term liabilities both long-term and short-term finances at a comparison of 2 years before 2 years after mergers and acquisitions.

The results of this study explain that there are similarities with the results of previous studies conducted by Dina Wahyu Normalita and Zaenal Arifin (2014) which show a performance increase but not significantly in the period of one year before and two years after mergers and acquisitions.

Net Profit Margin (NPM)

Based on the results of the Paired Sample Test Test, the value of tcount was obtained at 1.591 <2.131. Because the significance value is greater than 0.05 (0.132> 0.05) so H_3 is rejected and H_0 is accepted, it means there is no difference in the Net Profit Margin variable before and after mergers and acquisitions in the company's financial performance profitability to measure the operational effectiveness of the company as a whole which is shown through profits earned from sales and investments in a comparison period of 2 years before 2 years after mergers and acquisitions.

The results of this study explain that there are similarities with the results of previous studies conducted by Payamta (2004) stating that no significant changes occur in companies that carry out mergers and acquisitions with observation periods 2 years before and 2 years after mergers and acquisitions.

Return on Asset (ROA)

Based on the results of the Paired Sample T_{test}, the significance value is obtained by t_{count} 2.611> 2.131 with a significance value smaller than 0.05 (0.020 <0.05) so H_0 is rejected and H_4 is accepted, there is a difference in the Return on Asset variable before and after the merger and acquisitions in the company's financial performance to increase profits or net income obtained by the company in a comparison period of 2 years before and 2 years after mergers and acquisitions.

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-*Kisaran North Sumatra,***
March 23rd, 2019

The results of this study explain that there are similarities with the results of previous studies conducted by Dina Wahyu Normalita and Zaenal Arifin (2014) where the significance value is smaller than 0.10 (0.0767 <0.10) and (0.045 <0.10), it can be seen that there are significant changes in profitability The company uses a measure of ROA both for the average period of two years before mergers and acquisitions with an average period of two years after mergers and acquisitions as well as an average period of two years before and two years after mergers and acquisitions.

Return on Equity (ROE)

Based on the results of the Paired Sample T_{test}, the significance value is obtained by t_{count} of 2.958> 2.131 with a significance value smaller than 0.05 (0.010 <0.05) so H_0 is rejected and H_5 is accepted, there is a difference in the Return on Equity variable before and after the merger and acquisitions in increasing income from investment in a comparison period of 2 years before and 2 years after mergers and acquisitions.

The results of this study explain that there are similarities with the results of previous studies conducted by Nidia Anggraini Lestari and Muazaroh (2014) where significant values were obtained based on the test results using the Paired Sample TTest test showing all the periods before and after mergers and acquisitions had the Sig. greater than the value of Sig. That is set at 5% (0.05), meaning that overall shows that there is no significant difference in the level of Return on Equity (ROE) before and after mergers and acquisitions.

F. Conclusion

1. Variable CR indicates there is no difference in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} test is greater than the probability value or the Sig. (2-tailed) which has a significance value of 0.0745 (0.745> 0.05). Then it can be concluded that H_1 is rejected and the increase in performance that occurs in the CR variable after mergers and acquisitions does not show

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-*Kisaran North Sumatra,***
March 23rd, 2019

significant results. That is, the event of mergers and acquisitions does not affect the company's liquidity ratio.

2. DER variable shows there is no difference in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} test greater than the probability value or the Sig. (2-tailed) which has a significance value of 0.122 (0.122> 0.05). Then it can be concluded H_2 is rejected and the increase in performance that occurs in the DER variable after mergers and acquisitions does not show significant results. That is, the event of mergers and acquisitions does not affect the company's solvency ratio.

3. The NPM variable shows there is no difference in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} test greater than the probability value or the Sig (2-tailed) value which is a significance value of 0.132 (0.132> 0, 05). Then it can be concluded that H_3 is rejected and the increase in performance that occurs in the NPM variable after mergers and acquisitions does not show significant results. That is, the events of mergers and acquisitions do not affect the ratio of company activity.

4. The ROA variable shows that there are differences in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} test lower than the probability value or the Sig (2-tailed) value which is a significance value of 0.020 (0.020 <0.05) Then it can be concluded that H_4 is accepted and the increase in performance that occurs in the ROA variable after mergers and acquisitions shows significant results. That is, the events of mergers and acquisitions affect the company's profitability ratio.

5. ROE variable shows there are differences in the period of 2 years before and after mergers and acquisitions, seen by the paired sample t_{test} lower than the probability value or the value of Sig (2tailed) which has a significance value of 0.010 (0.010 <0.05) . Then it can be concluded that H_5 is accepted and the increase in performance that occurs in the ROE variable after mergers and acquisitions shows significant results. That is, the events of mergers and acquisitions affect the company's profitability ratio.

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-Kisaran North Sumatra,
March 23rd, 2019

Suggestion

1. For companies

   Companies that carry out mergers and acquisitions should look at the condition of the company, both from the company's management and the company's finances. Because in this study does not show significant results on financial performance so that the management of the company must really take into account whether the merger and acquisition will be in accordance with the objectives to be achieved by the company.

2. For investors

   Information before and after mergers is very important because this can affect market reactions that arise and influence stock prices, so investors should look for more accurate information because it can be used as a reference to determine the amount of prosperity to be obtained.

3. For Further Researchers

   It is better to extend the research period, increase the number of samples from all types to be able to find out the effect of mergers on the company's financial performance in conducting research on the effect of mergers and acquisitions on the financial performance of Go Public manufacturing companies and can use many ratios found in previous studies.

Bibliography

Arikunto, Suharsimi. *Prosedur Penelitian*. Jakarta: Radar Jaya Offset. 2006.

Bramantyo, Djohanputro. *Prinsip-PrinsipEkonomi Makro*. Jakarta : PPM, 2008.

Brigham, Eugene. F dan Joel F. Houston. *ManajemenKeuangan*. EdisiKedelapanBuku 2. Jakarta :Erlangga, 2001.

Djarwanto. *Pokok-pokok Analisa LaporanKeuangan*. Badan PenerbitFakultasEkonomi-Yogyakarta, Yogyakarta, 2010.

Gulo, W. *MetodologiPenelitian*. Jakarta: Grasindo, 2004.

The 1st Multi-Discipinary International conference University Of Asahan2019
Thema: The Role of Science in Development in the Era of Industrial Revolusion
4.0 based on Local Wisdom." in Sabty Garden Hotel-*Kisaran North Sumatra***,**
March 23rd, 2019

IkatanAkuntan Indonesia. ***StandarAkuntansiKeuangan. PSAK***. CetakanKeempat, Buku Satu, Jakarta: PenerbitSalembaEmpat, Jakarta, 2012.

Nawawi, H. Hadari. ***ManajemenSumberDayaManusiauntukBisnis yang Kompetitif***. Yogyakarta: Gajah Mada University Press, 2005.

Sartono, Agus. ***ManajemenKeuanganTeori dan Aplikasi***. Yogyakarta: BPEF-Yogyakarta, 2001.

Sudjana. ***Metode Statistika***. Edisi Keempat. Bandung: Penerbit Tarsito, 2005.

Sutrisno, ***Manajemen Keuangan teori, Konsep, dan Aplikasi. Ekonisia***, Yogyakarta,2009.

Van Horne, James C. dan Wachowicz, John M, Jr. ***Prinsip-prinsipManajemenKeuangan***. EdisiKetujuh. Jakarta :SalembaEmpat, 2005.

Whittaker, Scott. ***Mergers & Acquisitions Integration***. Edisi Ketiga. E-book. New Jersey : John Wiley and Sons, Inc.2012.

Dina Wahyu Normalita dan Zaenal Arifin. ***Pengaruh Merger dan AkuisisiTerhadapKinerja Pasar Pada Perusahaan yang Terdaftar di Bursa Efek Indonesia***. ArtikelSkripsiUniversitas Islam Indonesia. *https://dspace.uii.ac.id.*Diunduh 5 April 2018

Maulana Agung Nugraha. ***Analisis Pengaruh Merger dan Akuisisi terhadap Kinerja Perusahaan yang Terdaftar di Bursa Efek Indonesia***. Naskah Publikasi. Universitas Islam Indonesia,*https://dspace.uii.ac.id*. diunduh 5 April 2018

Nidia Anggraini Lestari dan Muazaroh. ***Pengaruh Merger dan Akuisisi Terhadap Kinerja KeuanganPerusahaan Go Public Di Indonesia***. Artikel Ilmiah Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya,*https://eprints.perbanas.ac.id* .diunduh 5 April 2018

Nila Fatma Trilia. ***Pengaruh Merger dan Akuisisi Terhadap Kinerja KeuanganPerusahaan Manufaktur Go Public Di Bursa Efek Indonesia***. Artikel Skripsi Universitas Nusantara PGRI Kediri, *https://simki.unpkediri.ac.id/mahasiswa/file_artikel/2016/11.1.02.o1.0122.pdf* .2016.