ABSTRACT

Competition tighter among companies that exist in Indonesia, have demanded that the company has a strategy in facing the competition. The free market era make the company has to do further development in its strategy to defend its existence. The right strategy in order to increase the company's growth was followed by expansion both internally and externally. Internal expansion carried out by adding production capacity or build a new business division. While external expansion can be done in the form of merger and acquisition.

This study aims to determine whether there were differences on the company's performance before and after doing acquisitions. We measured the company's performance by using the Financial Ratios like Return on Assets (ROA), Sales Volume, and Sales Growth Ratios on the companies that do the acquisition.

In this study, researchers chose the descriptive method and differential test methods using financial ratios Return on Asset (ROA), Growth Ratio and Sales Volume. The selection of this method in this study because the researchers attempted to describe the state of the company after the merger and acquisition.

Based on the Research result, we can see that almost all of the research result showed that there is no significant difference on the company's financial performance before and after corporate acquisitions which means that the acquisition activity brings no significant effect on the company's financial performance.

Keywords: Return on Asset (ROA), Growth Ratio, Sales Volume.