

ABSTRACT

This study aims to analyze the differences effect of financial performances to stock returns of company at pre and post acquisition in 2008. Financial performance consists of some variables, such as Economic Value Added (EVA), Market Value Added (MVA), Shareholder Value Added (SVA), Return on Equity (ROE), Return on Assets (ROA), and Earnings Per Share (EPS).

The sample used in this study are all companies listed on Indonesian Stock Exchange unless the companies engaged in services that registered since 2002-2013 and do acquisition in 2008. Sampling was taken using purposive sampling technique, with a total sample of 20 companies each year. Model analysis performed in this study is multiple linear regression and paired sample T test.

The results of the study indicate that for the first hypothesis, there is a significant effect on the financial performance to stock returns simultanly. Individually, ROA significant positive influences the stock returns at pre acquisition while EPS and ROE insignificant negative effect to stock returns and EVA, MVA, SVA insignificant positive effect to stock returns at pre acquisition. At post acquisition, there isn't any significant effect to influence stock returns in which ROE, MVA and SVA show negative effect while the ROA, EPS, and EVA show positive effect to stock returns. Research results for the second hypothesis suggests that the EPS, EVA, and MVA significantly different and show better financial performance at post acquisition in 2008. SVA, ROA, ROE, and Stock Return show no significant difference between pre and post acquisition in 2008.

Future studies should not only analyze the differences that occur between pre and post the acquisition, but rather to analyze what factors can affect the acquisition. In addition, other measuring devices can be used to clarify the stock returns, such as internal and external factors, considering the measuring instruments used in this study is less powerful in explaining the stock returns.

Keywords: EVA, MVA, SVA, ROE, ROA, EPS, and stock returns