

How does Merger and Acquisition influence the operating performance of companies? - study cases in Thailand during year 1999-2007

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ABSTRACT

As difference in the results is observed in different countries and different industries, some research studies indicate a significant improvement in the operating performance following M&A, but some show a significant deterioration or insignificant changes in post-acquisition performance, this paper attempts to examine the outcome of mergers and acquisitions in Thailand during year 1999 to 2007. This paper explores the pre-acquisition and post-acquisition performance of merging Thailand companies and compares them to similar sized competitors' performance of the same industry during the same period, 3 years pre- and post- M&A. The empirical results suggest that the operating performance of Thailand companies significantly improve after M&A. The key driving factors for this success are attributed to the company's ability to increase its cash flow generated per sales dollar and decrease its operating expenses after the merger and acquisition.