

The post-merger Performance of Non-Financial Acquiring Firms – An Evidence from Pakistan

Submitted to
School Of Accountancy and Commerce
in Partial Fulfillment of the Requirements
for the Degree of
MASTERS OF SCIENCE

BY

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ABSTRACT

This study highlights the importance of mergers and acquisitions as an inorganic growth strategy. The study examines the impact of mergers and acquisitions on the financial performance of 18 non-financial Pakistani companies involved in the M&A activity during 2008 and 2009. Data was collected from the annual reports of sample firms for a total period of six years (three years before the M&A event and three years after the event). This pre and post merger secondary data was compared by using profitability, liquidity and leverage measures. These measures included eight industry adjusted ratios calculated through Microsoft Excel. Correlation and Paired sample t-tests were applied on these accounting ratios with the help of Statistical Package for the Social Sciences (SPSS).

This study is first of its nature in Pakistan to use industry adjusted accounting ratios with a significant large number of cases.

Keywords

Mergers, acquisitions, acquirer, target, pre-merger financial performance, post-merger financial performance, accounting ratios, Pakistan

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