

**COMPARATIVE ANALYSIS OF FINANCIAL AND STOCK
PERFORMANCE THROUGH ACQUISITION AT
PT SARANA MEDITAMA METROPOLITAN TBK**



THESIS

By:

Hendri Fahrezi Akli (24232010)

Academic Supervisors:

Prof. Ir. H. M. Roy Sembel, MBA, PhD, CSA, CIB, CIIM

Dr. Melinda Malau SE, MM, CPA, CBV, CFRM, CFA

MASTER OF BUSINESS ADMINISTRATION PROGRAM

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CERTIFICATE OF APPROVAL

Name & Student ID : Hendri Fahrezi Akli (24232010)

Topic : Comparative Analysis of Financial and Stock Performance through Acquisition at PT Sarana Meditama Metropolitan Tbk

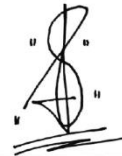
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Jakarta, 31 August 2026

Examined by,



Prof. Ir. H. M. Roy Sembel,
MBA, PhD, CSA, CIB, CIIM



Dr. Melinda Malau SE, MM,
CPA, CBV, CFRM, CFA



Prof. Dr. Wiwiek M.
Daryanto, SE-Ak, MM, CMA



Dr. Firdaus Fanny Putera
Perdana, ST, MT, MBA

Acknowledged by,



Prof. Dr. Dra. Ch Whidya Utami, MM.,CLC.,CPM (Asia), CRME

Vice Rector I of Academic and Student Affairs

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Hendri Fahrezi Akli

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The undersigned is:

Name : Hendri Fahrezi Akli

NIM : 24232010

Address : Jalan SMA 14 No 18 RT 009/009 Cawang Kramat Jati Jakarta Timur, 13630

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Hendri Fahrezi Akli

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ABSTRACT

Indonesia's healthcare sector continues to face challenges from regulatory reforms, changes in healthcare financing, and post-pandemic recovery. In response, mergers and acquisitions (M&A) have become an important strategy for hospital operators seeking to strengthen competitiveness and financial sustainability. This study comparatively examines the financial and stock performance of PT Sarana Meditama Metropolitan Tbk (SAME) across 16 quarters before (Q4 2017 - Q3 2021) and 16 quarters after (Q1 2022 - Q4 2025) its acquisition of PT Kedoya Adyaraya Tbk (RSGK) in 2021. Using a quantitative comparative and non-causal before-and-after design, the study evaluates profitability (ROA, ROE), liquidity (CR, QR), activity (TATO, FATO), solvency (DER, DAR), Market-Adjusted Return, and Stock Risk. Hypothesis testing is conducted using the Wilcoxon Signed-Rank Test and Paired-Samples t-test according to the normality of the paired differences, while the Brown–Forsythe test is applied to compare Stock Risk based on daily stock-return variability. The results show no statistically significant differences in ROA, ROE, CR, QR, TATO, FATO, and Market-Adjusted Return, indicating that profitability, liquidity, asset utilization, and market-relative return performance remained comparable across the two periods. In contrast, DER and DAR show statistically significant differences and lower values during the post-acquisition period, indicating lower leverage and a more conservative capital structure. Stock Risk also shows a statistically significant difference, with lower volatility during the post-acquisition period, indicating a more stable risk profile. Overall, the most evident differences between the pre- and post-acquisition periods were concentrated in SAME's capital structure and stock risk rather than occurring uniformly across all dimensions of financial and stock performance.

Keywords: *Merger and Acquisition, Financial Performance, Stock Performnce, Hospital Industry.*

CHAPTER 1

INTRODUCTION

1.1 Background

Indonesian hospital market demonstrates robust growth potential, projected to expand from US\$33 billion in 2023 to US\$55.1 billion by 2030 at a compound annual growth rate (CAGR) of 7.8% as shown in Figure 1.1 (Insight10 Research, 2025). This post-COVID expansion reflects escalating healthcare demand driven by population growth, aging demographics, and recovery from pandemic disruptions, creating significant opportunities and strategic challenges for providers navigating Indonesia's evolving healthcare landscape, reflects a mixed picture of expansion and entrenched disparities, serving a population exceeding 280 million across its vast archipelago (Kemenkes RI, 2025).

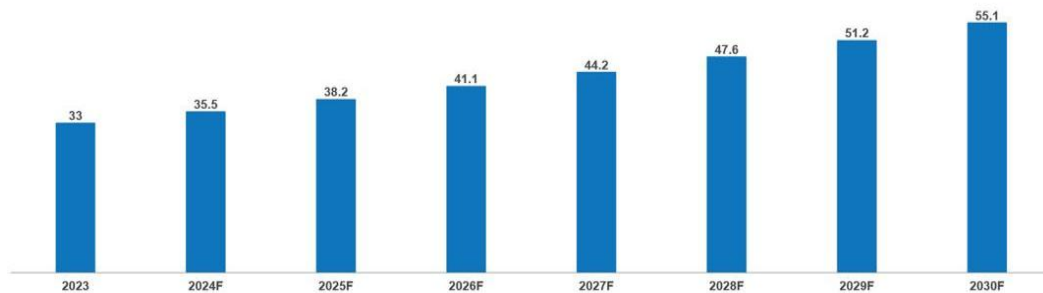


Figure 1.1 Indonesia Hospital Market, 2023 - 2030 (\$Bn)

Source: Insight10 Research

As of the latest data shown in Figure 1.2 (2020-2024 with steady growth), the country operates around 2,800-3,000 hospitals, including approximately 2,710 general hospitals (rumah sakit umum) classified by tiers. The highest type is Type A (advanced referral centers), following by Type B/C (general/specialized), and Type D (basic services), with Type C comprising over 53,9% of the total. From Figure 1.3 it can be shown that public hospitals number about 1,134 (government-run under ministries or local authorities), while private ones dominate at 1,576 (64%

share), often featuring modern facilities in urban hubs but prioritizing profitable specialties.

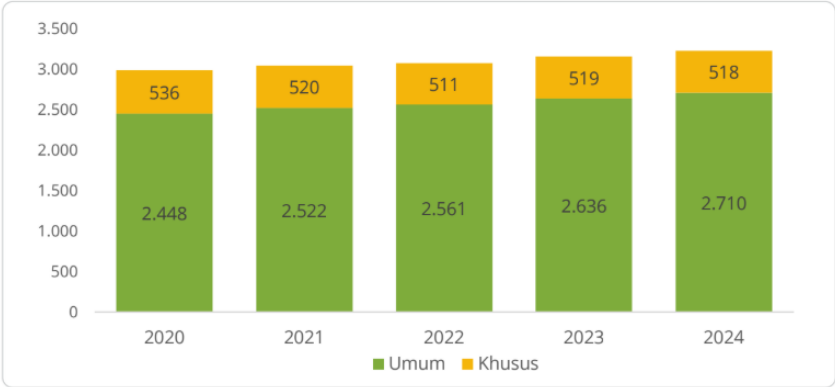


Figure 1.2 Hospital Development in Indonesia 2020 - 2024

Source: Kemenkes RI (2025)

No	Penyelenggara	2020	2021	2022	2023	2024
PEMERINTAH PUSAT		230	236	241	242	253
1	Kementerian Kesehatan	19	19	20	20	22
2	TNI/POLRI	160	164	165	163	171
3	Kementerian Lain dan BUMN	51	53	56	59	60
PEMERINTAH DAERAH		773	790	817	849	881
1	Pemerintah Provinsi	97	96	97	98	98
2	Pemerintah Kabupaten/Kota	676	694	720	751	783
SWASTA		1445	1496	1503	1545	1576
Total Keseluruhan		2448	2522	2561	2636	2710

Figure 1.3 Indonesia Hospital Type Ratio 2024

Source: Kemenkes RI (2025)

In terms of healthcare capacity, the community’s need for referral and individual healthcare services in a particular region can be assessed through the ratio of hospital beds per 1,000 population. According to the World Health Organization (WHO) standard, the benchmark is one hospital bed per 1,000 population. In Indonesia, the hospital bed ratio from 2020 to 2024 has exceeded 1 bed per 1,000 population. As of 2024, the hospital bed ratio in Indonesia reached 1.40 per 1,000 population (Figure 1.4).

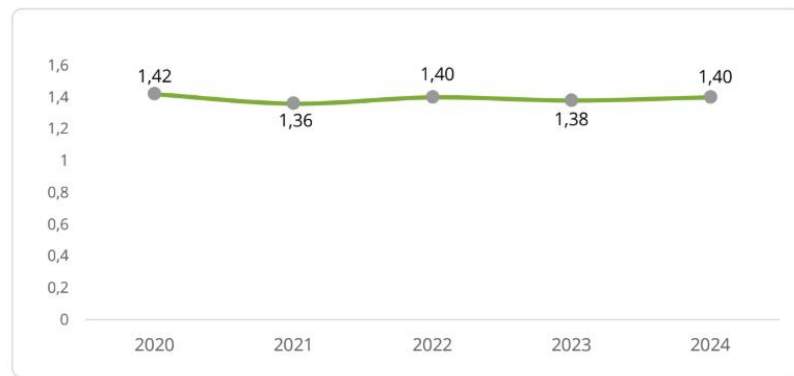


Figure 1.4 Hospital Bed Ratio per 1,000 Population, 2024

Source: Kemenkes RI (2025)

Although based on WHO standard the number of hospital beds in Indonesia is considered adequate, Indonesia also has one of the lowest hospital bed-to-population ratios in the region (Asia Pacific Observatory on Health Systems and Policies, 2025) as shown in Figure 1.5. This underinvestment is incongruous with Indonesia's status as the region's largest nation (over 270 million people) and its consistent economic growth. The result has been a chronically underserved healthcare market, where basic indicators like doctor density and hospital beds have lagged regional averages.

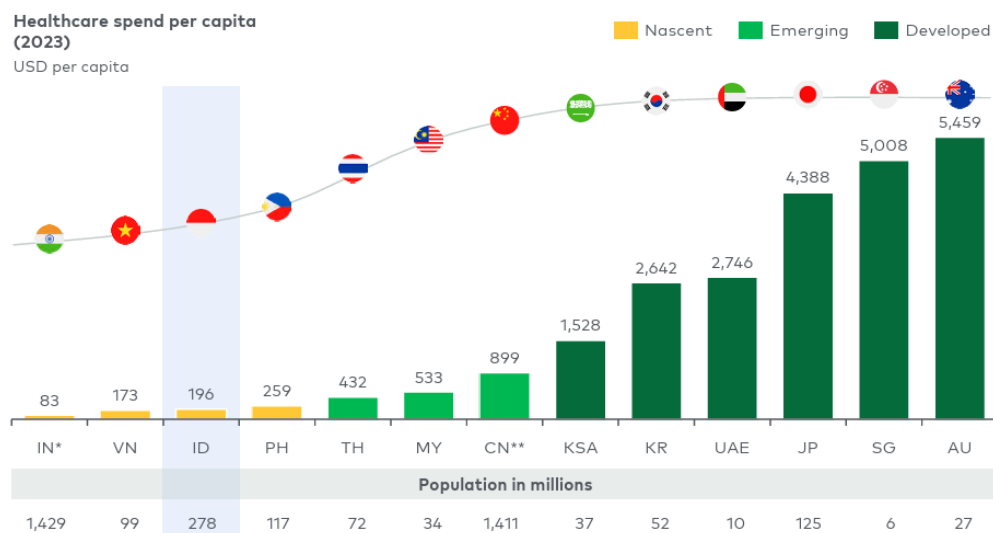


Figure 1.5 Healthcare spend per capita in APAC Region

Source: LEK Consulting (2025)

In 2025, Indonesia's healthcare sector are facing some challenges, caused by the Government' shifting priorities toward free nutritious meals programs, significantly slowing hospital procurement processes. In 2024, the health sector received 5.6% of the APBN, totaling Rp186.4 trillion amid post-pandemic recovery efforts. By 2025, this rose to approximately 6%, with allocations between Rp 217.3 - 218.5 trillion despite the removal of mandatory spending requirements, reflecting sustained government priority on JKN expansion and primary care. This uptick occurred even as total APBN grew by about 8 - 9% year-over-year, maintaining healthcare's relative share amid competing priorities like nutrition programs (Kemenkeu RI, 2025). This budget reallocation strains both public and private providers dependent on timely capital expenditures.

According to the National Health Accounts like shown in Figure 1.6, Indonesia' total health spending increased from IDR 324.6 trillion in 2014 to IDR 614.5 trillion in 2023, reflecting substantial growth in healthcare demand and financing capacity. The composition of health financing has also shifted significantly. The share of social health insurance increased from 14.7% in 2014 to 27.1% in 2023, indicating the expanding role of the national health insurance system (JKN). However, out-of-pocket expenditure remains relatively high at 28.6% in 2023, highlighting continued reliance on direct household spending. Public financing accounted for 57.4% of total health expenditure in 2023, while non-public schemes contributed 42.6% (Kemenkes RI, 2025). This structural transformation suggests that Indonesia's healthcare sector is experiencing expansion alongside financing transition, creating both growth opportunities and operational challenges for hospital operators.

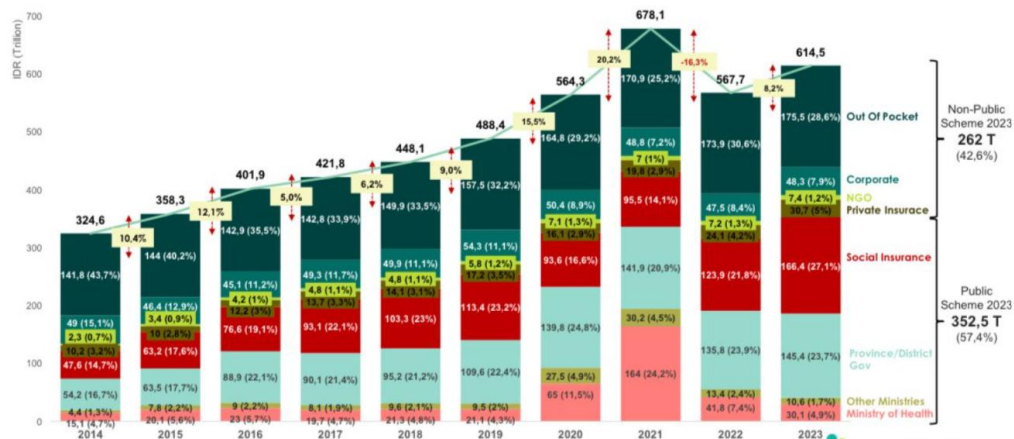


Figure 1.6 Indonesia Total Healthcare Spending (2014 - 2023)

Source: Kemenkes RI (2024)

To accelerate persistent healthcare disparities across Indonesia's remote, border, and outer island regions driven by urban hospital overcrowding and rural service shortages, President Prabowo Subianto launched his "Quick Wins" initiative (Program Hasil Terbaik Cepat or PHTC) post-inauguration in 2025, aligning with Asta Cita priorities via rapid infrastructure upgrades and service expansions, earmarked IDR 9.7 trillion in the 2026 budget (RAPBN) of this project. Key efforts target upgrading 15 regional general hospitals (RSUD) in 2025 to Type C status for basic specialist care like cardiology and oncology in underserved areas, plus 66 more Type C RSUDs by end-2026 with 32 fast-tracked in eastern frontier zones.

Beside that, there is some regulation changes in healthcare, starting with full implementation of INA-DRG shifts reimbursements to diagnosis-related groups while redirecting 144 common diseases to primary healthcare facilities, based on Permenkes No. 16 Tahun 2024 and PP 28 Tahun 2024 about Hospital Classification. This fundamental change disrupts traditional revenue models for hospitals, particularly specialist and urban facilities facing reduced patient referrals. In addition, new standardization regulations of KRIS (in-patient standard class) demand substantial additional expenses across the sector, both government and private hospitals, creating uniform financial burdens related to facility upgrades, staffing requirements, and compliance infrastructure that challenge operational margins industry-wide.

This phenomenon impacts hospitals' systems significantly, as new regulations like INA-DRG implementation, KRIS in-patient class standards, and slowed procurement from budget shifts disrupt planning. Hospitals must reallocate capex toward compliance upgrades (e.g., facility retrofits and equipment standards) while opex inflates through mandatory staffing, training, and tender delays, ultimately straining operational margins across both public and private sectors.

The current regulatory and financial pressures confronting Indonesia's hospital sector exhibit structural parallels to the systemic disruptions experienced during the COVID-19 crisis. Although the nature of the shocks differs, public health emergency versus regulatory-financial restructuring both periods are characterized by simultaneous multi-dimensional strain affecting operational capacity, financial stability, and strategic planning. During the COVID-19 pandemic, hospitals faced abrupt surges in patient volumes, emergency procurement bottlenecks, workforce shortages, and volatility in reimbursement flows, particularly under the JKN/BPJS financing mechanism. The rapid scaling of isolation beds, intensive care capacity, and ventilator availability required immediate capital deployment under conditions of heightened uncertainty and constrained supply chains.

In contrast, the post-pandemic period is defined less by acute clinical overload and more by structural regulatory transitions and financial compression. Policy shifts such as INA-DRG tariff adjustments, implementation of KRIS (Kelas Rawat Inap Standar) mandates, and healthcare budget reallocations introduce compliance-intensive operational reforms that require capital expenditure, facility redesign, and system upgrades. Unlike the temporary stimulus and reimbursement adjustments introduced during 2020 - 2022 to cushion hospitals against pandemic losses, current reforms occur amid tightening fiscal conditions and heightened cost inflation. Hospitals must therefore absorb rising operational expenditures including labor, utilities, medical consumables, and technology investments while facing limited tariff flexibility and reimbursement constraints.

This transition represents a shift from acute capacity shock to prolonged financial resilience testing. Whereas COVID-19 required rapid expansion and emergency liquidity management, the present environment demands sustained

efficiency optimization and strategic consolidation. Aiming to address the above challenges, Ministry of Health in 2022 launched an ambitious Health System Transformation Agenda (HSTA) with the aim of establishing a well-structured public health system that integrates and standardizes all levels of public health facilities and laboratories like shown in Figure 1.7.

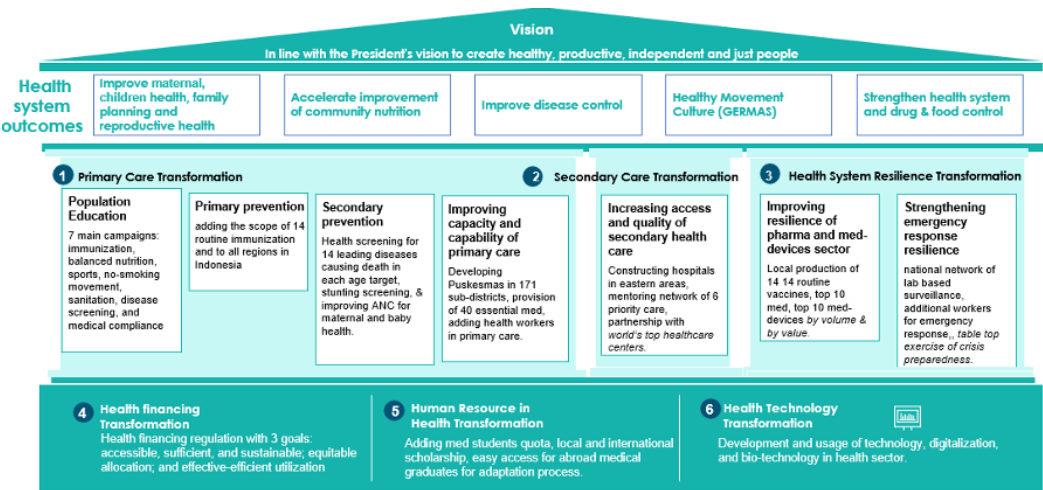


Figure 1.7 Indonesia Health System Transformation with its Six Pillars of Transformation

Source: Kemenkes RI (2025)

With similar challenges, several approaches could be used as an alternative solutions, such as roloned opex inflation combined with deferred capex capacity risks eroding service quality, staff retention, and long-term competitiveness. Without targeted financial relief mechanisms comparable to pandemic-era stimulus packages, hospital operators must rely increasingly on internal strategic responses such as scale expansion, service diversification, cost integration, and merger and acquisition (M&A) initiatives to preserve financial sustainability.

There are 12 listed companies in IDX that operate hospitals, and they are classified into the healthcare sector (IDX HEALTH), and the sub sector is Healthcare Providers. Those companies are shown in the Table 1.1 below.

Table 1.1 Listed Companies of Healthcare Providers

No.	Stock Code	Name of Company		IPO Date	Business Scope
1	BMHS	PT Bundamedik Tbk	Bundamedik Healthcare (Bunda)	06 Jul 21	Jaringan Rumah Sakit Bunda
2	CARE	PT Metro Healthcare Indonesia Tbk	Metro Healthcare	13 Mar 20	Jaringan Rumah Sakit Metro Hospitals
3	MIKA	PT Mitra Keluarga Karyasehat Tbk	Mitra Keluarga	24 Mar 15	Jaringan Rumah Sakit Mitra Keluarga
4	PRIM	PT Royal Prima Tbk	Royal Prima Hospitals	15 May 18	Jaringan Rumah Sakit Royal Prima
5	RSGK	PT Kedoya Adyaraya Tbk	Grha Hospitals	08 Sep 21	Jaringan Rumah Sakit Grha Kedoya
6	SAME	PT Sarana Meditama Metropolitan Tbk	EMC Healthcare	11 Jan 13	Jaringan Rumah Sakit EMC
7	SILO	PT Siloam International Hospitals Tbk	Siloam Hospitals	12 Sep 13	Jaringan Rumah Sakit Siloam Hospitals
8	SRAJ	PT Sejahteraya Anugrahjaya Tbk	Mayapada Healthcare	11 April 11	Jaringan Rumah Sakit Mayapada
9	HEAL	PT Medikaloka Hermina Tbk	Hermina Hospitals	11 May 18	Jaringan Rumah Sakit Hermina
10	MTMH	PT Murni Sadar Tbk	Murni Teguh Hospitals	20 Apr 22	Jaringan Rumah Sakit Murni Teguh
11	PRAY	PT Famon Awal Bros Sedaya Tbk	Primaya Hospitals	08 Nov 22	Jaringan Rumah Sakit Primaya
12	RSCH	PT Charlie Hospital Semarang Tbk	Charlie Hospitals	28 Aug 23	Jaringan Rumah Sakit Charlie

Source: IDX (2026)

The Indonesian healthcare sector experiences significant corporate restructuring through mergers, acquisitions, and consolidations, mirroring patterns in other industries. These activities provide rapid avenues to enhance operational resilience, achieve BPJS reimbursement scale, or acquire compliant infrastructure and patient volumes amid regulatory pressures like INA-DRG and KRIS standards. The sector also follows serial acquisition trends consistent with Croci & Petmezas (2009), particularly accelerating pandemic recovery.

Over the past decade, the Indonesian healthcare sector has seen accelerating M&A activity, as hospitals consolidate to navigate pandemic recovery, JKN pressures, and now INA-DRG/KRIS challenges. The Table 1.2 summarizes landmark transactions from 2016-2025.

Table 1.2 Select M&A between 2016 to 2025

Year	Acquiring Company	Purchased Company	Price	Acquisition Type
2017	SILO	RS Umum Sentosa RS Grha Ultima Medika RS Umum Putera Bahagia RS Hosana Medica	IDR 460 Bio	Horizontal
2019	MIKA	BSH	IDR 240 Bio	Horizontal
2021	SAME	RSGK	IDR 221 Bio	Horizontal
2024	ASII	RS Heartology	IDR 643 Bio	Conglomerate / Diversification M&A
2024	SRTG	Brawijaya Healthcare	Unknown	Conglomerate / Diversification M&A
2025	PT Djarum	HEAL	IDR 1,04 T	Conglomerate / Diversification M&A
2025	PRAY	RS Ukrida RS FMC Bogor	Unknown	Horizontal

Source: Multiple sources

In the post-pandemic transition period, merger and acquisition (M&A) has increasingly functioned as a strategic mechanism for hospital operators seeking financial resilience and operational scale. Companies unable to meet these demands risk falling behind in their development, potentially leading to bankruptcy, regardless of their size (Sitepu et al., 2023). One effective strategy for growth is expansion, which can be internal, involving the creation of new businesses, or external, through mergers and acquisitions (Agustin & Widhiastuti, 2021). Mergers, in particular, are often seen as a way to enhance financial performance, expand market reach, and achieve operational synergies (Amatilah et al., 2021). This is typically assessed through financial ratios, which measure a company's financial health and profitability (Sitepu et al., 2023).

In this context, foreign investors are showing renewed interest in hospital acquisitions in Indonesia. Yet, given the country's regulatory landscape, such transactions are inherently complex and demand careful planning and comprehensive due diligence. Beyond the financial aspects, success depends on the right investment structure, compliance with regulations, seamless operational integration and strategic alignment (Hiswara Bunjamin, 2025).

Mergers can be in the form of horizontal mergers, vertical mergers, or conglomerate mergers (Brealey et al., 2020). Horizontal mergers involve companies

that are engaged in the same industry segment. Vertical mergers involve companies that are working in the same industry but in different stages of the value chain. Conglomerate mergers involve companies that are engaged in unrelated business domains. The motivations behind mergers and acquisitions have been explored extensively in various studies (Adavikolanu, 2008; Chen, Chun, & Kun, 2013; Croci & Petmezas, 2009). At the corporate level, companies pursue M&A for diverse reasons, such as acquiring new technological capabilities, achieving operational synergies, or entering fresh markets (Rahman et al., 2017). Research also reveals that managerial incentives play a role, ranging from alignment with broader business strategies to retaining cash within the firm rather than distributing it to shareholders.

Government policies strongly promote small and medium enterprise (SME) growth, boosting recognition of corporate ownership models and economic independence through capital market development (including crowdfunding, angel investors, venture capital, private equity, or equity investors). In the coming years, mid-sized firms, startups, and conglomerates are expected to increasingly utilize merger and acquisition processes, generating a spillover effect from these policies that sparks an M&A boom across Indonesia (Tarigan et al., 2017).

In Indonesia, government M&A policies are reinforced by Government Regulation No. 57 of 2010 on mergers and acquisitions. The KPPU (Business Competition Supervisory Commission) anticipates that this robust legal framework will synergize competition law enforcement, particularly for M&A oversight (KPPU, 2010). However, hospital M&A activity in the USA has surged significantly over the past decade, with buyers and sellers seeking to create operational, strategic, and financial value (Deloitte, 2023).

Within this context, PT Sarana Meditama Metropolitan Tbk (SAME), operating under the EMC Healthcare network, executed a significant acquisition in November 2021, when the company completed the acquisition of approximately 66% of PT Kedoya Adyaraya Tbk (RSGK), the operator of Grha Kedoya and Grha MM2100 hospitals. The transaction value was reported at approximately IDR 1.35

trillion, representing one of the notable consolidation moves in the Indonesian hospital sector during the post-COVID transition phase.

The timing of this acquisition is strategically significant. The transaction occurred when Indonesia's healthcare system was shifting from acute pandemic response toward structural normalization. By 2021-2022, hospitals were facing declining COVID-related revenues, normalization of patient volumes, rising operational costs, and increasing regulatory adjustments within the JKN/BPJS reimbursement framework. Unlike the 2020-2021 emergency stimulus environment, the period following the acquisition was characterized by tighter financial discipline and heightened competition. Therefore, SAME's consolidation move can be interpreted as a proactive strategy to strengthen network scale, diversify revenue streams, improve referral integration, and enhance asset utilization under sustained financial pressure.

From a financial perspective, an acquisition is material relative to the company's asset base, potentially affecting leverage ratios, liquidity position, and profitability indicators in the short to medium term. Nearly all financial ratios indicate improved performance one and two years post-merger or acquisition. However, Return on Equity (ROE) and Total Assets Turnover decline in the first year after the merger or acquisition, while Current Ratio and Debt-to-Equity Ratio drop in the second year. Despite these dips, mergers and acquisitions generally deliver net positive impacts on company financial performance (Damayanti and Suhardiah, 2023).

Consequently, analyzing SAME's financial performance in the years preceding and following the November 2021 acquisition provides an empirical basis to assess whether strategic consolidation during the post-pandemic recovery period is associated with measurable improvements in financial resilience and operational efficiency.

Considering the evolving regulatory landscape and the financial pressures currently facing Indonesia's healthcare sector, alongside the systemic shocks experienced during the COVID-19 crisis, strategic consolidation has become an increasingly relevant response for hospital operators. A merger company should

experience better changes in financial conditions (Bukhori, 2020). However, an in-depth study of the financial reports is required to ascertain whether there are any financial performance differences and the effectiveness of beforehand and following the merger for the company.

The transition from pandemic-driven emergency expansion to a period characterized by cost inflation, reimbursement adjustments, and capital expenditure constraints has shifted the focus from short-term survival to long-term financial resilience. In such an environment, merger and acquisition (M&A) represents a strategic alternative to enhance economies of scale, strengthen market positioning, and improve operational efficiency.

Against this backdrop, this study examines the acquisition activity undertaken by PT Sarana Meditama Metropolitan Tbk (SAME) in November 2021, when the company acquired a controlling stake in PT Kedoya Adyaraya Tbk. The transaction occurred during the post-pandemic normalization phase, a period marked by declining COVID-related revenues and increasing structural reform within the healthcare financing system. By analyzing SAME's financial performance before and after the acquisition event, this study aims to evaluate whether strategic consolidation under crisis-transition conditions is associated with measurable improvements in profitability, liquidity, solvency, and operational efficiency. In doing so, the research provides empirical insight into whether M&A can serve as a viable financial resilience strategy amid sustained regulatory and economic pressure in the healthcare industry.

1.2 Research Gap and Novelty

Empirical studies examining merger and acquisition (M&A) activity within Indonesia's hospital industry remain limited, particularly in the context of financial performance evaluation before and after merger events. The healthcare provider sector, especially hospital companies listed under the IDX F12 Healthcare Providers category, possesses distinct operational and financial characteristics, including high capital intensity, regulated reimbursement mechanisms under the JKN/BPJS system, significant fixed asset structures, and complex post-merger integration

processes. Despite these unique dynamics, comparative financial ratio analysis surrounding hospital merger activity has not been widely documented.

Moreover, to the best of the researcher's knowledge, limited empirical evidence has examined hospital M&A in Indonesia across periods encompassing the COVID-19 disruption and subsequent post-pandemic transition. This context is particularly relevant because the observation period covers substantially different economic and healthcare environments, including pandemic-related disruption, revenue normalization, changing operating conditions, and ongoing healthcare regulatory reforms. These conditions provide an important contextual dimension for interpreting differences in financial and stock performance between the pre- and post-acquisition periods. However, as these external developments overlap with the acquisition timeline, the observed differences cannot be attributed solely to the acquisition event.

The novelty of this study lies in its integrated evaluation of financial and stock performance across the pre- and post-acquisition periods. Rather than examining financial ratios or stock performance separately, this study combines three complementary dimensions: financial performance through profitability, liquidity, activity, and solvency ratios; market performance through Market-Adjusted Return; and investment risk through the variability of daily stock returns. This integrated approach provides a broader assessment of post-acquisition performance by examining whether changes in accounting-based performance are accompanied by corresponding changes in market return and risk. Applied to the Indonesian hospital sector, the study further considers these performance differences within periods characterized by the COVID-19 disruption, post-pandemic recovery, and changes in the healthcare environment. By integrating financial ratios, market-relative return, and stock risk within a single comparative framework, this study contributes a more comprehensive perspective for evaluating M&A outcomes while recognizing that the observed differences cannot be attributed solely to the acquisition event.

Previous studies on financial performance before and after merger and acquisition, as shown in Table 1.3, are reviewed to develop a comprehensive

understanding of existing findings and to highlight the research gap explored in this study.

Table 1.3 Previous Research and Gap in Financial Performances Before and After Merger & Acquisition

No	Authors	Research/Journal Title	Variables
1	Izzah and Murwanti (2023)	Comparative Analysis of Financial Performance Through Mergers by Health Service Companies in Indonesia	ROA, ROE, FATO, TATO, DER, and CR
2	Damayanti and Suhardiah (2023)	Analisis Perbedaan Kinerja Keuangan Sebelum Dan Sesudah Merger Periode Tahun 2017-2019 Perusahaan Pelayanan Kesehatan Yang Terdaftar Di BEI	NPM, ROE, ROA, TATO, CR, DER
3	Sembel and Malau (2023)	The Effects Of The Assets And Capital Structures On Firm Value: The Mediating Role Of Financial Performance, An Evidence In Healthcare Providers On Indonesia Stock Exchange (IDX) From 2017 To 2021	DAR, DER, Firm Value
4	Herdiawan et al. (2025)	Comparative Analysis of Financial Performance (CR, DER, ROA) Before and After Merger Study on Companies Listed on the IDX	CR, DER, ROA
5	Tarigan and Michelle (2022)	Analysis Of Financial Performance From Synergistic Value Pre And Post Merger And Acquisition	NPL, LDR, NIM, ROA, CAR
6	Tarigan et al. (2018)	Analysis Of Merger & Acquisition Motives In Indonesian Listed Companies Through Financial Performance Perspective	CR, TATO, NPM, ROA, ROE, EPS, DER, QR
7	Halim (2023)	Analysis of Successful Acquisition of PT Siloam International Hospital Tbk in the Indonesia Stock Exchange	CR, DAR, DER, ROI, ROE, NPM
8	Yudianto et al. (2025)	Analisis Komparatif Kinerja Keuangan: Studi Kasus Primaya dan PT Sarana Meditama Metropolitan Pada Periode 2021-2024	NPM, ROE, ROA, TATO, CR, DER
9	Pujianti and Kisman (2026)	Financial Performance And Firm Size On Firm Value In The Hospital Industries Listed On The Indonesia Stock Exchange (BEI) Period 2020 - 2024	CR, ROA, TATO, PBV, ART, Firm Value
10	Munthe et al. (2025)	Analisis Rasio Solvabilitas Pada Emiten Sektor Healthcare Di Bursa Efek Indonesia Pada Tahun 2021-2024	DER, DAR, TIE
11	Kumalasari et al. (2023)	Analisis Kinerja Keuangan Perusahaan di Sektor Kesehatan yang terdaftar di Bursa Efek Indonesia	ROA, ROE, NPM dan DER
12	Maulidin and Nurdina (2023)	Pengaruh Economic Value Added (EVA), Current Ratio (CR), Dan Debt To Equity Ratio (DER) Terhadap Return Saham Pada Perusahaan Sektor Healthcare Yang Terdaftar Di Bursa Efek Indonesia (BEI)	CR, DER, EVA
13	Malau, 2020	The Size Of The Company Is Moderating Earning Aggresiveness And Return On Asset On The Leverage	Earning Agresiveness, ROA, Firm Size
14	Puspita et al., 2025	Analisis Balanced Scorecard Sebagai Alat Pengukuran Kinerja Pada Perusahaan Sektor Kesehatan Di Bursa Efek Indonesia (Bei)	NPM, ROE, ROA
15	Chiang, 2024	The Effect Of Financial Performance And Market Return On Stock Return With Gdp Growth As A Moderating Variable	NPL, LDR, Market Return

1.3 Problem Statement

This thesis examines how acquisition outcomes can be evaluated through changes in financial and stock performance across multiple dimensions.

1. Indonesia's hospital sector is facing increasing pressure from healthcare financing reforms, reimbursement changes, regulatory requirements, and post-pandemic recovery.
2. The shift toward diagnosis-related group reimbursement may alter hospital revenue structures and referral patterns through INA-DRG. Standardized inpatient-class requirements (KRIS) may increase compliance and capital expenditure needs for hospital operators.
3. Hospitals are highly capital intensive, making profitability, liquidity, asset utilization, and capital structure important for financial sustainability.
4. M&A is increasingly used as a strategic response to strengthen scale, competitiveness, and operational efficiency.
5. SAME completed the acquisition of PT Kedoya Adyaraya Tbk (RSGK) in November 2021, with expected operational, financial, and managerial benefits.
6. However, acquisition benefits may not immediately translate into stronger financial and market performance due to integration costs, financing needs, and external industry pressures.
7. Therefore, the key uncertainty is whether SAME's post-acquisition period shows measurable differences in profitability, liquidity, activity, solvency, market-adjusted return, and stock risk compared with the pre-acquisition period.

1.4 Research Questions

Based on the background information and the identified problem statement above, this research would like to answer the following questions of financial ratios:

1. How is the financial performance of SAME before and after acquisition?
 - a. Is there any difference in the profitability of SAME before and after acquisition?

- b. Is there any difference in the liquidity of SAME before and after acquisition?
- c. Is there any difference in the activity of SAME before and after acquisition?
- d. Is there any difference in the solvency of SAME before and after acquisition?
- 2. How is the stock performance of SAME before and after acquisition?
 - a. Is there any difference in stock return of SAME before and after acquisition?
 - b. Is there any difference in stock risk of SAME before and after acquisition?

1.5 Research Objectives

Based on the research questions, this research aims to analyze whether there is a difference before and after acquisition towards financial performance of SAME that shows in:

- 1. Profitability
 - a. Return on equity
 - b. Return on assets
- 2. Liquidity
 - c. Current ratio
 - d. Quick acid test ratio
- 3. Activity
 - e. Total asset turnover
 - f. Total fixed asset turnover
- 4. Solvency
 - g. Debt to equity ratio
 - h. Debt to asset ratio

In addition, the research objective is to analyze whether there is a difference before and after acquisition towards stock performance of SAME that shows in:

- 1. Stock Return
- 2. Stock Risk

1.6 Scope of Research

This research analyzes PT Sarana Meditama Metropolitan Tbk (SAME) financial data spanning Q4 2017 – Q4 2025, structured around two distinct event windows refer to Figure 1.8 below:

- a. Data Period Structure Before Acquisition Event: 16 quarter baseline capturing SAME era financial performance, starting from Q4 2017 to Q3 2021.
- b. Data Period Structure After Acquisition Event: 16 quarter analysis tracking SAME transformation post-2021 acquisition, starting from Q1 2022 to Q4 2025.

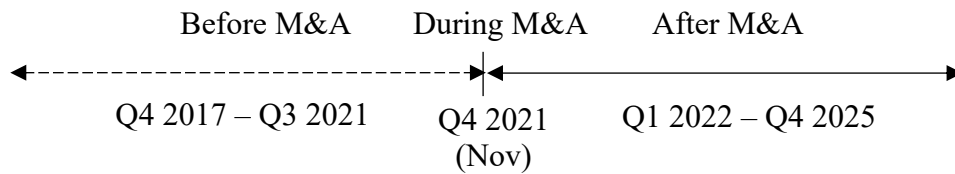


Figure 1.8 Acquisition timeline of PT Sarana Meditama Metropolitan Tbk

This research also employs the hospital company financial performances, which include groups of ratios such as profitability, liquidity, activity, solvency, and market performances, to assess risk and return for the companies and serve as dimensions for each variable.

1.7 Significance of Research

Compared to previous study, the findings of this research will contribute to the understanding of financial and stock performance differences before and after acquisition periods in the hospital industry, while providing a basis for evaluating M&A outcomes in emerging-market healthcare contexts, with the details as follows:

1. Provides an empirical reference for understanding changes in financial and stock performance between pre- and post-acquisition periods among IDX-listed hospital companies and serves as a reference for future research on healthcare M&A.

2. Employs a quantitative comparative approach to examine differences in financial ratios, market-adjusted return, and stock risk between the pre- and post-acquisition periods, providing a structured framework for evaluating similar consolidation events in healthcare organizations.
3. Provides practical insights into the financial and stock performance characteristics observed following the acquisition, supporting hospital companies in evaluating post-acquisition performance and identifying areas for further improvement.

1.8 Thesis Structure

There are six chapters on this research that provide a systematic process to help readers understand this research's content. Each chapter provides details as follows:

- **Chapter 1: Introduction**

This chapter will explain the background research, research gap and novelty, problem statement, research questions, research objectives, significance of the research, and thesis structure.

- **Chapter 2: Literature Review**

This chapter presents the theoretical foundations and definitions relevant to the study, reviews previous empirical studies, and provides an overview of the healthcare provider industry supported by relevant data and sources. It also explains the relationships among the key concepts examined, and identifies the variables used to assess financial and stock performance before and after the acquisition.

- **Chapter 3: Research Methodology**

This chapter will explain the methodology for completing the analysis, including the research steps or procedures, research design, research location, population and sample, variables and measurement, data collection technique, and data analysis technique.

- **Chapter 4: Data Analysis and Discussion**

This chapter will describe and discuss the details of data analysis, which is an essential part of the research. It will explain how the data will be processed using established procedures and how to extract valuable

information from the processed data using statistical methods, statistical analysis, hypothesis testing, and discussion of effects between variables.

- **Chapter 5: Conclusion and Recommendations**

Conclude the analysis and discussion of the entire part of this research and provide recommendations for further research.

- **References**

This chapter consists of a list of references used for this research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This literature review chapter examines key theories, variables, and interrelationships among constructs, alongside relevant theoretical frameworks. It presents the theoretical foundations and definitions relevant to the study, reviews previous empirical studies, and provides an overview of the healthcare provider industry to assess financial and stock performance before and after the acquisition.

2.2 Healthcare Providers (Hospital) Industry

Indonesia's healthcare provider sector, particularly hospitals, serves over 280 million people across a vast archipelago, blending public and private operations amid rapid growth. As of recent estimates, the nation hosts approximately 2,800-3,000 hospitals, with private entities comprising 63-64% (~1,787-1,927 facilities) and public ones ~36-37% (~1,026-1,058), tiered from advanced Type A referral centers to basic Type D units. Government hospitals hold 51.4% market share nationally, yet competition remains open (CR4 <40), though regional variations show oligopolistic or monopolistic traits in underserved eastern areas due to facility scarcity (Nugroho et al., 2024).

Government hospitals primarily operate under the Ministry of Health or regional governments and are mandated to provide equitable and accessible healthcare services to the population. Their role is closely aligned with public health objectives, including supporting the implementation of the National Health Insurance (JKN) program and integrating services with primary care facilities such as Puskesmas. As a result, public hospitals tend to focus on essential and referral services, often handling higher patient volumes, particularly from lower- to middle-income groups. Their operations are influenced by regulatory frameworks, budget allocations, and social service obligations, which may limit flexibility but ensure broader healthcare coverage.

In contrast, private hospitals are typically owned by corporations, foundations, or individuals and operate with a stronger emphasis on efficiency,

service quality, and profitability. These hospitals tend to concentrate in urban areas and focus on specialized services such as cardiology, oncology, and maternity care. Many private hospital groups, including those listed on the Indonesia Stock Exchange (IDX), actively pursue expansion strategies through network development, service differentiation, and investment in advanced medical technologies. The dominance of private hospitals in terms of number has contributed to rapid sectoral growth, with the total number of hospitals increasing by approximately 80% between 2010 and 2020, driven largely by private sector expansion (Laila, 2025).

Private dominance fuels expansion, driven by IDX-listed groups focusing on urban specialties like cardiology and maternity, while public facilities prioritize primary care via Puskesmas integration. Hospital numbers surged 80% from 2010-2020 (1,632 to 2,943), with privates rising from 990 to 1,900, intensifying rivalry against regional hubs like Malaysia and Singapore (Patients Beyond Borders, 2020; Laila, 2025). Market concentration, measured by CR and HHI, reveals robust national competition but localized gaps, urging strategic positioning for sustainable advantage (Nugroho et al., 2024).

Hospital bylaws govern operations, clarifying roles among staff, administrators, and owners to boost compliance and safety, though challenges like workload and knowledge gaps persist (Scoping Review, 2023). JKN implementation via BPJS has transformed finances and quality, with National Health Insurance straining providers yet enhancing access; recent INA-DRG shifts address reimbursement delays (Laila, 2025). Government policies, including Prabowo's Quick Wins (66 remote upgrades by 2026), promote equity alongside public-private partnerships.

Persistent issues include uneven distribution (Java-heavy), low bed ratios (1.17-1.38/1,000), specialist shortages, and tech disparities between public/private facilities (e.g., SIMRS mandates since 2013) (NIH Study, 2024). Amid aging demographics and medical tourism, hospitals must leverage synergies from mergers, digital tools like Satusehat, and adaptive strategies tailored to type and positioning for competitive resilience (Monroe Consulting, 2025). This sector's

evolution underscores the need for efficiency-focused analyses, as explored in merger impacts on financial ratios.

2.3 Indonesia Healthcare Transformation and Regulation

Indonesian Government is currently focusing on several efforts to accelerate the achievement of health goals through the implementation of health transformation initiatives. In November 2022, the Indonesian Minister of Health announced six pillars for health transformation, which are: (1) transformation of primary service; (2) transformation of referral service; (3) health resilience system transformation; (4) transformation of health financing system; (5) transformation of health human resources; (6) transformation of health technology (Ditjen P2P Kementerian Kesehatan Republik Indonesia, 2022).

2.3.1 Jaminan Kesehatan Nasional (JKN)

Indonesia's national health system forms the backbone of healthcare access for all citizens, ensuring quality services reach every corner of the country. Central to this effort is JKN, Indonesia's National Health Insurance program run by BPJS Kesehatan, designed to widen coverage, boost overall population health, and drive healthcare providers to step up their service quality (Lubis et al., 2023). It promises fair, inclusive care for everyone from formal workers to those in the informal sector.

That said, JKN still grapples with major roadblocks, like uneven spread of doctors and nurses plus spotty infrastructure, especially in far-flung rural areas (Syarifah et al., 2024). These issues widen the gap to true Universal Health Coverage (UHC), made worse by folks' limited grasp of JKN's perks and how it works (Priambudi et al., 2022).

The government holds the key here, needing to fine-tune policies, beef up infrastructure and medical staffing, and foster tighter teamwork between officials and communities (Darsono, 2024). Bottom line: overhauling the national health setup is mission-critical to roll out top-notch care faster across Indonesia.

2.3.2 Standard Inpatient Class (KRIS)

Indonesia's National Health Insurance (JKN), administered by BPJS Kesehatan, was launched to deliver universal coverage for all citizens. Since 2014,

it has used a tiered inpatient class system (Classes I, II, III) based on participants' ability to pay. Now the government is rolling out a game-changing reform: scrapping these classes for a uniform Standard Inpatient Class (KRIS), ensuring equal treatment quality regardless of income. This shift carries big ripple effects for hospital finances, operations, and patient experience.

The implementation of KRIS has the potential to promote healthcare equity by reducing discrimination and improving access, particularly for lower-income groups. However, its success relies heavily on hospital readiness, sustainable financing, and transparent policy communication (Wicaksono, 2025). Key challenges include potential financial strain, hospital capacity limitations, and risks of declining service quality. To address these issues, phased implementation, adequate infrastructure investment, financial safeguards, and strong public engagement are essential. Overall, KRIS can support Indonesia's goal of universal health coverage, provided that governance and funding mechanisms are carefully managed (Wicaksono, 2025).

2.3.3 Hospital Payment System in Indonesia

Before the implementation of Indonesia's National Health Insurance system (Jaminan Kesehatan Nasional or JKN), hospital financing primarily relied on a fee-for-service (FFS) payment mechanism, where healthcare providers were reimbursed based on the services delivered to patients. This retrospective payment model calculated costs after medical services had been provided (Wiasa, 2022). However, with the introduction of JKN, Indonesia shifted toward a more structured healthcare financing system designed to improve efficiency and distribute financial risks more proportionally between patients, providers, and insurers. Under this system, hospital claims submitted to BPJS Kesehatan are reimbursed using the INA-CBGs (Indonesia Case-Based Groups) payment model.

INA-CBGs is a case-mix reimbursement system in which hospitals receive a predetermined payment based on the patient's diagnosis group rather than the actual services performed during treatment. The payment amount reflects the average cost required to treat patients within the same diagnostic category. The development of Indonesia's case-mix payment system began with the introduction

of INA-DRG (Indonesia Diagnosis Related Groups) in 2006, which served as the initial framework for diagnosis-based hospital reimbursement. The tariff structure subsequently evolved through several stages, including the implementation of INA-DRG tariffs in 2008, the transition to INA-CBGs tariffs in 2013, and further tariff adjustments in 2014 (Riyadi et al., 2025).

More recently, the Indonesian government has proposed the reintroduction of a DRG-based reimbursement model (INA-DRG or iDRG) around 2025 as part of broader healthcare financing reforms, alongside the implementation of the Standard Inpatient Class (KRIS) policy. This reform aims to improve payment accuracy, better capture case severity and comorbidities, and strengthen long-term cost control within the national health insurance system. These continuous changes indicate that hospitals must remain adaptable to evolving healthcare financing policies and reimbursement mechanisms. Pilot testing of INA-DRG has been prepared in several hospitals to evaluate readiness in terms of coding systems, IT infrastructure, and human resources (Riyadi et al., 2025).

2.4 Mergers and Acquisition

Merger and Acquisition (M&A) is one of the ways companies take to grow faster than organic business growth and can be a channel for companies to strengthen their global market position and increase competitiveness (Sui et al., 2016). Mergers and acquisitions (M&A) enable companies to accelerate growth beyond organic means, strengthening global market positioning and competitiveness (DePamphilis, 2025). There are several benefits of M&A activities for companies, including getting cash flow quickly, obtaining easy funding, getting experienced employees, getting customers in a short time, obtaining a mature operational and administrative system, reducing the risk of business failure, saving time to enter new businesses, minimize business risk, etc. (Hariyani et al., 2011).

M&A are divided into 5 groups based on the reasons for doing the corporate action as follows (Hariyani, 2011):

1. Horizontal M&A, which is an M&A event that occurs on the same market or product.

2. Vertical M&A, namely M&A that occurs in the industry upstream or downstream.
3. Downstream it is referred to as forward or upward vertical integration and upstream it is referred to as backward or downward vertical integration
4. Conglomerate M&A, namely M&A in one or more companies in industries that are not related to each other's industrial sectors.
5. Market expansion, namely M&A with the aim of expanding the marketing area.
6. Product expansion, namely M&A carried out to expand production lines in each company.

M&A cannot be separated from the main theory of investment. In conducting M&A, the company or the buyer's management have various motivations behind their actions (Candra et al., 2021). Popular M&A theories are summarized in Figure 2.1.

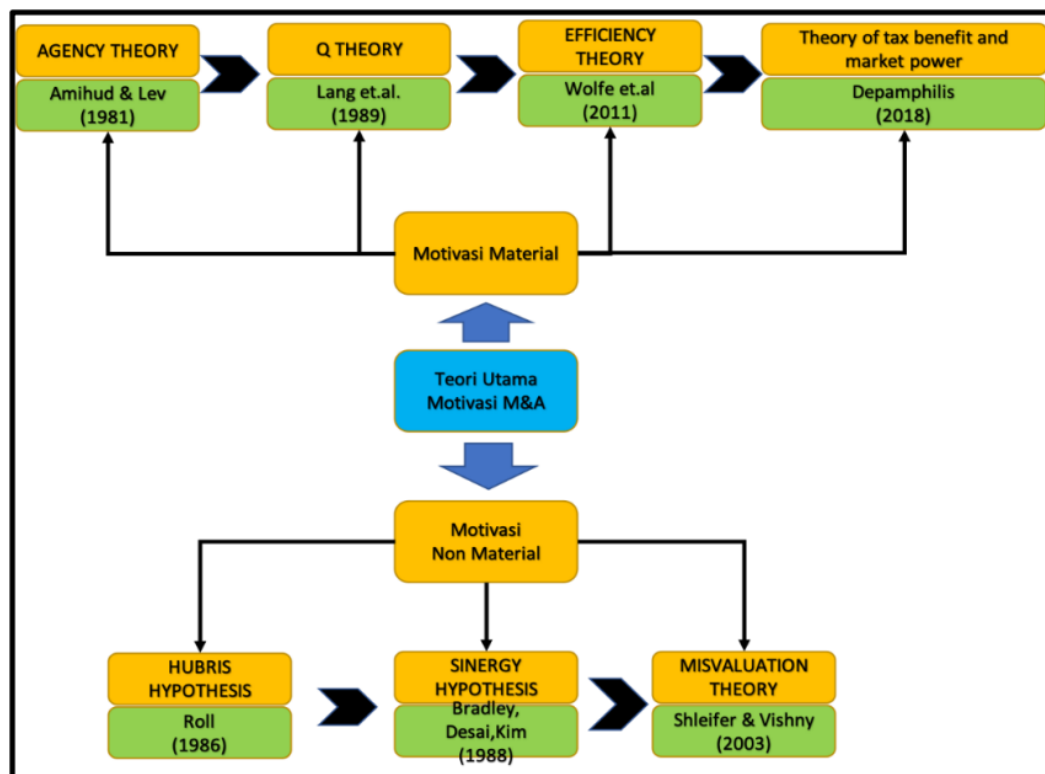


Figure 2.1 Main Theory of M&A Motivation

Source: Candra et al., 2021

This research will focus on the efficiency theory, regarding the capital market, namely a market is said to be efficient if the information available in the public is reflected in the stock price so that the stock price will change with the availability of new information to the general public (Fama, 1970). This theory was then developed into the concept of M&A transactions and what is quite well known is the development, explain that by doing M&A, the company will get benefits in the form of skilled and competent workforce, qualified management, better technology, access to promotion and product development because M&A will create assets that complement other assets, and reduce transaction costs (Wolfe et al., 2011).

Efficiency Theory serves as a core theoretical foundation explaining the rationale for merger and acquisition (M&A) activities in the hospital sector. According to this theory, mergers primarily aim to enhance firm value by generating efficiencies, where the post-merger entity's value exceeds the standalone values of the pre-merger firms through synergy effects. Efficiency Theory highlights key synergy sources relevant to IDX-listed hospitals including three synergy (Bacon & Cagigas, 2022).

Operational Synergy: Achieved via streamlined operations post-merger, including economies of scale (reduced per-unit costs from higher patient volumes or bed utilization) and economies of scope (cost savings from diversified services like integrated maternity, cardiology, and oncology). Examples encompass facility consolidation, optimized supply chains for medical supplies, elimination of redundant administrative costs, and stronger supplier negotiations. These improvements lower COGS and operating expenses, boosting ROA and enhancing current ratio (CR) through better working capital in hospital operations Bacon & Cagigas, 2022).

Financial Synergy: Stems from optimized financial structures after mergers, such as lower cost of capital due to reduced perceived risk and improved market access for larger entities. Enhanced debt capacity enables greater tax shield benefits, while complementary cash flows (e.g., one hospital with surplus liquidity

acquiring another needing equipment upgrades) create internal capital efficiency (Bacon & Cagigas, 2022).

Managerial Synergy: Derived from integrating superior management practices, expertise, or systems across merged hospitals. Efficient operators can elevate underperforming targets, or acquirers gain access to advanced hospital management models. This drives overall efficiency gains, sharper strategic decisions (e.g., on medical tech investments), and elevated profitability (ROA) pre- and post-merger (Bacon & Cagigas, 2022).

2.5 Evaluation of Mergers and Acquisition

Measuring the impact of mergers and acquisitions is quite complex as it is difficult to isolate the impact of a particular merger and acquisition (Ismail et al., 2011). Academics have so far focused on studying the impact of mergers and acquisitions by way of assessing a company's financial performance (Daryanto et al., 2020), or by assessing share price and returns (Rahman et al., 2021). Some studies even adopted both approaches.

Financial ratios are used as a proxy to measure impact of M&A, focusing on performance, liquidity, activity, and solvency ratios (Daryanto et al., 2020). The pre and post-event ratios were then compared using a paired t-test, to test the hypotheses. Six variables can be used to measure pre and post M&A financial performances, such as Return on assets (ROA), net profit margin (NPM), quick ratio (QR), debt to asset ratio (DAR), total asset turnover (TATO), and price-earnings ratio (PER) (Kurniati and Asmirawati, 2022). Using the Wilcoxon Rank Test, ROA and NPM values differ significantly before and after the merger and acquisition. On the other hand, QR, DAR, TATO, and PER did not differ significantly.

2.6 Financial Performance

Financial ratio analysis is a quantitative tool used to assess a company's financial condition and performance by examining relationships among various financial statement items over a period of time. Financial ratios provide the means by which internal and external parties can assess the performance of an enterprise (Anthony et al., 2012). These ratios provide standardized metrics that enable

stakeholders such as investors, creditors, analysts, and management to evaluate a firm’s operational efficiency, profitability, liquidity, solvency, and overall financial stability over time or in comparison with industry peers (Brigham & Houston, 2025). The analysis typically involves categorizing financial ratios into key groups:

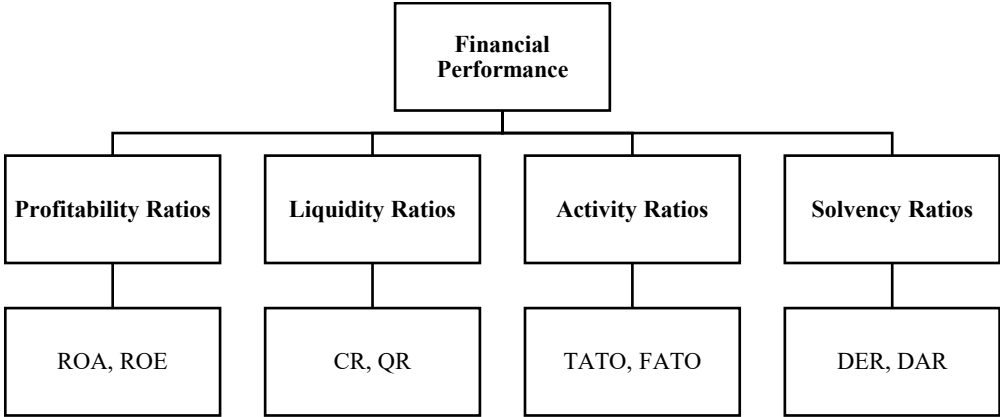


Figure 2.2 Financial Ratios Classification

2.6.1 Profitability Ratios

These ratios assess a firm’s capacity to produce profits in relation to its total revenue, asset base, or shareholders’ equity.

a. Return on Assets

Return on assets (ROA) reflects the returns that a company has earned from all of the assets or resources that a company has (Anthony et al., 2012). ROA provides a general evaluation of how well a company has used the assets that they have, regardless of the source of such funds, be it debt or equity. A higher ROA indicates a more effective deployment of assets in generating profits, reflecting strong operational performance relative to the firm’s asset base. On the other hand, a lower ratio is less preferable (Brealey and Myer, 2020)

b. Return on Equity

ROE measures how effectively a company turns shareholders' equity investments into profits, reflects the returns that a company has earned relative to funds from investors (Anthony et al., 2012). Firms leveraging

debt over equity can boost ROE, as revenue and profits climb, net income rises without growing equity. Higher ROE is generally better, signaling stronger returns (Kowoon et al., 2022).

2.6.2 Liquidity Ratios

Liquidity ratios evaluate a firm's capacity to fulfill its short-term liabilities by utilizing its current assets, thereby indicating the organization's short-term financial health and operational flexibility

a. Current Ratio

This ratio measures the extent to which a company's short-term assets are sufficient to cover its short-term liabilities. In other words, current ratio (CR) measures a company's ability to meet short-term liabilities with short-term assets (Daryanto et al., 2020). This ratio is calculated by dividing current assets with current liabilities. If the resulting ratio is greater than 1, a company has good liquidity. It means the company can meet its shortterm liabilities with current, short-term assets. However, an excessively high ratio may suggest inefficient asset utilization or overly conservative working capital management.

b. Quick Ratio

Quick Ratio (QR) reflects a company's capacity to settle its current obligations using its most liquid assets, excluding inventories. A higher value indicates greater short-term financial strength and a more conservative liquidity position (Weygandt et al., 2018).

2.6.3 Efficiency Ratios

Efficiency ratios assess a company's effectiveness in utilizing its assets and operational resources to generate revenue and manage inventory levels. These metrics provide insight into how the firm optimizes its operations to support business performance.

a. Total Asset Turnover

This ratio evaluates the ability of the company to generate revenue by utilizing their assets (Daryanto et al., 2020). The higher the ratio indicates efficient use of company assets, and vice-versa. A higher value signifies greater operational efficiency and more productive use of the firm's asset base.

b. Fixed Asset Turnover

This ratio measures how efficiently a company utilizes its fixed assets to generate revenue within a given period. A higher fixed asset turnover indicates more effective utilization of fixed assets in generating revenue, while a lower ratio may suggest underutilization of fixed assets or that the company's investment in fixed assets has not yet translated proportionately into revenue generation (Weygandt et al., 2018)

2.6.4 Solvency Ratios

Solvency ratios evaluate a company's ability to meet its long-term financial obligations and the extent to which it depends on debt financing to support its operations.

a. Debt-to-Equity Ratio

The debt-to-equity ratio compares a company's total liabilities to its shareholders' equity, reflecting the proportion of debt used to finance the firm's assets (Daryanto et al., 2020). A lower ratio indicates reduced financial risk, whereas a higher ratio signifies increased leverage and heightened vulnerability to economic downturns.

b. Debt-to-Asset Ratio

The debt-to-asset ratio compares a company's total liabilities to its total assets, indicating the proportion of assets financed through debt (Daryanto et al., 2020). A lower ratio indicates lower reliance on debt financing and reduced financial risk, whereas a higher ratio reflects greater leverage and a higher proportion of the company's assets being financed by creditors.

2.7 Stock Performance

Stock performance refers to the ability of a stock to generate returns for investors over a certain period, which reflects the market's assessment of a company's financial condition, growth prospects, and risk profile. It is commonly measured through indicators such as stock price appreciation, dividend yield, and total return, which together represent the overall reward received by shareholders for holding the stock.

Portfolio Theory states that the portfolio selection process is divided into 2 parts, namely the observation stage and refers to the experience or data on past problems and ends with trust in certain existing portfolios. The second stage is when that trust will lead to choosing the right portfolio (Markowitz, 1952). In his research, Markowitz stated that investors will see 2 things, namely the level of risk and return on the investment. Investors will always choose investments with a high rate of return with a low level of risk. In this context, Harry Markowitz's Modern Portfolio Theory (MPT) provides a fundamental framework for understanding the relationship between risk and return as shown in Figure 2.2.

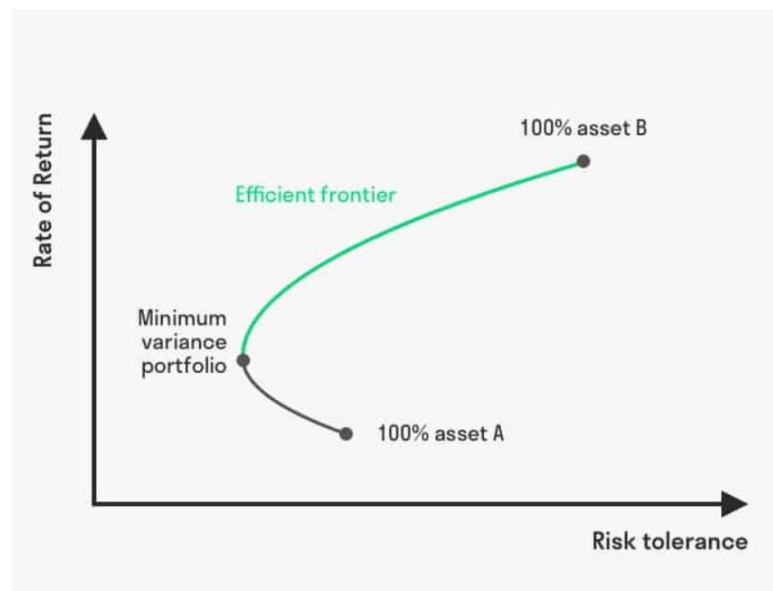


Figure 2.2 Modern Portfolio Theory by Harry Markowitz

Markowitz proposed that investors can achieve an optimal portfolio by diversifying investments in a way that maximizes expected return for a given level of risk or minimizes risk for a given level of return. Rather than relying on random

diversification, the Markowitz model systematically analyzes the correlation between assets to determine the most efficient portfolio composition. Through this approach, investors are able to manage risk more effectively while maintaining the potential for favorable returns (Negara et al., 2021).

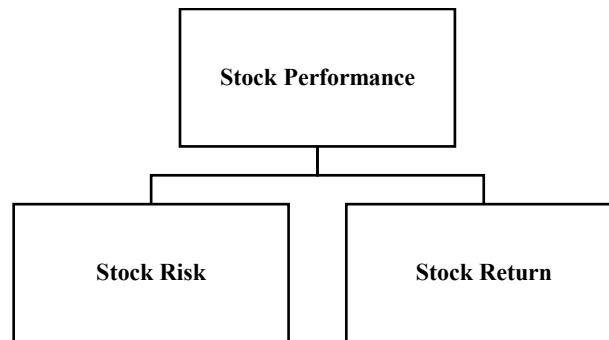


Figure 2.3 Stock Performance Classification

2.7.1 Stock Risk

Stock risk refers to the potential deviation between the actual return received and the return expected by investors. Risk and return are closely related and cannot be separated, as both are fundamental considerations in investment decision-making. In other words, when investing, investors must evaluate not only the potential returns but also the level of risk associated with the investment. Rational investors tend to select stocks that offer efficient investment opportunities. An efficient stock is defined as one that provides the highest possible return for a given level of risk, or alternatively, the lowest possible risk for a given level of return (Zubir, 2011). In this context, Harry Markowitz proposed that investors can reduce investment risk while maintaining attractive returns through portfolio formation, which involves diversifying investments across different assets.

2.7.2 Stock Return

Stock market return refers to the net gain or loss obtained by investors from their investment in the stock market (Amogha and Suresh, 2019). Evaluating the factors that influence stock returns through fundamental analysis can provide valuable insights for investors when making investment decisions in the capital market. Fundamental analysis is commonly used to estimate potential movements

in stock prices because it reflects the underlying financial condition and operational performance of a company. Through this approach, investors are able to assess a firm's financial strength and future growth prospects, which may influence expected stock returns. Companies with stronger financial performance generally tend to attract higher investor confidence, which is often reflected in higher stock prices in the market (Elliott and Schaub, 2006).

Stock return, or the level of profit generated from stock investment, represents the benefits obtained by investors from investing in a company, either directly or through intermediary institutions such as securities firms (Suciati, 2018). Stock returns play a crucial role in investment analysis as they serve as an important indicator for investors when evaluating potential investment opportunities. In making investment decisions, investors generally expect returns that exceed their cost of capital.

Market-Adjusted Return Theory posits that a stock's performance should be evaluated relative to overall market movements to isolate firm-specific effects from systematic market risk (DePamphilis, 2025). This approach calculates returns as the difference between a stock's actual return and the market return (typically measured by a broad index like IDX Composite), providing a benchmark-adjusted measure that reveals whether managerial actions or firm events create genuine alpha above market expectations. Investors favor this metric for assessing true value creation, particularly in event studies like M&A where isolating abnormal returns clarifies whether deals enhance shareholder wealth beyond passive market exposure.

In addition to serving as a performance indicator for investors, stock returns also reflect the effectiveness and efficiency of capital markets in allocating financial resources according to investor preferences and the availability of market information (Husein and Hasanah, 2017). One of the main motivations for investors to engage in investment activities is the expectation of stock returns. Stock returns can be viewed as compensation for the risks undertaken by investors when allocating their capital (Ristyawati, 2019). In general, stock returns represent the rate of profit earned from investments in individual stocks or portfolios of shares. These returns may take the form of dividends, which are distributions of corporate

earnings to shareholders in cash, stock, or other forms, as well as capital gains, which arise from the difference between the purchase price and the selling price of a stock (Yap and Firnanti, 2019).

2.8 Conceptual Frameworks

The conceptual framework of this study is based on the researcher's understanding of how each variable connects to the other and gives results as the research objective. This study will correlate the stock return performance of two situation periods (before and after acquisition) and the correlation of acquisition event to the stock return performance. The framework of this study can be seen in Figure 2.4 below.

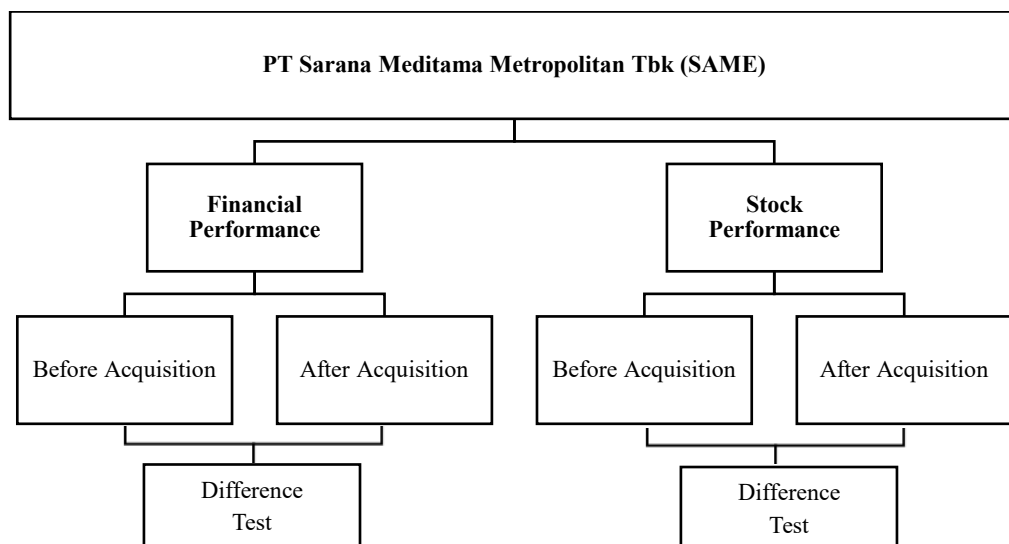


Figure 2.4 Conceptual Framework

2.9 Hypotheses Development

To examine whether SAME's financial ratios, market-adjusted return, and stock risk differ between the pre- and post-acquisition periods, this study develops hypotheses based on findings from previous research. These hypotheses provide a basis for statistically evaluating the differences in the performance indicators examined between the two periods.

Return on Asset

Previous research conducted a study analyzing the financial performance of acquiring firms listed on the Indonesia Stock Exchange before and after merger and acquisition activities. Using an observation period of five years prior to and five years following the merger and acquisition event, the study found that Return on Assets (ROA) has slight improvement but did not show a significant difference between the pre- and post-merger periods (Herdiawan et al., 2025). Another study examined the motives of mergers and acquisitions among one of insurance company by analyzing their financial performance over an six-year period, consisting of three years before and three years after the transactions. The study concluded that there is a significant increase in its return on asset ratio, improved three years following the acquisition period (Tarigan and Michelle, 2022). Another study that analyzed the financial performances from 2009-2012 of non-banking companies in Indonesia stated that the return on assets (ROA) is increased yet did not significant before and after merger & acquisition event (Tarigan, 2018).

H₁: There is a difference in SAME's return on assets before and after the acquisition event.

Return on Equity

Regarding Return on Equity (ROE), previous research were analyzing the financial performance of acquiring firms before and after merger and acquisition activities in companies listed on the Indonesia Stock Exchange. Using an observation period of three years, the study found that there was an increasing value of ROE but not significant before and after event (Tarigan, 2018). Another study that analyzed financial performances of several companies listed on IDX pre and post 2015 also found that there is no significant difference in return on equity (Zuhri et al., 2020). In addition, a study that performing analysis about financial performance of healthcare companies before and after merger from 2017-2019 found that ROE was decreasing in one year after acquisition, but not significantly different (Damayanti and Suhardiah, 2023).

H₂: There is a difference in SAME's return on equity before and after the acquisition event.

Current Ratio

Study that analyzed the financial performance of 17 Indonesian listed non-banking companies over an eight-year observation period, four years before and four years after the merger and acquisition event stated that merger and acquisition activities had a significant effect on the current ratio, reflecting the liquidity of the company (Tarigan et al., 2018). Another study that performing analysis about financial performance of healthcare companies before and after merger from 2017-2019 found that current ratio was decreasing two years after merger and acquisition, but not significantly different (Damayanti and Suhardiah, 2023). Furthermore, a research studied about one company before and after merger on 2 years period do not show significant differences in current ratio (Marlindo and Murwanti, 2025).

H₃: There is a difference in SAME's current ratio before and after the acquisition event.

Quick Ratio

Study on merger and acquisition activities found that such activities did not result in a significant change in the companies' Quick Ratio (Prasad, 2012). Latest research that analyzed one of financial performance on state-owned company in Indonesia also shown that there is no difference between Quick Ratio before and after merger (Sarwoko and Herawati, 2026). Another study aims to determine differences in the company's financial performance before and after making acquisitions of non-financial companies listed on the Indonesia Stock Exchange (IDX) stated there was no difference between the company's Quick Ratio one year before and three years after (Muslim, 2023).

H₄: There is a difference in SAME's quick ratio before and after the acquisition event.

Total Asset Turnover

Study on merger and acquisition activities through mergers by health service companies in Indonesia found that TATO variable changes beforehand and following the merger with a significance value of 0.025 (Izzah and Murwanti, 2023). In addition, a study that analyzed merger & acquisition motives in

Indonesian listed companies of non-banking sector for three years stated that TATO has been the only profitability ratio that is significantly affected by M&A (Tarigan et al., 2018). Otherwise, research that compared one company before and after merger for two years period found that TATO variable showed no significant differences (Marlindo and Murwanti, 2025).

H₅: There is a difference in SAME's total asset turnover ratio before and after the acquisition event.

Total Fixed Asset Turnover

A study examining the impact of acquisitions on the financial performance of acquiring companies in Indonesia, focusing on healthcare service companies on IDX indicated that acquisition activities did not result in a significant difference in the companies' Total Fixed Asset Turnover (FATO) ratio (Izzah and Murwanti, 2023). FAT and TATO increase after the acquisition, there is not much difference since the liabilities also increase. This means the company must pay interest expenses and debt throughout the year (Setiawan and Amelia, 2024).

H₆: There is a difference in SAME's fixed asset turnover ratio before and after the acquisition event.

Debt Equity Ratio

Previous study that analyzing the financial performance of Indonesian companies before and after merger and acquisition activities during the period of 2009-2012 indicated that there was a significant difference in the companies' Debt-to-Equity Ratio (DER) before and after the merger and acquisition event (Tarigan et al., 2018). Specifically in healthcare industry, a research conducted for a merger company in four years before merger and four years after merger stated that DER do not change between beforehand and following the merger (Izzah and Murwanti, 2023). To support this, study that analyzed financial performances from six companies listed in IDX before and after merger in ten years period shown there is slight improvement in DER but the changes is not statistically significant (Herdiawan et al., 2025)

H7: There is a difference in SAME's debt to equity ratio before and after the acquisition event.

Debt to Asset Ratio

A study analyzing the financial performance of acquiring firms listed on the Indonesia Stock Exchange was conducted during the period of 2003-2013. The results of the study indicated that merger and acquisition activities did not have a significant effect on the companies' Debt-to-Asset Ratio (Azwat, 2016). Other study shown that the results of the solvency ratio show that in general the merger does not have a significant effect on the company's liquidity, specifically on the company's DAR (Debt to Asset Ratio) variable both in the period before the company carries out the merger and in the period after the company carries out the merger (Mufarrica and Oktafiani, 2023). On the other hand, an analysis of the company's performance before and after the merger shows that, although there is no difference were found, trend analysis indicates a tendency for improvement in several indicators, particularly in Debt-to-Asset Ratio (Nugraha and Irianto, 2024).

H8: There is a difference in SAME's debt to asset ratio before and after the acquisition event.

Stock Return

A study analyzing the impact of merger and acquisition activities was occurred to compare the performance of companies listed on the Indonesia Stock Exchange before and after M&A. The findings indicated that there was no significant difference in companies' stock returns on the announcement day of the merger and acquisition, as well as in the periods before and after the announcement (Nugraha, 2015). Other study found that there was no significant difference in companies' stock returns before and after the acquisition event (Farandy, 2016). In the other hand, a research that analyzed short-term impact analysis of telco company acquisition with market return as a control variable stated that the only variable that has a significant impact on stock returns is the market return, with a coefficient of 0.832 and a significance value of 0.000. This means that every one-unit increase in market return will increase stock returns by 0.832 (Maria et al., 2025).

H₉: There is a difference in SAME's stock return before and after the acquisition event.

Stock Risk

A study was conducted to examine the differences in stock return and stock risk among publicly listed companies following acquisition activities. The findings of the study indicated that there was no significant difference in stock risk before and after the acquisition event (Farandy, 2016). There is no significant difference in stock prices, stock returns, and trading volumes of companies listed on the Indonesia Stock Exchange (IDX) before and after the announcement of mergers and acquisitions. In addition, a study no significant abnormal returns are identified over the 60 days, indicating diverse investor reactions and swift information integration in the intermediate term. Additionally, the lack of significant pre-and post-announcement abnormal returns suggests that M&A-related information is largely anticipated or quickly factored into stock valuations (Khafifah and Mangifera, 2026).

H₁₀: There is a difference in SAME's stock risk before and after the acquisition event.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodologies and procedures to meet the research objectives, covering research design, population, sampling techniques, data collection instruments, quality/reliability tests, and analytical tools for problem-solving. Research methods are the ways to collect and analyse data in order to develop or test business knowledge. It is a systematic process of collecting, analyzing, and interpreting data to answer research questions or test hypotheses (Saunders et al., 2023)

3.2 Research Design

The researcher will describe how the research will be conducted, including the methods for answering the research questions and objectives. The research design is a plan to collect, measure, and analyze data based on research questions (Sekaran and Bougie, 2017). Through this research, the researcher tries to explain

This research adopts a quantitative and comparative before-and-after approach. Quantitative research emphasises the collection and analysis of numerical data to examine patterns and test hypotheses through statistical analysis (Saunders et al., 2023). The comparative approach is applied to assess whether there are differences in the financial and stock performance of the company between the periods before and after the acquisition. Accordingly, this study does not seek to establish a causal relationship between the acquisition and changes in company performance, but rather to identify and evaluate differences in performance across the two observation periods.

Figure 3.1 presents the research cycle that illustrates the sequential steps of this study, from defining the research problem to collecting, measuring, and analyzing data, ultimately leading to conclusions that address the research questions and objectives.

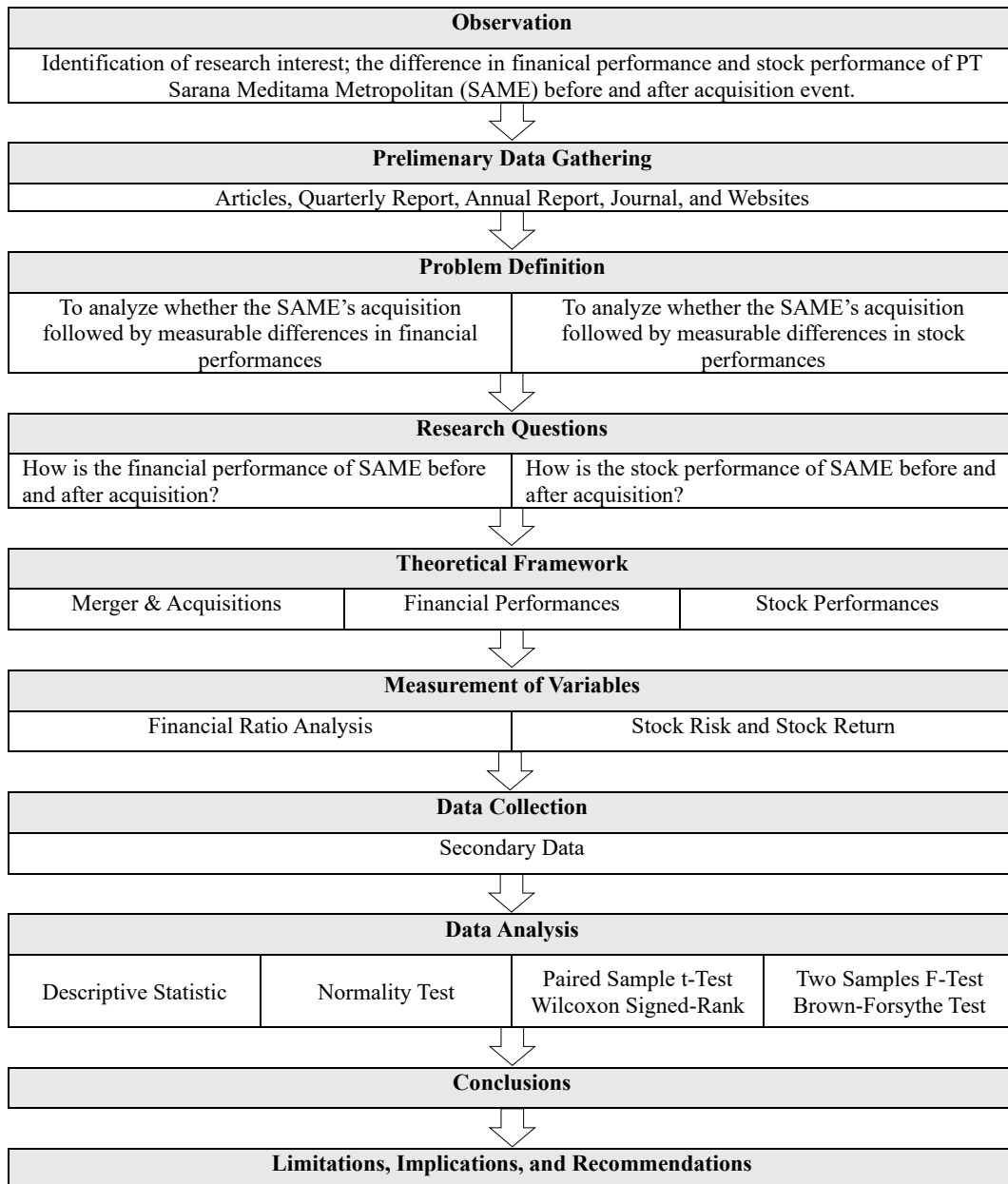


Figure 3.1 Research Cycle

3.3 Research Location

This research was conducted on the official website of the Indonesian Stock Exchange (IDX), which is www.idx.co.id. as the only stock exchange in Indonesia, which consistently promotes Indonesia's capital market integrity and ensures that securities trading activities are exercised in an orderly, fair, and efficient manner. IDX operates under the supervision of the Indonesian Financial Services Authority (Otoritas Jasa Keuangan).

This location was chosen because it provides valid data through several sources, such as the company profile, annual report, and financial data, including the financial ratios of the companies, which are needed to conduct this research.

3.4 Population and Sample

This research analyzes PT Sarana Meditama Metropolitan Tbk (SAME) financial data. Data Period Structure Before Acquisition Event are 16 quarter baseline capturing SAME'S era financial performance, starting from Q4 2017 to Q3 2021. Data Period Structure After Acquisition Event: 16 quarter analysis tracking SAME'S transformation post acquisition, starting from Q1 2022 to Q4 2025.

3.5 Variables and Measurement

The research variables are an attribute or nature or value of people, objects or activities that have certain variations set by the researcher to be studied and then drawn conclusions (Saunders et al., 2023). However, since this study employs a comparative before-and-after approach rather than a causal regression model, the research does not specifically classify variables into independent and dependent variables. Instead, the study focuses on comparing changes in financial and stock performance indicators before and after acquisition events.

3.5.1 Financial Ratio Analysis

Since this study employs a comparative financial ratio analysis approach, the research focuses on evaluating changes in company performance before and after acquisition events. The acquisition event serves as the basis for comparison in assessing whether there are differences in financial and market performance indicators surrounding the transaction period. To measure these changes, this study analyzes 10 financial and market performance ratios, consisting of profitability, liquidity, activity, solvency, and stock performance indicators.

Return on Asset (ROA)

Return on Assets (ROA) measures a company's ability to generate profit from its total assets and reflects how efficiently the company utilizes its resources. This ratio is commonly used to evaluate overall operational efficiency and

management effectiveness in using assets to produce earnings. The ROA can be calculated using the following formula:

$$ROA = \frac{Net\ Income}{Total\ Assets} \times 100\% \quad (3.1)$$

Return on Equity (ROE)

Return on Equity (ROE) measures a company's ability to generate profit from shareholders' equity and reflects how effectively management utilizes invested capital. This ratio is widely used to evaluate financial performance from the perspective of shareholders, indicating the level of return earned on their investment. The ROE can be calculated using the following formula:

$$ROE = \frac{Net\ Income}{Total\ Equity} \times 100\% \quad (3.2)$$

Current Ratio (CR)

The Current Ratio measures a company's ability to meet its short-term obligations using its current assets. This ratio reflects the firm's liquidity position and indicates whether the company has sufficient resources to cover its short-term liabilities. The Current Ratio can be calculated using the following formula:

$$CR = \frac{Current\ Assets}{Current\ Liabilities} \times 100\% \quad (3.3)$$

Quick Ratio (QR)

The Quick Ratio measures a company's ability to meet its short-term obligations using its most liquid assets, excluding inventories. This ratio provides a more stringent assessment of liquidity by focusing on assets that can be quickly converted into cash. The Quick Ratio can be calculated using the following formula:

$$QR = \frac{Current\ Assets - Inventories}{Current\ Liabilities} \times 100\% \quad (3.4)$$

Total Asset Turnover (TATO)

Total Asset Turnover (TATO) measures a company's ability to generate revenue from its total assets and reflects how efficiently assets are utilized in producing sales. This ratio indicates the effectiveness of asset usage in supporting

operational activities. The Total Asset Turnover can be calculated using the following formula:

$$TATO = \frac{\text{Total Revenue}}{\text{Total Assets}} \times 100\% \quad (3.5)$$

Fixed Asset Turnover (FATO)

Fixed Asset Turnover (FATO) measures a company's ability to generate revenue from its total fixed assets and reflects how efficiently assets are utilized in producing sales. This ratio indicates the effectiveness of asset usage in supporting operational activities. The Fixed Asset Turnover can be calculated using the following formula:

$$FATO = \frac{\text{Total Revenue}}{\text{Total Fix Assets}} \times 100\% \quad (3.6)$$

Debt to Equity Ratio (DER)

Debt-to-Equity Ratio (DER) measures the proportion of a company's financing that comes from debt relative to shareholders' equity. This ratio reflects the company's financial structure and indicates the level of financial risk associated with its use of leverage. The Debt-to-Equity Ratio can be calculated using the following formula:

$$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} \times 100\% \quad (3.7)$$

Debt to Asset Ratio (DAR)

Debt-to-Asset Ratio (DAR) measures the proportion of a company's assets that are financed through debt. This ratio reflects the level of leverage used by the company and indicates the extent to which assets are supported by external financing. The Debt-to-Asset Ratio can be calculated using the following formula:

$$DAR = \frac{\text{Total Liabilities}}{\text{Total Assets}} \times 100\% \quad (3.8)$$

3.5.2 Stock Risk and Stock Return

The analysis of stock performance focuses on evaluating changes in stock return and stock risk before and after acquisition events to assess market reactions and investment performance surrounding the transaction period.

Stock Return

Stock return represents the gain or loss obtained by investors from their investment in a stock over a certain period. It reflects the performance of the investment and serves as an important indicator for evaluating profitability. Stock return may consist of capital gains and dividends. The formula of the abnormal return that used in this study is:

$$AR_{it} = R_{it} - R_{mt} \quad (3.9)$$

Where:

AR_{it} = Abnormal return stock i in period

R_{it} = Actual return stock i in period t

R_{mt} = Market return stock i in period t

Stock Risk

Stock risk refers to the potential variability or deviation of actual returns from expected returns. This concept reflects the uncertainty associated with investing in stocks, where higher risk is generally associated with greater fluctuations in returns. Stock risk is commonly used to assess the stability and volatility of an investment. To calculate the risk in the stock, this study used the formula of:

$$Stock\ Risk = \sigma R_{it} \quad (3.10)$$

Where:

R_{it} = Actual return stock in period t (1 year)

σ = Standard deviation of weekly 1 year stock return

3.6 Data Collection Technique

Data collection is an important part of this research in order to obtain as much valid information about the research object as possible. In this research, the researcher uses historical sources of data, so the data used in this research is 68 categorized as secondary data. Secondary data is obtained from a second source, which has already been published by a third party. The data collection technique in this research uses documentation, which is data collection done by studying the company's annual report regarding the research problem. Documentation technique involves systematically collecting data from written sources such as documents, transcripts, books, newsletters, magazines, company annual reports, and financial statements to support research analysis (Sugiyono, 2023).

In this research, the author uses the period of Q4 2017 - Q4 2025 to:

- The company's annual report
- Stock prices,
- Financial ratio
- Securities: industry segment report
- Books: hospital data and management
- Government: stated budget and healthcare sector report
- Website for economic & trade data
- Other relevant data

3.7 Data Analysis Technique

Data analysis technique is a method to transform the data into information so that can be used to solve the problems and the software used to develop the data are Microsoft Excel and SPSS.

3.7.1 Descriptive Statistic

In this study, descriptive statistic is used for analysing and serving quantitative data with the purpose of knowing the description of the sample of the study which refers to the companies from their mean, standard deviation, maximum score and minimum score.

3.7.2 Normality Test

The normality test is conducted to assess whether the data follow a normal distribution and to determine the appropriate statistical test for hypothesis testing. This study employs the Shapiro-Wilk test, which is considered appropriate for the relatively small sample size of 16 paired observations. The normality assessment for the paired variables is conducted on the difference scores between the pre- and post-acquisition observations. If the significance value is greater than 0.05, there is insufficient evidence to reject the normality assumption, and the difference scores are considered normally distributed. Conversely, if the significance value is less than or equal to 0.05, the normality assumption is not satisfied, and a non-parametric alternative is applied.

3.8 Hypothesis Testing

Hypothesis testing is an important activity of evidence-based research which referring to test out whether the result of a research is valid.

3.8.1 Paired Sample t-Test

If the difference scores between the paired observations are normally distributed, the Paired-Samples t-test is used to examine whether there is a statistically significant difference before and after acquisition event. The Paired-Samples t-test is a parametric statistical method used to compare two related measurements obtained from the same observational unit across two different periods. In this study using a significance level of $\alpha = 5\%$.

To account for potential seasonal differences in quarterly performance, the pre- and post-acquisition observations are paired based on the corresponding calendar quarters, as presented in Table 3.1.

Table 3.1 Pairing Structure of Before and After Acquisition Observations

Before Acquisition	After Acquisition
Q1-18	Q1-22
Q1-19	Q1-23

Q1-20	Q1-24
Q1-21	Q1-25
Q2-18	Q2-22
Q2-19	Q2-23
Q2-20	Q2-24
Q2-21	Q2-25
Q3-18	Q3-22
Q3-19	Q3-23
Q3-20	Q3-24
Q3-21	Q3-25
Q4-17	Q4-22
Q4-18	Q4-23
Q4-19	Q4-24
Q4-20	Q4-25

This pairing structure ensures that each observation is compared with the corresponding calendar quarter, thereby reducing potential seasonal differences before and after acquisition periods. Quarterly observations constitute time-series data and may exhibit temporal trends and autocorrelation across periods. The same-quarter pairing addresses potential seasonal differences but does not fully account for serial dependence or underlying time trends. Therefore, the Paired-Samples t-test in this study is used as a comparative approach to identify differences between two periods and should not be interpreted as establishing a causal effect of the acquisition.

This study uses a significance level of $\alpha = 0.05$. If the p-value is less than 0.05, the null hypothesis (H_0) is rejected, indicating there is a difference between the pre- and post-acquisition periods. If the p-value is greater than or equal to 0.05, the null hypothesis is not rejected, indicating no difference between the two periods. The first step in the hypothesis-testing procedure is to formulate the null and alternative hypotheses as follows:

Hypothesis 1

H₀₁: There is no difference in SAME's return on assets before and after the acquisition event.

H_{a1}: There is a difference in SAME's return on assets before and after the acquisition event.

Hypothesis 2

H₀₂: There is no difference in SAME's return on equity before and after the acquisition event.

H_{a2}: There is a difference in SAME's return on equity before and after the acquisition event.

Hypothesis 3

H₀₃: There is no difference in SAME's current ratio before and after the acquisition event.

H_{a3}: There is a difference in SAME's current ratio before and after the acquisition event.

Hypothesis 4

H₀₄: There is no difference in SAME's quick ratio before and after the acquisition event.

H_{a4}: There is a difference in SAME's quick ratio before and after the acquisition event.

Hypothesis 5

H₀₅: There is no difference in SAME's total asset turnover ratio before and after the acquisition event.

H_{a5}: There is a difference in SAME's total asset turnover ratio before and after the acquisition event.

Hypothesis 6

H₀₆: There is no difference in SAME's fixed asset turnover ratio before and after the acquisition event.

H_{a6}: There is a difference in SAME's fixed asset turnover ratio before and after the acquisition event.

Hypothesis 7

H₀₇: There is no difference in SAME's debt to equity ratio before and after the acquisition event.

H_{a7}: There is a difference in SAME's debt to equity ratio before and after the acquisition event.

Hypothesis 8

H₀₈: There is no difference in SAME's debt to asset ratio before and after the acquisition event.

H_{a8}: There is a difference in SAME's debt to asset ratio before and after the acquisition event.

Hypothesis 9

H₀₉: There is no difference in SAME's stock return before and after the acquisition event.

H_{a9}: There is a difference in SAME's stock return before and after the acquisition event.

3.8.2 Wilcoxon's Signed Ranks Test

If the result of normality test shows that the samples do not come from a normal distribution, then the Wilcoxon's signed ranks test will be used as an alternative method. In this study using a significance level of $\alpha = 5\%$. If the p-value < 0.05 , the alternative hypothesis (H_a) will be accepted and reject the null hypothesis (H₀). Means that, there is a difference statistically on each variable before and after the acquisition event. The steps of this method is first to develop the alternative hypothesis (H_a) and the null hypothesis (H₀) which in this study from Hypothesis 1 to Hypothesis 9.

3.8.3 Two Samples F-Test for Variances

This F-test is used to test-out the differences among sample variances with the assumption that the samples are coming from normal population and homogeneous variances. In this study, the significance level being used is 0.05. Therefore, the decision making in this method, if the p-value < 0.05 the alternative hypothesis (H_a) will be accepted and reject the null hypothesis (H_0). Where in this study the null hypothesis (H_0) and the alternative hypothesis (H_a) in this study as follows:

Hypothesis 10

H_{010} : There is no difference in SAME's stock risk before and after the acquisition event.

H_{a10} : There is a difference in the SAME's stock risk on assets before and after the acquisition event.

3.8.4 Brown-Forsythe Test

The Brown-Forsythe test is a robust alternative to the classical F-test used to determine whether there are differences in variability between independent groups when the assumption of normality is violated (Gaonkar & Beasley, 2023). In this study, the Brown-Forsythe test is applied to compare stock risk between before and after acquisition periods when stock return data do not follow a normal distribution. The test evaluates differences in dispersion by examining absolute deviations from the group median, making it less sensitive to non-normal distributions and extreme observations than the conventional F-test. Therefore, it provides a more robust assessment of whether stock return variability, as a measure of stock risk, differs significantly between the two observation periods.

The null hypothesis (H_0) states that there is no significant difference in stock risk before and after acquisition event, while the alternative hypothesis (H_a) indicates a significant difference. If the p-value is < 0.05 , H_0 is rejected; if the p-value is greater than or equal to 0.05, H_0 is not rejected..

CHAPTER 4

FINDINGS, ANALYSIS, AND DISCUSSIONS

4.1 Data Sample and Selecting

This study analyzes the financial statements of PT Sarana Meditama Metropolitan Tbk (SAME), available on the Indonesia Stock Exchange (IDX) official website. On November 2021 PT Sarana Meditama Metropolitan Tbk officially acquire Kedoya Adyaraya. The data used spans two periods: before and after the merger, from Q4 2017 to Q4 2025. The following Table 4.1 presents the key financial ratios of interest:

Table 4.1 Financial Performance Data Description

Phase	Year	Quarter	Period	Profitability		Liquidity		Activity		Solvency	
				ROA	ROE	CR	QR	TATO	FATO	DER	DAR
Before Acquisition	2017	Q4	Q4-17	0.0005	0.0009	1.2335	1.1176	0.1199	0.1368	0.6452	0.3922
	2018	Q1	Q1-18	0.0120	0.0234	1.2156	1.0972	0.1267	0.1458	0.9495	0.4870
		Q2	Q2-18	0.0146	0.0247	1.2415	1.1200	0.1236	0.1434	0.6878	0.4075
		Q3	Q3-18	0.0012	0.0025	2.9372	2.7517	0.1127	0.1386	1.0132	0.5033
		Q4	Q4-18	0.0033	0.0064	3.5187	3.2743	0.1023	0.1239	0.9071	0.4757
	2019	Q1	Q1-19	0.0016	0.0031	2.9066	2.6876	0.0640	0.0774	0.9243	0.4803
		Q2	Q2-19	0.0003	0.0005	3.8648	3.6694	0.0439	0.0532	0.9032	0.4746
		Q3	Q3-19	-0.0438	-0.0978	0.9818	0.9153	0.0542	0.0606	1.2349	0.5526
		Q4	Q4-19	-0.0071	-0.0127	0.7937	0.7250	0.0440	0.0527	0.8010	0.4447
	2020	Q1	Q1-20	-0.0080	-0.0185	0.5279	0.4570	0.0614	0.0668	1.3182	0.5686
		Q2	Q2-20	-0.0137	-0.0319	0.4301	0.3768	0.0365	0.0390	1.3275	0.5703
		Q3	Q3-20	-0.2636	-0.8657	0.4751	0.4276	0.1502	0.1617	2.2838	0.6955
		Q4	Q4-20	0.0425	0.1471	0.4479	0.4046	0.1727	0.1890	2.4619	0.7111
	2021	Q1	Q1-21	0.0125	0.0220	1.0940	1.0853	0.0699	0.1282	0.7571	0.4309
		Q2	Q2-21	0.0287	0.0323	2.2295	2.1159	0.1060	0.1288	0.1236	0.1100
		Q3	Q3-21	0.0103	0.0110	6.8296	6.6940	0.1212	0.2029	0.0724	0.0675
During Acquisition	2021	Q4	Q4-21	0.0006	0.0007	2.5940	2.4781	0.0575	0.0799	0.1167	0.1045
After Acquisition	2022	Q1	Q1-22	0.0018	0.0021	2.3134	2.1970	0.0730	0.0983	0.1343	0.1184
		Q2	Q2-22	-0.0061	-0.0080	1.6934	1.5953	0.0556	0.0814	0.3002	0.2309
		Q3	Q3-22	0.0041	0.0053	1.6302	1.5268	0.0748	0.1076	0.2990	0.2302
		Q4	Q4-22	0.0023	0.0030	1.5373	1.4259	0.0731	0.1051	0.2905	0.2251
	2023	Q1	Q1-23	0.0007	0.0009	1.4329	1.3252	0.0706	0.1020	0.2953	0.2280
		Q2	Q2-23	-0.0004	-0.0005	1.4144	1.2782	0.0697	0.1005	0.2939	0.2272
		Q3	Q3-23	0.0024	0.0031	0.9766	0.8697	0.0769	0.1069	0.3366	0.2519
		Q4	Q4-23	0.0007	0.0010	0.8718	0.7725	0.0753	0.1064	0.3467	0.2574
	2024	Q1	Q1-24	0.0009	0.0012	0.8958	0.7997	0.0802	0.1139	0.3616	0.2656
		Q2	Q2-24	-0.0008	-0.0011	0.8602	0.7758	0.0764	0.1078	0.3534	0.2611
		Q3	Q3-24	0.0006	0.0008	0.7655	0.6813	0.0809	0.1137	0.3438	0.2559
		Q4	Q4-24	0.0030	0.0041	0.7407	0.6618	0.0765	0.1070	0.3432	0.2555
	2025	Q1	Q1-25	0.0020	0.0027	0.7178	0.6638	0.0797	0.1113	0.3318	0.2491
		Q2	Q2-25	0.0013	0.0017	0.6553	0.5885	0.0776	0.1093	0.3445	0.2562
		Q3	Q3-25	0.0035	0.0049	0.6154	0.5569	0.0852	0.1174	0.3827	0.2768
		Q4	Q4-25	-0.0002	-0.0003	0.5315	0.4745	0.0853	0.1168	0.3928	0.2820

In addition to financial performance, this study examines the company's stock performance to capture changes from a market perspective. Stock performance is assessed through stock return and stock risk, representing the return generated relative to market performance and the level of volatility associated with

the company's stock, respectively. Table 4.2 presents the stock return and stock risk indicators used in this study.

Table 4.2 Stock Performance Data Description

Phase	Year	Quarter	Period	SAME Return	IHSG Return	Market-Adjusted Return	Stock Risk
Before Acquisition	2017	Q4	Q4-17	0.3014	0.0370	0.2643	0.0316
	2018	Q1	Q1-18	-0.0351	-0.0262	-0.0089	0.0207
		Q2	Q2-18	0.0182	-0.0630	0.0812	0.0245
		Q3	Q3-18	-0.0804	0.0056	-0.0859	0.0224
		Q4	Q4-18	0.0874	0.0622	0.0252	0.0107
	2019	Q1	Q1-19	-0.2625	0.0443	-0.3068	0.0349
		Q2	Q2-19	-0.2131	-0.0170	-0.1961	0.0253
		Q3	Q3-19	-0.0338	0.0050	-0.0389	0.0193
		Q4	Q4-19	-0.4776	0.0211	-0.4987	0.0510
	2020	Q1	Q1-20	-0.4601	-0.2795	-0.1806	0.0544
		Q2	Q2-20	-0.4205	0.0807	-0.5012	0.0367
		Q3	Q3-20	0.5490	-0.0072	0.5562	0.0632
		Q4	Q4-20	1.4051	0.2277	1.1773	0.0511
	2021	Q1	Q1-21	1.0474	0.0011	1.0463	0.0470
		Q2	Q2-21	0.4524	0.0000	0.4524	0.0399
		Q3	Q3-21	-0.1575	0.0504	-0.2079	0.0417
During Acquisition	2021	Q4	Q4-21	-0.2227	0.0468	-0.2695	0.0302
After Acquisition	2022	Q1	Q1-22	0.2108	0.0744	0.1364	0.0333
		Q2	Q2-22	-0.0804	-0.0226	-0.0578	0.0260
		Q3	Q3-22	-0.3058	0.0187	-0.3245	0.0237
		Q4	Q4-22	0.0490	-0.0270	0.0760	0.0205
	2023	Q1	Q1-23	-0.0067	-0.0066	0.0000	0.0284
		Q2	Q2-23	0.1208	-0.0211	0.1419	0.0047
		Q3	Q3-23	0.0479	0.0417	0.0062	0.0273
		Q4	Q4-23	-0.1029	0.0480	-0.1508	0.0309
	2024	Q1	Q1-24	-0.1465	0.0022	-0.1487	0.0192
		Q2	Q2-24	-0.0746	-0.0309	-0.0437	0.0266
		Q3	Q3-24	0.2097	0.0657	0.1439	0.0388
		Q4	Q4-24	-0.1200	-0.0595	-0.0605	0.0308
	2025	Q1	Q1-25	0.1439	-0.0804	0.2243	0.0392
		Q2	Q2-25	-0.1722	0.0641	-0.2362	0.0238
		Q3	Q3-25	0.2480	0.1636	0.0844	0.0343
		Q4	Q4-25	0.1603	0.0727	0.0876	0.0317

4.2 Descriptive Statistic

Prior to presenting the results of the descriptive statistical analysis, the movements of the financial ratios were examined graphically to provide an initial overview of PT Sarana Meditama Metropolitan Tbk's financial performance during the observation period. The graphs present the quarterly trends and fluctuations of

each financial ratio before and after the acquisition, with Q4-2021 designated as the acquisition event.

This graphical analysis is intended to identify general patterns and preliminary changes in the company's profitability, liquidity, asset-utilization efficiency, and capital structure following the acquisition. Nevertheless, the trends observed in the graphs are descriptive in nature and cannot independently confirm whether significant differences occurred between the pre- and post-acquisition periods. Therefore, further analysis is conducted using descriptive statistics and statistical hypothesis testing.

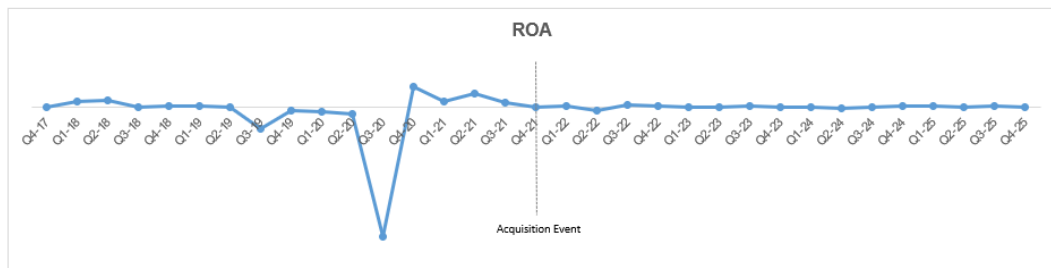


Figure 4.1 Return on Asset of SAME, Q4 2017 - Q4 2025

Figure 4.1 demonstrates considerable fluctuations during the pre-acquisition period, particularly in 2020. The ratio declined sharply in Q3 2020, reflecting a substantial deterioration in profitability relative to SAME asset base, before rebounding strongly in Q4 2020 as earnings returned to positive territory. During 2021, ROA gradually moderated from this temporary rebound and moved toward a more normalized level. Following the acquisition event in Q4 2021, ROA exhibited substantially narrower fluctuations and remained relatively stable throughout 2022-2025. This pattern indicates that SAME generated more consistent returns on its assets in the post-acquisition period, although the lower magnitude of ROA may also be associated with the expansion of SAME's total asset base following the acquisition and related corporate activities.

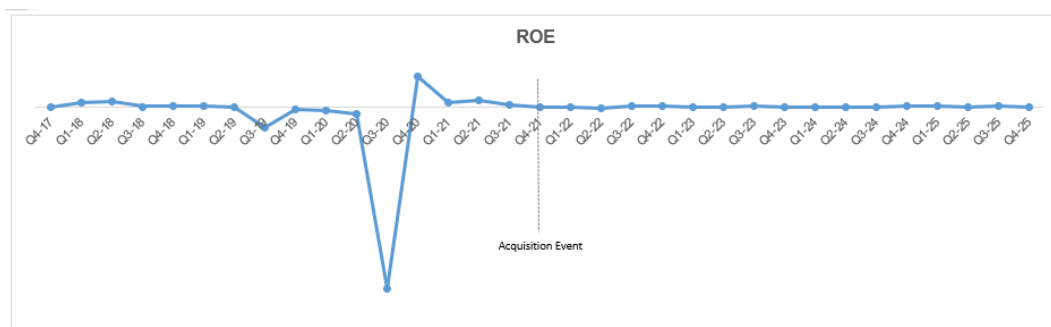


Figure 4.2 Return on Equity of SAME, Q4 2017 - Q4 2025

A similar pattern is observed in ROE shown in Figure 4.2. ROE reached its lowest point in Q3 2020, corresponding with the significant loss recorded during the period, and subsequently increased sharply in Q4 2020 as SAME returned to profitability. Throughout 2021, ROE gradually declined from the temporary post-loss rebound and approached a more stable level prior to the acquisition event. In the post-acquisition period, ROE remained relatively consistent. Nevertheless, this stability should not be interpreted directly as an improvement in profitability, as the enlarged equity base following the SAME corporate actions may have contributed to the lower and more stable ROE observed after the acquisition.

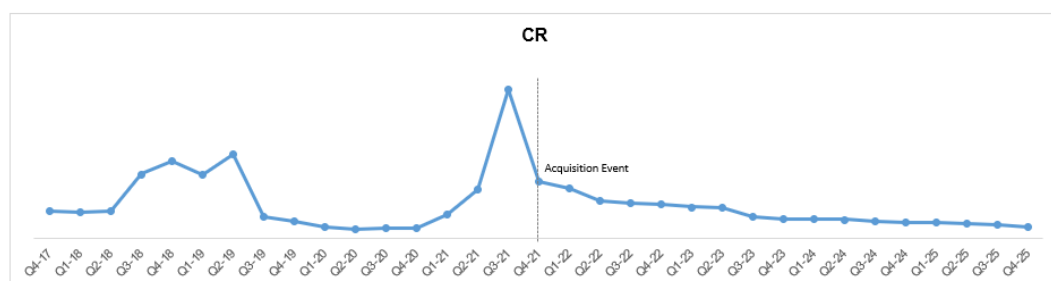


Figure 4.3 Current Ratio of SAME, Q4 2017 - Q4 2025

The Current Ratio exhibited considerable fluctuations during the pre-acquisition period, with a notable increase during 2018-2019, followed by a substantial decline in late 2019 and throughout 2020 as shown in Figure 4.3. The lower liquidity position during 2020 may partly reflect the operational and financial pressures associated with the COVID-19 pandemic. A significant increase subsequently occurred throughout 2021, culminating in a pronounced peak in Q3 2021. This increase was largely associated with the substantial expansion of SAME's current assets following corporate financing activities, particularly equity

funding prior to the acquisition, while current liabilities did not increase proportionately. Following the acquisition event in Q4 2021, the ratio declined sharply from its temporary peak and continued to gradually decrease during 2022-2025. Nevertheless, the post-acquisition movement became substantially more stable, suggesting a normalization of SAME short-term liquidity position after the exceptional financing and acquisition-related activities in 2021.

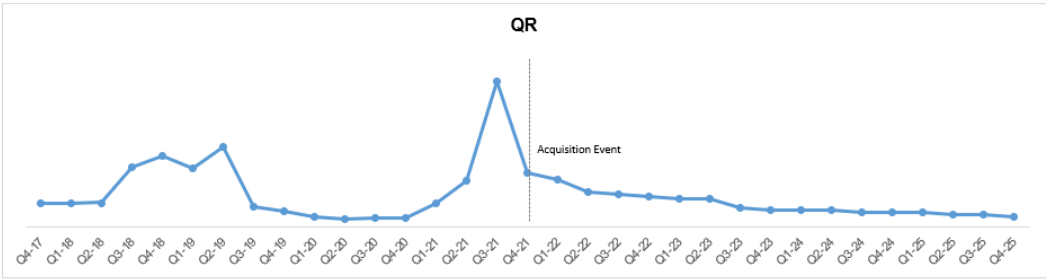


Figure 4.4 Quick Ratio of SAME, Q4 2017 - Q4 2025

The Quick Ratio demonstrates a pattern in Figure 4.4. indicating that SAME’s liquidity position was primarily influenced by highly liquid current assets. Prior to the acquisition, QR fluctuated considerably, declining during late 2019 and 2020 before increasing sharply throughout 2021 and reaching its highest level in Q3 2021. This increase was mainly associated with SAME corporate financing activities ahead of the acquisition. The relatively similar movements of CR and QR also suggest that inventory represented only a limited proportion of SAME’s total current assets, which is consistent with the characteristics of a hospital service business. After the acquisition, QR declined from its Q3 2021 peak and gradually stabilized at a lower level throughout 2022-2025. This trend indicates that the exceptionally high pre-acquisition liquidity was temporary and subsequently normalized as funds were deployed for acquisition and operational purposes, resulting in a more stable short-term liquidity structure in the post-acquisition period..

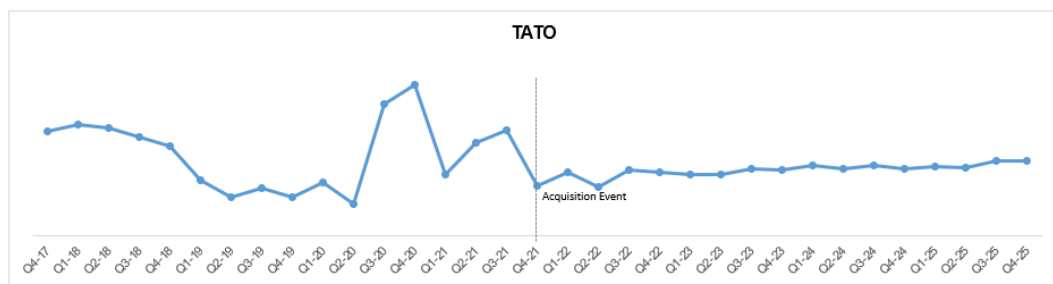


Figure 4.5 Total Asset Turn Over of SAME, Q4 2017 - Q4 2025

The TATO trend in Figure 4.5 shows a general decline from 2018 through the first half of 2020, indicating a weakening ability of the company to generate revenue from its total asset base. This deterioration coincided with the onset of the COVID-19 pandemic, which disrupted hospital operations and affected asset utilization. TATO subsequently increased sharply in the second half of 2020 and remained relatively strong through Q3 2021, reflecting a recovery in revenue generation relative to the assets. A noticeable decline occurred in Q4 2021, coinciding with the acquisition event, as the consolidation of additional assets expanded SAME’s total asset base before the acquired assets could contribute a proportionate amount of revenue. During the post-acquisition period, TATO gradually recovered and exhibited relatively narrow fluctuations throughout 202-2025, suggesting increasingly stable and consistent utilization of the enlarged asset base.



Figure 4.6 Fixed Asset Turnover of SAME, Q4 2017 - Q4 2025

FATO trend generally follows a similar pattern to TATO, reflecting changes in SAME’s efficiency in generating revenue from its fixed assets as shown in Figure 4.6. The ratio then recovered substantially from Q3 2020 and remained relatively elevated through 2021, reaching a notable peak in Q3 2021. Following the acquisition in Q4 2021, FATO declined sharply, which may reflect the immediate

addition and consolidation of hospital-related fixed assets while the corresponding revenue contribution had not yet been fully realized. From 2022 onward, FATO demonstrated considerably lower volatility and a gradual upward trend, indicating that the company’s expanded fixed-asset base was being utilized more consistently over time.



Figure 4.7 Debt to Equity Ratio of SAME, Q4 2017 - Q4 2025

Debt to Equity Ratio of SAME trend shows a gradual increase during the pre-acquisition period, shown in Figure 4.7, reaching its highest level in late 2020, when the company was experiencing substantial financial pressure associated with the COVID-19 pandemic. The increase in DER during this period may reflect both the relatively high level of liabilities and the deterioration of the SAME equity base resulting from accumulated losses. A pronounced decline subsequently occurred throughout 2021, particularly between Q1 and Q3, following SAME’s equity financing activities and substantial repayment of bank borrowings. Consequently, SAME entered the acquisition period with a considerably lower level of leverage than in the preceding years. Following the acquisition in Q4 2021, DER increased slightly but remained relatively low and stable throughout 2022-2025.

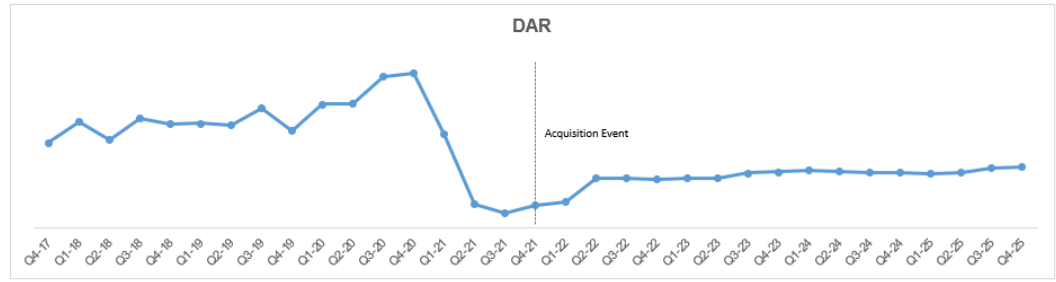


Figure 4.8 Debt to Asset Ratio of SAME, Q4 2017 - Q4 2025

The Debt-to-Asset Ratio (DAR) trend demonstrates a pattern broadly consistent with DER, with liabilities representing an increasing proportion of SAME assets during the pre-acquisition period and reaching relatively high levels in 2020, shown in Figure 4.8. This condition coincided with the financial pressures experienced during the COVID-19 pandemic. However, DAR declined sharply throughout 2021 as SAME substantially reduced its liabilities while simultaneously expanding its asset base through equity financing and other corporate actions. The ratio reached its lowest level shortly before the acquisition. Following the acquisition, DAR increased moderately as the consolidated business structure expanded, but remained substantially below its pre-acquisition levels and exhibited limited fluctuations throughout 2022-2025.

Based on the graphical analysis presented above, each financial ratio demonstrates varying trends and fluctuations across the pre- and post-acquisition periods. However, visual observations alone are insufficient to determine the magnitude and distribution of these differences. Therefore, the analysis is continued through descriptive statistics, which summarize the minimum, maximum, mean, and standard deviation of each financial ratio before and after the acquisition. Table 4.3 shown the descriptive statistics of financial performance before acquisition.

Table 4.3 Descriptive Statistics Financial Performance Before Acquisition

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA_b	16	-.2636	.0425	-.013044	.0694012
ROE_b	16	-.8657	.1471	-.047044	.2235494
CR_b	16	.4301	6.8296	1.920469	1.7362326
QR_b	16	.3768	6.6940	1.807456	1.6919970
TATO_b	16	.0365	.1727	.094325	.0414029
FATO_b	16	.0390	.2029	.115550	.0508479
DER_b	16	.0724	2.4619	1.025669	.6332648
DAR_b	16	.0675	.7111	.460737	.1711731
Valid N (listwise)	16				

Based on 16 quarterly observations prior to the acquisition, the descriptive statistical results can be interpreted as follows:

1. The Return on Assets (ROA) recorded a mean of -0.0134 (-1.30%), ranging from -26.4% to 4.2%, with a standard deviation of 6.94%. The negative average indicates that, across the pre-acquisition quarters, the company generated a slight average loss relative to its total assets.
2. Return on Equity (ROE) similarly recorded a negative mean of -0.0470 (-4.70%), with values ranging from -86.6% to 14.7%. Its relatively high standard deviation of 22.35% indicates substantial variability in returns to shareholders during the period.
3. The Current Ratio (CR) recorded an average of 1.92, indicating that the company held approximately 1.92 times current assets relative to current liabilities on average. However, CR ranged considerably from 0.43 to 6.83, with a standard deviation of 1.74, demonstrating substantial quarterly variation in short-term liquidity.
4. The Quick Ratio (QR) showed a similar pattern, with a mean of 1.81, a minimum of 0.38, and a maximum of 6.69. Its standard deviation of 1.69 further indicates considerable variability.
5. Total Asset Turnover (TATO) recorded a mean of 0.094, ranging from 0.037 to 0.173, with a standard deviation of 0.041. This indicates that the company generated approximately Rp0.094 of quarterly revenue for every Rp1 of total assets on average during the pre-acquisition period.
6. Fixed Asset Turnover (FATO) showed a slightly higher average of 0.116, ranging from 0.039 to 0.203, with a standard deviation of 0.051. These results provide the baseline for assessing whether asset utilization efficiency changed following the acquisition.
7. The Debt-to-Equity Ratio (DER) recorded a mean of 1.03, indicating that total liabilities were approximately equivalent to shareholders' equity on average. However, DER ranged from 0.07 to 2.46, with a standard deviation of 0.63, suggesting considerable variation in the company's financing structure across the pre-acquisition quarters.

8. The Debt-to-Asset Ratio (DAR) averaged 0.46, indicating that approximately 46.1% of total assets were financed by liabilities on average. DAR ranged from 0.07 to 0.71, with a standard deviation of 0.17.

Table 4.4 presents the descriptive statistics of financial performance after acquisition period, including the minimum, maximum, mean, and standard deviation values for each indicator. These statistics provide a baseline for understanding the SAME's financial performance after the acquisition.

Table 4.4 Descriptive Statistics Financial Performance After Acquisition

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA_a	16	-.0061	.0041	.000988	.0023472
ROE_a	16	-.0080	.0053	.001306	.0031011
CR_a	16	.5315	2.3134	1.103263	.5043584
QR_a	16	.4745	2.1970	1.012056	.4869527
TATO_a	16	.0556	.0853	.075675	.0069900
FATO_a	16	.0814	.1174	.106588	.0086450
DER_a	16	.1343	.3928	.321894	.0590658
DAR_a	16	.1184	.2820	.241956	.0373591
Valid N (listwise)	16				

Based on 16 quarterly observations post to the acquisition shown in Table 4.4, the descriptive statistical results can be interpreted as follows:

1. ROA recorded a mean of 0.000988 (0.098%), with values ranging from -0.6% to 0.4% and a standard deviation of 0.23%. Compared with the pre-acquisition mean of -1.30%, the positive post-acquisition mean indicates an improvement in the company's average ability to generate profit from its assets. The substantially lower standard deviation also indicates considerably more stable quarterly ROA during the post-acquisition period.
2. ROE recorded a mean of 0.00131 (0.13%), ranging from -0.8% to 0.5%, with a standard deviation of 0.31%. This represents a descriptive improvement from the pre-acquisition mean of -4.72%. Furthermore, the substantial decline in standard deviation from 22.36% before the acquisition

to 0.31% afterward indicates that returns generated relative to shareholders' equity became considerably less variable.

3. CR recorded an average of 1.10x, with a minimum of 0.53x, a maximum of 2.31x, and a standard deviation of 0.50. Compared with the pre-acquisition average of 1.92x, the result indicates a lower average liquidity position following the acquisition. However, the decline in standard deviation from 1.74 to 0.50 demonstrates substantially lower quarterly variability in the company's short-term liquidity position.
4. QR averaged 1.01x, ranging from 0.48x to 2.20x, with a standard deviation of 0.49. The average was lower than the pre-acquisition level of 1.81x, indicating a reduction in immediately available liquid assets relative to current liabilities. Nevertheless, the standard deviation declined substantially from 1.69 to 0.49, indicating a more consistent liquidity position across the post-acquisition quarters.
5. TATO recorded a mean of 0.076x, with values ranging from 0.056x to 0.085x and a relatively low standard deviation of 0.007. Compared with the pre-acquisition mean of 0.094x, the lower post-acquisition average indicates that quarterly revenue generated relative to total assets decreased. However, the lower standard deviation compared with 0.041 before the acquisition indicates substantially more consistent total asset utilization.
6. FATO recorded an average of 0.107x, ranging from 0.081x to 0.117x, with a standard deviation of 0.009. The mean was slightly lower than the pre-acquisition average of 0.116x, suggesting a modest decline in revenue generation relative to the company's fixed-asset base. Nevertheless, the substantially lower standard deviation compared with 0.051 before the acquisition indicates more consistent utilization of fixed assets during the post-acquisition period.
7. DER recorded a mean of 0.322x, with values ranging from 0.134x to 0.393x and a standard deviation of 0.059. This represents a substantial descriptive decline from the pre-acquisition mean of 1.026x, indicating lower reliance on liabilities relative to shareholders' equity. The considerably lower

standard deviation compared with 0.633 before the acquisition also indicates a more stable capital structure.

8. DAR recorded a mean of 0.242x, ranging from 0.118x to 0.282x, with a standard deviation of 0.037. Compared with the pre-acquisition mean of 0.461x, the lower ratio indicates that a smaller proportion of the company's assets was financed through liabilities during the post-acquisition period. The reduction in standard deviation from 0.171 to 0.037 further indicates substantially lower variability in the company's leverage position.

Descriptive statistics of SAME's market adjusted return before and after acquisition period shown in Table 4.5, including the minimum, maximum, mean, and standard deviation values for each indicator.

Table 4.5 Descriptive Statistics Market Adjusted Return Before and After Acquisition

Descriptive Statistics							
	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Std. Error
Return_b	16	-.501	1.177	.09862	.492177	1.066	.564
Return_a	16	-.325	.224	-.00759	.151504	-.555	.564
Valid N (listwise)	16						

1. Before the acquisition period (Return_b), the market-adjusted return recorded a mean of 0.09862 (9.86%), with values ranging from -0.501 (-50.10%) to 1.177 (117.70%). The positive mean indicates that, on average, SAME's stock generated returns above the market benchmark during the pre-acquisition period. However, the relatively high standard deviation of 0.49218 (49.22%) indicates substantial variability in quarterly market-adjusted returns, suggesting that the stock's relative performance against the market fluctuated considerably across the observed quarters. The positive skewness of 1.066 further indicates that the distribution was right-skewed, reflecting the presence of relatively large positive market-adjusted returns in certain quarters.
2. After the post-acquisition period (Return_a), the market-adjusted return recorded a mean of -0.00759 (-0.76%), with values ranging from -0.325 (-

32.50%) to 0.224 (22.40%). The negative mean indicates that, on average, SAME's stock slightly underperformed the market benchmark during the post-acquisition period. Compared with the pre-acquisition mean of 9.86%, this represents a descriptive decline in the company's relative stock performance. However, the standard deviation decreased substantially from 49.22% before the acquisition to 15.72% afterward, while the range of observed returns also became considerably narrower. This indicates that although the average market-adjusted return declined, SAME's relative stock performance became considerably less volatile across the post-acquisition quarters. The skewness value of -0.270 further suggests a relatively symmetrical distribution with a slight tendency toward negative observations.

Table 4.6 presents the descriptive statistics of stock risk before and after acquisition period, including the minimum, maximum, mean, and standard deviation values for each indicator. These statistics provide a baseline for understanding the SAME's stock performance.

Table 4.6 Descriptive Statistics of Stock Risk Before and After Acquisition

Descriptives				
Period			Statistic	Std. Error
Return	1.0	Mean	.000761	.0012357
		95% Confidence Interval for Mean	Lower Bound	-.001664
			Upper Bound	.003186
		5% Trimmed Mean	-.000407	
		Median	.000000	
		Variance	.002	
		Std. Deviation	.0389209	
		Minimum	-.2564	
		Maximum	.3485	
		Range	.6049	
		Interquartile Range	.0227	
		Skewness	.793	.078
		Kurtosis	12.260	.155
	2.0	Mean	.000222	.0009394
		95% Confidence Interval for Mean	Lower Bound	-.001622
			Upper Bound	.002065
		5% Trimmed Mean	-.001106	
		Median	.000000	
		Variance	.001	
		Std. Deviation	.0296465	
		Minimum	-.1186	
		Maximum	.1760	
		Range	.2946	
		Interquartile Range	.0252	
		Skewness	1.162	.077
		Kurtosis	5.649	.155

1. Before the acquisition (Return 1), SAME's daily stock return had a mean of 0.000761 and a standard deviation of 0.038921. The relatively high standard deviation indicates greater variability in daily stock returns during the pre-acquisition period, reflecting a higher level of stock risk and volatility. The daily returns ranged from -0.2564 to 0.3485, resulting in a relatively wide range of 0.6049, which further indicates substantial fluctuations in stock returns. In addition, the distribution showed positive skewness of 0.793 and high kurtosis of 12.260, indicating a positively skewed and heavy-tailed distribution with relatively extreme return movements during the pre-acquisition period. The descriptive statistical analysis above provides an overview of the distribution and variability of each financial ratio during the

pre- and post-acquisition periods based on the minimum, maximum, mean, standard deviation, and skewness values. However, descriptive statistics alone are not sufficient to determine whether the observed differences between the two periods are statistically significant. Therefore, prior to conducting the hypothesis test, a normality test is performed to determine the appropriate statistical testing method for each financial ratio.

2. After the acquisition (Return 2), SAME's daily stock return had a mean of 0.000222 and a standard deviation of 0.029647, which was lower than the pre-acquisition standard deviation. The lower standard deviation indicates that daily stock returns became less volatile, reflecting a lower stock risk profile during the post-acquisition period. The daily returns ranged from -0.1186 to 0.1760, with a range of 0.2946, substantially narrower than in the pre-acquisition period. The distribution showed positive skewness of 1.162 and kurtosis of 5.649, indicating that the returns remained positively skewed and heavy-tailed, although extreme fluctuations were less pronounced than during the pre-acquisition period.

Figures 4.9 present a summary of the mean values of financial performance before and after the acquisition by descriptive analysis, providing an overall view of the direction of changes across the observed indicators.

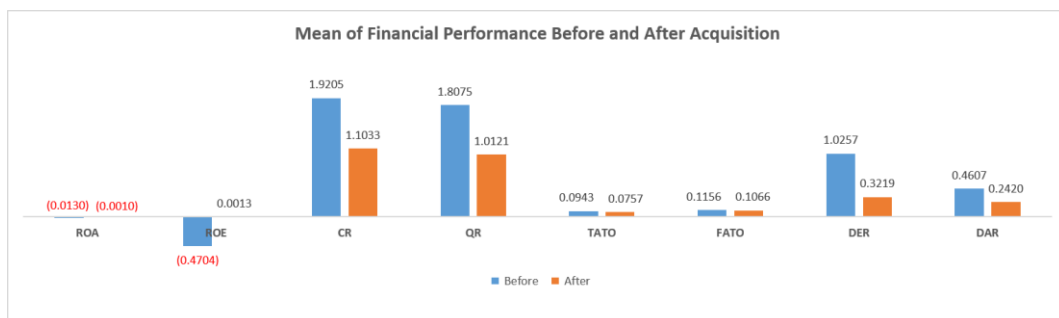


Figure 4.9 Mean of Financial Performances Before and After Acquisition

The comparison of financial performance indicates mixed movements across the different dimensions. Profitability improved, as reflected by the upward movement in ROA and ROE, while liquidity and asset utilization showed

downward movements through CR, QR, TATO, and FATO. In contrast, DER and DAR declined substantially, indicating lower reliance on liabilities and a more conservative capital structure during the post-acquisition period.

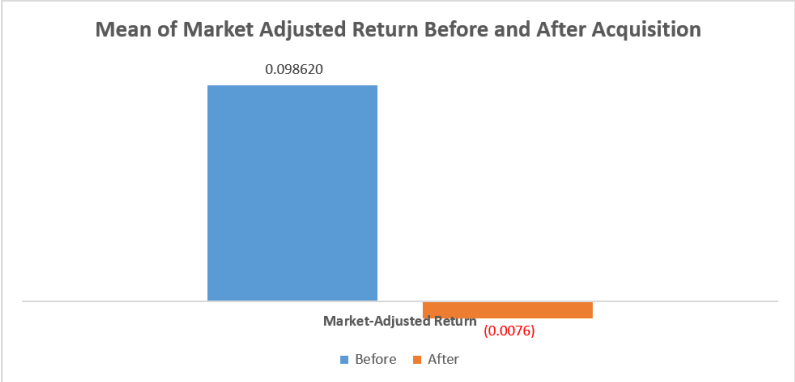


Figure 4.10 Mean of Market-Adjusted Return Before and After Acquisition

Figure 4.10 shows mean of Market-Adjusted Return before and after acquisition, reflecting a downward descriptive pattern in the post-acquisition period, suggesting that SAME’s stock performance relative to the broader market was weaker on average. However, this descriptive decline should not be interpreted as evidence of a systematic change, as the subsequent hypothesis testing determines whether the difference between periods is statistically identifiable.

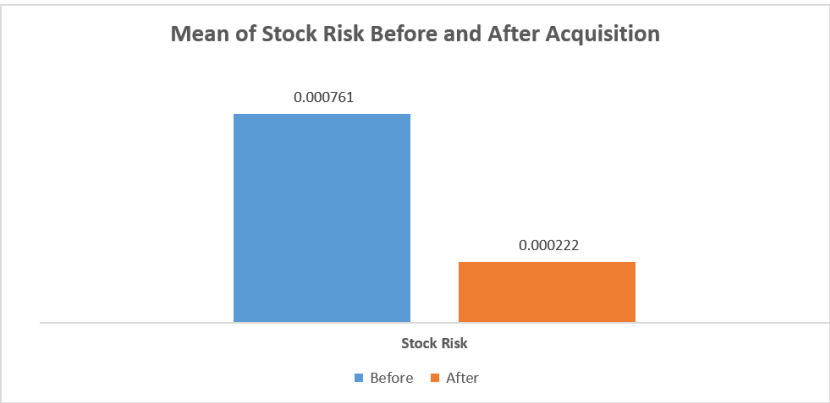


Figure 4.11 Mean of Stock Risk Before and After Acquisition

The mean of Stock Risk also shows a clear downward pattern in Figure 4.11, indicating lower variability in SAME’s stock returns and therefore a more stable risk profile during the post-acquisition period. Compared with Market-Adjusted

Return, this suggests that the post-acquisition stock performance was characterized more clearly by reduced volatility than by improvement in market-relative returns.

Figure 4.12 shows the standard deviation of all financial and stock performance variables, which is decreased during the post-acquisition period, indicating that SAME's performance became generally more stable and less dispersed across observations. This pattern is visible across profitability, liquidity, activity, solvency, market-adjusted return, and stock risk, suggesting lower variability after the acquisition. However, lower standard deviation should be interpreted as greater consistency rather than necessarily better performance, since some variables became more stable even though their average performance moved in a less favorable direction.

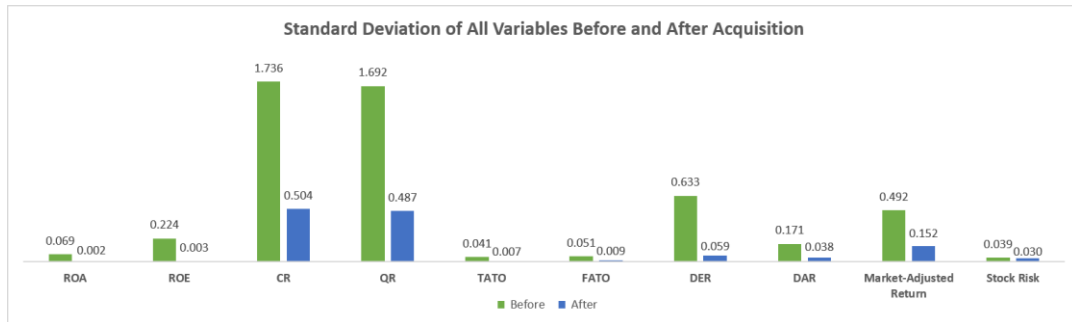


Figure 4.12 Standard Deviation of All Variables Before and After Acquisition

Overall, the descriptive analysis provides an initial overview of the changes in SAME's financial and stock performance between the pre- and post-acquisition periods. While several indicators show changes in their mean values, descriptive statistics alone cannot determine whether these differences are statistically meaningful. Therefore, before conducting the hypothesis testing, a normality analysis is performed to assess the distribution of the data and determine the appropriate statistical tests for comparing performance between the two periods.

4.3 Normality Test

Table 4.7 shows the result of normality test of 16 quarter before and 16 quarter after acquisition event.

Table 4.7 Normality Test of Financial Performance Before and After Acquisition

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
D_ROA	.370	16	<.001	.516	16	<.001
D_ROE	.403	16	<.001	.453	16	<.001
D_CR	.212	16	.052	.789	16	.002
D_QR	.253	16	.007	.884	16	.046
D_TATO	.156	16	.200*	.934	16	.283
D_FATO	.177	16	.194	.925	16	.203
D_DER	.212	16	.053	.891	16	.058
D_DAR	.206	16	.069	.911	16	.120

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

As this study applies a comparative before-and-after approach using paired quarterly observations, the normality assumption was assessed based on the differences between each corresponding pre-and post-acquisition observation rather than by evaluating the two periods independently. The difference scores were calculated for each financial ratio by subtracting the pre-acquisition observation from its corresponding post-acquisition observation. This procedure was applied to all eight financial performance measures, consisting of Return on Assets (ROA), Return on Equity (ROE), Current Ratio (CR), Quick Ratio (QR), Total Asset Turnover (TATO), Fixed Asset Turnover (FATO), Debt-to-Equity Ratio (DER), and Debt-to-Asset Ratio (DAR).

The Shapiro-Wilk test was used as the primary criteria for determining normality in this study due to the relatively small sample size of 16 paired quarterly observations. At the 5% significance level ($\alpha = 0.05$), a significance value greater than 0.05 indicates that there is insufficient evidence to reject the normality assumption, whereas a significance value equal to or below 0.05 indicates that the difference scores significantly deviate from a normal distribution.

Table 4.8 presents the results of the normality test conducted on the adjusted stock return between the pre- and post-acquisition periods.

Table 4.8 Normality Test of Adjusted Stock Return Before and After Acquisition

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
D_Return	.150	16	.200 [*]	.940	16	.347

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

The results show that the difference scores for market adjusted return before and after the acquisition event. Market-adjusted return recorded a Shapiro-Wilk statistic of 0.940 with a significance value of 0.347, which is greater than the 0.05 threshold. This results indicate that the paired differences in both stock performance indicators do not significantly deviate from a normal distribution. Therefore, the Paired-Samples t-test is applied to examine the difference in market-adjusted return.

The results of the normality test conducted on the stock risk between the pre- and post-acquisition periods are presented in Table 4.9.

Table 4.9 Normality Test of Stock Risk Before and After Acquisition

Tests of Normality							
	Period	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Return	1.0	.174	992	<.001	.845	992	<.001
	2.0	.130	996	<.001	.905	996	<.001

a. Lilliefors Significance Correction

Based on these findings, the normality assumption is not satisfied for stock risk, as the Shapiro-Wilk test shows significance values <0.001 for both the pre-acquisition and post-acquisition daily stock returns. This indicates that the daily return data in both periods are not normally distributed. Therefore, considering the sensitivity of the classical F-test to non-normal distributions, the Brown-Forsythe test is selected as a more robust approach to examine whether there is a difference in stock risk between the pre- and post-acquisition periods.

The interpretation of the normality test results and the corresponding statistical methods selected for each financial ratio, adjusted stock return, and stock risk are summarized in Table 4.10.

Table 4.10 Interpretation of Normality Test Before and After Acquisition

Financial Ratio	Shapiro-Wilk Statistic	Sig.	Interpretation	Hypothesis Testing
ROA	0.516	<0.001	Not normally distributed	Wilcoxon Signed-Rank Test
ROE	0.453	<0.001	Not normally distributed	Wilcoxon Signed-Rank Test
CR	0.789	0.002	Not normally distributed	Wilcoxon Signed-Rank Test
QR	0.884	0.046	Not normally distributed	Wilcoxon Signed-Rank Test
TATO	0.934	0.283	Normally distributed	Paired-Samples t-test
FATO	0.925	0.203	Normally distributed	Paired-Samples t-test
DER	0.891	0.058	Normally distributed	Paired-Samples t-test
DAR	0.911	0.120	Normally distributed	Paired-Samples t-test
Market-Adjusted Return	0.940	0.347	Normally distributed	Paired-Samples t-test
Stock Risk	0.905	<0.001	Not Normally distributed	Brown-Forsythe Test

The Shapiro-Wilk results indicate that the difference scores for ROA ($p < 0.001$), ROE ($p < 0.001$), CR ($p = 0.002$), and QR ($p = 0.046$) have significance values below the 0.05 threshold. Therefore, the normality assumption is not satisfied for these four financial performance measures. Among these variables, ROA and ROE exhibit particularly strong departures from normality, which is consistent with the substantial fluctuations observed in profitability during the pre-acquisition period. Similarly, the non-normal distributions of CR and QR are consistent with the relatively wide variation in liquidity observed across the quarterly observations. Consequently, the Wilcoxon Signed-Rank Test is selected to

examine whether there are differences in ROA, ROE, CR, and QR between the pre- and post-acquisition periods.

In contrast, the difference scores for TATO ($p = 0.283$), FATO ($p = 0.203$), DER ($p = 0.058$), and DAR ($p = 0.120$) record Shapiro-Wilk significance values greater than 0.05. Thus, there is insufficient statistical evidence to reject the normality assumption for these variables. TATO and FATO demonstrate relatively clear conformity with the normality assumption, while DER, despite having a significance value relatively close to the 0.05 threshold, remains above the predetermined significance level and is therefore treated consistently as satisfying the normality assumption. Accordingly, the Paired-Samples t-test is selected to examine differences in TATO, FATO, DER, and DAR between the pre- and post-acquisition periods.

For stock performance, the difference scores for Market-Adjusted Return ($p = 0.347$) record a Shapiro-Wilk significance value greater than 0.05. Thus, there is insufficient statistical evidence to reject the normality assumption, indicating that the paired differences in Market-Adjusted Return are normally distributed. Accordingly, the Paired-Samples t-test is selected to examine whether there is a statistically significant difference in Market-Adjusted Return between the pre- and post-acquisition periods.

In contrast, Stock Risk, represented by the variability of daily stock returns, records Shapiro-Wilk significance values below 0.05 for both the pre-acquisition ($p < 0.001$) and post-acquisition ($p < 0.001$) periods. Therefore, the normality assumption is not satisfied for daily stock returns in either period. Considering the sensitivity of the classical F-test to non-normal distributions, the Brown-Forsythe test is selected as a more robust approach to examine whether there is a statistically significant difference in Stock Risk between the pre- and post-acquisition periods.

Overall, the normality assessment demonstrates that the distributional characteristics are not uniform across the financial and stock performance measures examined in this study. Among the financial performance indicators, ROA, ROE, CR, and QR do not satisfy the normality assumption, while TATO, FATO, DER, and DAR satisfy the normality requirement for parametric paired analysis. For stock

performance, the paired differences in Market-Adjusted Return satisfy the normality assumption, whereas the daily stock returns used to assess Stock Risk are not normally distributed in either the pre- or post-acquisition period. Therefore, rather than applying a single statistical technique uniformly across all performance indicators, this study employs statistical methods appropriate to the distributional characteristics and measurement structure of each variable. This approach ensures consistency between the assumptions of the statistical tests and the characteristics of the observed data.

Based on these results, the subsequent hypothesis testing is conducted using three statistical procedures. The Wilcoxon Signed-Rank Test is applied to ROA, ROE, CR, and QR, while the Paired-Samples t-test is applied to TATO, FATO, DER, DAR, and Market-Adjusted Return. For Stock Risk, the Brown-Forsythe test is applied to compare the variability of daily stock returns between the pre- and post-acquisition periods due to the non-normal distribution of the underlying daily return data.

4.4 Hypothesis Testing

This section will test-out the validation of the study's hypothesis. Wilcoxon's Signed Rank Test and Paired-Samples t-test is used to test out financial ratios and stock return, while stock risk used Brown-Forsythe Test for the hypothesis testing.

4.4.1 Hypothesis 1

In the first hypothesis (H_1) it is stated that there is a difference in SAME'S return on asset (ROA) before and after the acquisition event. If the hypothesis testing finds out there is a difference in SAME'S return on asset (ROA) before and after the acquisition, it indicates that SAME's ability to generate net income from its total assets differs between the two periods. Therefore, the second hypothesis (H_2) is formulated as follows:

H_{01} : There is no difference in SAME's return on asset (ROA) before and after the acquisition event.

H_{a1} : There is a difference in SAME's return on asset (ROA) before and after the acquisition event.

In the way to test-out the second hypothesis (H_1), this study using Wilcoxon's Signed Rank Test through IBM SPSS Statistics 30. The steps to find return on equity are:

1. Gather SAME's net income for each year from the annual report on the SAME's financial statement each quarter.
2. Gather the SAME's total assets for each year from the annual report on the SAME's balance sheet each quarter.
3. Divided the net income of the year with total assets of the year to get the return on asset (ROA)

From those steps, it is found that the result of hypothesis testing before and after the acquisition summary presented on the Table 4.11.

**Table 4.11 Hypothesis Testing: Return on Asset (ROA)
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
ROA	16	-0.013044	0.000988	0.01206	0.877	Do not reject H_0

The findings presented in Table 4.11 show that there is no difference in SAME's return on asset (ROA) 16 quarters before and after the acquisition event as the Wilcoxon's Signed Rank Test shows the p-value is 0.877 which is greater than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to do not reject H_0 . This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.2 Hypothesis 2

The second hypothesis (H_2) stated that there is a difference in SAME's return on equity (ROE) before and after the acquisition event. If the result shows there is a difference in this variable, meaning that SAME's ability to generate net

income from its shareholders' equity differs between the two periods. Therefore, the second hypothesis (H_2) is formulated as follows:

H_{02} : There is no difference in SAME's return on equity before and after the acquisition event.

H_{a2} : There is a difference in SAME's return on equity before and after the acquisition event.

This hypothesis is using Wilcoxon's Ranked Test to test-out whether the hypothesis is correct or not and to running the process this hypothesis uses IBM SPSS Statistics 30. The steps to find return on equity (ROE) to be done as follows:

1. Collect each SAME's annual net income from the annual report on the income statement.
2. Collect each SAME's annual shareholders' equity from the annual report.
3. Divided the net income with shareholders' equity to get the return on equity (ROE).

From those steps, it is found that the result of hypothesis testing before and after the acquisition summary presented on the Table 4.12.

**Table 4.12 Hypothesis Testing: Return on Equity (ROE)
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
ROE	16	-0.047044	0.001306	0.47175	0.836	Do not reject H_0

The findings presented in Table 4.12 show that there is no difference in SAME's return on equity (ROE) 16 quarters before and after the acquisition event as the Wilcoxon's Signed Rank Test shows the p-value is 0.836 which is greater than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to do not reject H_0 . This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.3 Hypothesis 3

In hypothesis 3 (H_3) it is stated that there is a difference in SAME's current ratio before and after the acquisition event. If the result from the hypothesis testing finds out there is a difference in the current ratio, meaning that SAME's ability in fulfilling their short-term liabilities differs between the two periods. To assess whether the hypothesis 3 (H_3) is validate or not, the hypothesis 3 (H_3) is formulated as follows:

H_{03} : There is no difference in SAME'S current ratio before and after the acquisition event.

H_{a3} : There is a difference in SAME'S current ratio before and after the acquisition event.

The method that is used for this variable's hypothesis testing is Wilcoxon's Signed Rank Test and using a significance level of $\alpha = 5\%$ (0.05). For the decision making in this hypothesis testing method is to reject the null hypothesis (H_0) if the P value of the variable is less than its significance level. Before conducting the hypothesis testing, there are steps to be conducted in a way to calculate the current ratio as follows:

1. Collect SAME's annual current ratio from the annual report on the balance sheet section.
2. Collect SAME's annual current liabilities from the annual report on the balance sheet section.
3. Divided the current asset with the current liabilities.

From those steps, it is found that the result of hypothesis testing before and after the acquisition summary presented on the Table 4.13.

**Table 4.13 Hypothesis Testing: Current Ratio (CR)
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
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CR	16	1.920469	1.103263	-0.81721	0.234	Do not reject H_0
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The findings presented in Table 4.13 show that there is no difference in SAME's current ratio (CR) 16 quarters before and after the acquisition event as the Wilcoxon's Signed Rank Test shows the p-value is 0.234 which is greater than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to do not reject H_0 . This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.4 Hypothesis 4

In hypothesis 4 (H_4), it is stated that there is a difference in SAME's quick ratio before and after acquisition event. By the meaning of difference in the hypothesis 4 (H_4) is SAME's ability to meet its short-term obligations using its current assets differs between the two periods. So that the hypothesis 4 in this study is formulated as follows:

H_{04} : There is no difference in SAME's quick ratio before and after the acquisition event.

H_{a4} : There is a difference in SAME's quick ratio before and after the acquisition event.

For this variable, this study using Wilcoxon's Signed Rank Test to validate whether the hypothesis 4 (H_4) is correct or not and the program used for conducting Wilcoxon's Signed Rank Test is IBM SPSS Statistics 30.

Before validating the hypothesis, there are steps to be followed in the way to find the quick acid ratio as follows:

1. Collect SAME's current assets of the period from the annual report on the balance sheet quarterly.
2. Collect SAME's inventory of the period from the annual report on the balance sheet quarterly.
3. Collect SAME's current liabilities of the period from the annual report on the balance sheet.

4. Subtract the current asset with the inventories and then divided the result with the current liabilities.

After conducting those steps above, the next step is using Wilcoxon's Signed Rank Test to test-out the hypothesis. Table 4.14 presents the hypothesis testing.

**Table 4.14 Hypothesis Testing: Quick Ratio (QR)
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
QR	16	1.807545	1.012056	-0.79540	0.215	Do not reject H_0

The findings presented in Table 4.14 show that there is no difference in SAME's quick ratio (QR) 16 quarters before and after the acquisition event as the Wilcoxon's Signed Rank Test shows the p-value is 0.215 which is greater than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to do not reject H_0 . This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.5 Hypothesis 5

In the hypothesis 5 (H_5) it is stated that there is a difference in SAME's total asset turnover before and after the acquisition event. By the meaning of difference is SAME's ability to efficiently utilize its total assets to generate revenue differs between the two periods. The hypothesis 5 (H_5) itself is formulated as follows:

H_{05} : There is no difference in SAME's total asset turnover before and after the acquisition event.

H_{a5} : There is a difference in SAME's total asset turnover before and after the acquisition event.

Before testing out the hypothesis, there are steps that have to be done in a way to calculate the company's total asset turnover. Those steps are:

1. Collect the sales of the period from the company's annual report on the statements of profit or loss.

2. Collect the total asset of the period from the company's annual report on the balance sheet 3.
3. Divided the sales of the period with the total asset of the period After done those steps above, the next step is to test-out the hypothesis to validate whether the hypothesis is correct or not.

In this study, hypothesis 5 (H_5) uses Paired Sample t-test as the hypothesis testing method. Which in the method's decision taking is to reject the null hypothesis if the p-value is lower than 0.05. To run Paired Sample t-test, this study uses IBM SPSS Statistics 30. Table 4.15 presents the hypothesis testing.

**Table 4.15 Hypothesis Testing: Total Asset Turnover (TATO)
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
TATO	16	0.094325	0.075675	-0.01865	0.089	Do not reject H_0

The findings presented in Table 4.15 show that there is a difference in SAME's turnover asset ratio (TATO) 16 quarters before and after the acquisition event as the Paired Sample t-test shows the p-value is 0.089 which is greater than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to do not reject H_0 . This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.6 Hypothesis 6

In hypothesis 6 (H_6) it is stated that there is a difference in SAME's total fixed asset turnover (FATO) before and after the acquisition. If the hypothesis testing finds out there is a difference it means that SAME's ability to efficiently utilize its fixed assets to generate revenue differs between the two periods. To validate whether this hypothesis is correct or not, the hypothesis is formulated as follows:

H₀₆: There is no difference in SAME's total fixed asset turnover before and after the acquisition event.

H_{a6}: There is a difference in SAME's total fixed asset turnover before and after the acquisition event.

Before testing out the hypothesis, there are steps to be done in a way to calculate the companies' total fixed asset turnover as follows:

1. Collect the company's sales of the period from annual report on the statements of profit or loss.
2. Collect the company's total fixed assets of the period from the annual report on the balance sheet.
3. Divided the sales with the total fixed assets

After done those steps above, the next step is to process the hypothesis testing. The method used is Paired-Sample t-test where the null hypothesis (H₀) will be rejected if the p-value is less than its significance level which in this study uses 0.05 and to process the hypothesis testing this study uses IBM SPSS Statistics 30. Table 4.16 shows the summary result for SAME'S total fixed assets turnover 16 quarters before and after the acquisition.

**Table 4.16 Hypothesis Testing: Fixed Asset Turnover (FATO)
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
FATO	16	0.115550	0.106588	-0.00896	0.484	Do not reject H ₀

The findings presented in Table 4.16 show that there is no difference in SAME's fixed asset turnover (FATO) 16 quarters before and after the acquisition event as the Paired Sample t-test shows the p-value is 0.484 which is greater than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to do not reject H₀. This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.7 Hypothesis 7

In hypothesis 7, it is stated that there is a difference in SAME's debt to equity ratio (DER) before and after the acquisition event. If the hypothesis testing finds out there is a difference, it means that SAME's level of reliance on debt relative to shareholders' equity differs between the two periods that hypothesis is formulated as follows:

H_{07} : There is no difference in SAME's debt to equity ratio before and after the acquisition event.

H_{a7} : There is a difference in SAME's debt to equity ratio before and after the acquisition event.

Before testing out the hypothesis, there are steps to be followed in a way to calculate the SAME's debt to equity ratio (DER). Those steps are:

1. Collect the company's short term-debts, long-term debts, and other fixed payments of the period from the annual report and then sum them up.
2. Collect the company's shareholders' equity from the annual report.
3. Divided the sum of debts with the shareholders' equity.

After following those steps, the next step is to test out the validation of the hypothesis. For hypothesis 7 (H_7), Paired Sample t-Test is used for the hypothesis testing where the decision that has to be taken is to reject the null hypothesis if the p-value is less than the significance level which in this study uses $\alpha = 5\%$ (0.05) and IBM SPSS Statistics 30 is used for running the Paired Sample t-Test. Table 4.16 presents the summary result for the hypothesis 7 (H_7) debt to equity ratio (DER) 3 years before and after acquisition.

**Table 4.17 Hypothesis Testing: Debt-to-Equity Ratio (DER)
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
DER	16	1.025669	0.321894	-0.70377	<0.001	Reject H_0

The findings presented in Table 4.17 show that there is a difference in SAME's debt-to-equity ratio (DER) 16 quarters before and after the acquisition event as the Paired Sample t-test shows the p-value is <0.001 which is less than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to reject H_0 . This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.8 Hypothesis 8

In hypothesis 8 (H_8), it is stated that there is a difference in SAME's debt to assets ratio (DAR) before and after the acquisition event. If the hypothesis finds out there is a difference, it means that SAME's level of reliance on debt relative to its total assets differs between the two periods. Hypothesis 8 (H_8) itself is formulated as follows:

H_{08} : There is no difference in SAME's debt to assets ratio before and after the acquisition event.

H_{a8} : There is a difference in SAME's debt to assets ratio before and after the acquisition event.

Before testing out the hypothesis, there are steps to be followed in a way to calculate the company's debt to assets ratio (DAR). Those steps are:

1. Collect the company's short-term debt and long-term debt of the period from annual report and then sums them up.
2. Collect the company's total assets of the period from the annual report on the balance sheet.
3. Divided the total debts with the total assets.

After following those steps above, the next step is to test-out the hypothesis 8 (H_8). In this study, hypothesis 8 (H_8) uses Paired Sample t-test as the method through IBM SPSS Statistics 30. In Paired Sample T-Test, the decision that has to be taken is to reject the null hypothesis (H_0) if the P value is less than its significance level which in this study uses $\alpha = 5\%$ (0.05).

**Table 4.18 Hypothesis Testing: Debt to Asset Ratio (DAR)
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
DAR	16	0.460737	0.241956	-0.21878	<0.001	Reject H ₀

The findings presented in Table 4.18 show that there is a difference in SAME's debt to asset ratio (DAR) 16 quarters before and after the acquisition event as the Paired Sample t-test shows the p-value is <0.001 which is less than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to reject H₀. This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.9 Hypothesis 9

In hypothesis 9 (H₉) it is stated that there is a difference in SAME's abnormal return before and after the acquisition event. If the hypothesis testing shows there is a result in SAME's adjusted stock return, meaning that its adjusted stock return performance relative to the overall market differs between the two periods. Hypothesis 9 (H₉) itself is formulated as follows:

H₀₉: There is no difference in SAME's stock return before and after the acquisition event.

H_{a9}: There is a difference in SAME's stock return before and after the acquisition event.

Before conducting hypothesis testing, there is steps have to be done in a way to calculate the stock return and in this study using abnormal return. The steps are:

1. Collect the historical daily SAME's stock price for 16 quarters before and after the event from Investing.com website.
2. Calculate the daily stock return by subtracting the previous day's stock price from the current day's stock price and dividing the difference by the previous day's stock price.

3. Collect the historical daily JKSE's stock price for 16 quarters before and after the event from Investing.com website.
4. Calculate the daily market return by subtracting the previous day's JKSE value from the current day's JKSE value and dividing the difference by the previous day's JKSE value.
5. Calculate the daily Market-Adjusted Return by subtracting the daily market return from SAME's daily stock return

After following those steps above, the next step is to test the validation the hypothesis using Paired-Sample t-test with IBM SPSS Statistics 30. In Paired Sample t-Test, the decision that has to be taken is to reject the null hypothesis (H_0) if the p-value is less than its significance level which in this study uses $\alpha = 5\%$ (0.05).

**Table 4.19 Hypothesis Testing: Market Adjusted Return
16 Quarters After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
Market Adjusted Return	16	0.09862	-0.00759	-0.10621	0.371	Do not reject H_0

The findings presented in Table 4.19 show that there is a difference in SAME's stock return before and after the acquisition event as the Paired Sample t-test shows the p-value is 0.371 which is greater than the significance level which in this study is $\alpha = 5\%$ (0.05) and the decision that has to be taken is to not reject H_0 . This also can be concluded that the data that have been collected is supporting the hypothesis for this variable.

4.4.10 Hypothesis 10

In the hypothesis 10 (H_{10}) it is stated that there is a difference in SAME's stock risk before and after the acquisition event. If the hypothesis testing finds out there is a difference, it means SAME's level of stock return volatility and associated

stock risk differs between the two periods. Hypothesis 10 (H_{10}) itself is formulated as follows:

H_{010} : There is no difference in SAME's stock risk before and after the acquisition event.

H_{a12} : There is a difference in SAME's stock risk before and after the acquisition event.

Before conducting the hypothesis testing, there are steps to be done in a way to calculate the stock risk. Those steps are:

1. Collect SAME's daily stock price for 16 quarters before and after the acquisition event.
2. Calculate the daily stock return by subtracting the previous day's stock price from the current day's stock price and dividing the difference by the previous day's stock price.
3. Classify each daily stock return into two groups by creating a period variable, where the observations are categorized as pre-acquisition or post-acquisition, while the acquisition event period is excluded from the analysis.
4. After calculating SAME's daily stock return and classify them into two groups, the next step is to test-out whether Hypothesis 10 (H_{10}) is correct or not.

In this study, Hypothesis 10 (H_{10}) is tested using the Brown-Forsythe test, represented by the median-based Levene test, as a robust method for comparing the variability of SAME's daily stock returns between before and after acquisition periods. This method is selected because the daily stock returns in both periods do not normally distributed. The analysis is conducted using IBM SPSS Statistics 30, with the decision rule to reject the null hypothesis (H_0) when the significance value is less than 0.05.

**Table 4.20 Hypothesis Testing: Stock Risk
Daily Return After - Before Acquisition**

Variable	N	Mean (before)	Mean (after)	Diff	P-Value	Decision
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Stock Risk	16	0.000761	0.000222	-0.00054	0.003	Do not reject H_0
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The findings presented in Table 4.20 show that the Brown–Forsythe test produces a significance value of 0.003, which is lower than the predetermined significance level of 0.05. Therefore, the null hypothesis (H_0) is rejected, indicating that there is a difference in SAME’s stock risk before and after the acquisition event. Furthermore, the lower standard deviation of daily stock returns in the post-acquisition period indicates that SAME’s stock exhibited lower volatility and stock risk after the acquisition

4.5 Analysis Discussion

4.5.1 Hypothesis 1

The hypothesis testing result indicates that there is no difference in Return on Assets (ROA) between the pre- and post-acquisition periods. This indicates a descriptive improvement in SAME's profitability, as the company shifted from generating a negative return on its assets before the acquisition to a slightly positive return afterward. Nevertheless, the statistical result suggests that this improvement was not sufficiently consistent across the quarterly observations to establish a difference between the two periods.

From the perspective of Efficiency Theory, ROA is particularly relevant because it reflects management's efficiency in utilizing the company's total assets to generate profits. Efficiency Theory proposes that mergers and acquisitions may create value through operational, financial, and managerial synergies, which can ultimately contribute to improved profitability. Operational synergy, for example, may arise through economies of scale, reduced duplicated costs, supply-chain optimization, and greater bargaining power, while managerial synergy may improve resource allocation and operational decision-making. If these efficiencies are successfully realized, they are expected to contribute to higher profitability as reflected in ROA (Herdiawan et al., 2025).

However, the absence of a difference in SAME's ROA suggests that the expected efficiency gains from the acquisition were not clearly reflected in asset-based profitability during the observed post-acquisition period. This does not necessarily indicate that the acquisition failed to generate efficiency gains. M&A may substantially increase the company's asset base, while the corresponding benefits and synergies may require time to be fully translated into earnings. Furthermore, post-merger integration costs and difficulties in realizing expected synergies may temporarily constrain improvements in ROA (Herdiawan et al., 2025). Therefore, the descriptive improvement in SAME's ROA may indicate a positive development in profitability, although the statistical evidence is insufficient to conclude that ROA materially differed between the pre- and post-acquisition periods.

This result is also consistent with previous empirical studies. Herdiawan et al. (2025) found no difference in ROA before and after mergers among IDX-listed companies ($p = 0.283$), despite observing a slight improvement in ROA. The authors suggest that the financial benefits expected from M&A may require longer-term observation or may be affected by challenges during the post-merger integration process (Herdiawan et al., 2025). Similarly, Marlindo and Murwanti (2025) found no difference in ROA before and after the merger of PT Selamat Sempurna Tbk ($p = 0.452$), even though the average ROA increased following the merger. This pattern is comparable to the present study, where SAME's average ROA improved after the acquisition but the improvement did not result in a difference.

Overall, the ROA findings provide limited empirical support for the operating-efficiency expectation of Efficiency Theory. While the descriptive increase from -1.31% to 0.11% suggests an improvement in SAME's ability to generate profit from its asset base, the hypothesis testing result indicates that this improvement was not statistically significant. Therefore, the expected post-acquisition efficiency gains cannot be clearly established through ROA alone. Instead, the findings suggest that any potential efficiency benefits associated with the acquisition may either require a longer period to materialize or may be reflected

more strongly in other dimensions of financial performance rather than profitability measured by ROA.

4.5.2 Hypothesis 2

The hypothesis testing result indicates that there is no difference in Return on Equity (ROE) between the pre- and post-acquisition periods. Therefore, the null hypothesis (H_0) is not rejected. However, the average ROE increased descriptively from -4.72% before the acquisition to 0.13% after the acquisition, indicating an improvement in SAME's ability to generate returns from shareholders' equity. Nevertheless, this improvement was not sufficiently consistent across the quarterly observations to establish a difference.

From the perspective of Efficiency Theory, M&A is expected to generate synergies through operating savings, financial efficiencies, managerial improvements, and increased market share, which may ultimately enhance shareholder returns (Zuhri et al., 2020). Therefore, the absence of a difference in ROE suggests that the expected efficiency gains were not consistently translated into shareholder-based profitability during the observed period. However, this does not necessarily indicate the absence of synergy, as the realization of M&A benefits may require time and can be affected by integration challenges and other post-M&A conditions (Herdiawan et al., 2025).

This finding is consistent with previous empirical studies. Zuhri et al. (2020) similarly found no difference in ROE before and after M&A among Indonesian listed companies, although their average ROE declined following M&A. In the Indonesian healthcare sector, Izzah and Murwanti (2023) also found no difference in ROE following the merger of PT Sejahteraraya Anugrahjaya Tbk. Furthermore, Yudiantono et al. (2025) reported relatively weak ROE performance for SAME during 2021-2024, including a negative ROE in 2024, suggesting that profitability challenges remained during the post-acquisition period.

Overall, the ROE result provides limited support for the profitability-related expectation of Efficiency Theory. Although SAME's ROE improved descriptively from negative to slightly positive, the improvement was not statistically significant.

This suggests that potential post-acquisition synergies had not yet been consistently reflected in returns generated from shareholders' equity during the period examined.

4.5.3 Hypothesis 3

The hypothesis testing result indicates that there is no difference in Current Ratio (CR) between the pre- and post-acquisition periods. Therefore, the null hypothesis (H_0) is not rejected. The descriptive statistics show that the average CR decreased from 1.92 before the acquisition to 1.10 after the acquisition. This indicates that SAME's short-term liquidity position was descriptively lower following the acquisition, although the change was not sufficiently consistent across the quarterly observations to establish a difference.

From the perspective of Efficiency Theory, M&A may generate financial and operational efficiencies through better resource allocation and financial management. However, the absence of a difference in CR suggests that the potential efficiency gains following the acquisition were not clearly reflected in SAME's short-term liquidity position. The decline in average CR may also reflect changes in working-capital requirements and financing associated with business expansion rather than necessarily indicating acquisition inefficiency. This interpretation is particularly relevant in the healthcare industry, where financial performance can vary according to business models and managerial efficiency (Yudiantono et al., 2025).

This finding is consistent with previous M&A studies. Izzah and Murwanti (2023) found no difference in Current Ratio following the merger of PT Sejahteraraya Anugrahjaya Tbk, indicating that M&A did not produce a statistically identifiable change in the company's liquidity position. Similarly, Damayanti and Suhardiah (2023) found that financial ratios among Indonesian healthcare companies generally did not show differences following M&A, despite changes observed descriptively.

The result is also supported by company-specific evidence from Yudiantono et al. (2025), who reported that SAME's Current Ratio remained below 1.0 in 2023 and 2024, indicating a relatively constrained short-term liquidity position. The authors suggest that differences in liquidity may be associated with working-capital

management, financing structure, and expansion strategies. This provides relevant context for the lower average CR observed in the post-acquisition period, although their study does not specifically test SAME before and after the acquisition.

Overall, the CR result provides limited evidence that acquisition-related efficiency gains were reflected in short-term liquidity. Although SAME's average CR decreased from 1.92 to 1.10 after the acquisition, the difference was not statistically significant. Therefore, the findings suggest that SAME's liquidity characteristics remained statistically comparable across the two periods, while the descriptive decline may reflect changes in working-capital and financing requirements associated with the company's post-acquisition operations.

4.5.4 Hypothesis 4

The hypothesis testing result indicates that there is no difference in Quick Ratio (QR) between the pre- and post-acquisition periods. Therefore, the null hypothesis (H_0) is not rejected. The descriptive statistics show that the average QR decreased from 1.81 before the acquisition to 1.01 after the acquisition. This indicates a lower ability to cover short-term liabilities using highly liquid assets in the post-acquisition period, although the difference was not statistically significant.

From the perspective of Efficiency Theory, M&A may create financial and operational efficiencies through improved resource allocation and financial management. However, the absence of a difference in QR suggests that the potential efficiency gains following the acquisition were not clearly reflected in SAME's immediate liquidity position. Similar to CR, the descriptive decline in QR may also reflect changes in working-capital requirements, financing structure, and expansion activities rather than acquisition inefficiency alone. Yudiantono et al. (2025) identify working-capital management, financing strategy, and investment and expansion strategies as factors that may influence financial performance in healthcare companies.

The post-acquisition liquidity condition is also consistent with the company-specific findings of Yudiantono et al. (2025). Their analysis indicates that SAME's

liquidity was relatively constrained during 2021-2024, with its Quick Ratio remaining below 1.0 in the periods examined. The authors note that this condition implies greater dependence on other current assets or operating cash flows to meet short-term obligations. Furthermore, Damayanti and Suhardiah (2023) found that financial ratios among Indonesian healthcare companies generally did not show differences following M&A, despite descriptive changes in financial performance.

Overall, the QR result provides limited evidence that acquisition-related efficiency gains were reflected in immediate liquidity. Although SAME's average QR decreased from 1.81 to 1.01 following the acquisition, the difference was not statistically significant. Together with the CR result, this suggests that short-term liquidity did not exhibit a statistically identifiable change between the pre- and post-acquisition periods, while the descriptive decline may reflect the company's changing working-capital and financing requirements during its post-acquisition operations.

4.5.5 Hypothesis 5

The hypothesis testing result indicates that there is no difference in Total Asset Turnover (TATO) between the pre- and post-acquisition periods. Therefore, the null hypothesis (H_0) is not rejected. Based on the descriptive statistics, TATO showed a relatively stable pattern between the two periods, suggesting that SAME's ability to utilize its total assets to generate revenue did not substantially change following the acquisition.

From the perspective of Efficiency Theory, TATO is particularly relevant to operating efficiency, as M&A is expected to generate synergy through economies of scale, elimination of duplicated resources, and more efficient utilization of the combined asset base. Zuhri et al. (2020) explain that M&A may create operating savings through economies of scale across management, marketing, production, and distribution, while improved managerial efficiency may allow existing assets to become more productive following the combination. Therefore, the absence of a difference in TATO suggests that these potential operating synergies were not

consistently reflected in SAME's overall asset utilization during the post-acquisition period.

Previous studies, however, show that the effect of M&A on asset turnover can vary. Izzah and Murwanti (2023) found a difference in TATO following the merger of PT Sejahteraraya Anugrahjaya Tbk, while several other financial ratios did not show differences. Zuhri et al. (2020) also cite previous evidence showing that asset-turnover measures may change following M&A even when profitability indicators such as ROA and ROE do not. Therefore, SAME's result differs from some previous findings and indicates that the realization of operating efficiency through asset utilization may depend on company-specific conditions and the post-acquisition integration process.

This interpretation is further supported by Yudiantono et al. (2025), who specifically examined SAME during 2021-2024 and found that its total asset utilization was relatively weaker than Primaya's. The authors suggest that differences in operational efficiency may be related to economies of scale, cost management, and business strategy. They consequently identify optimizing asset utilization as one of the areas for improvement for SAME. Although their study does not directly compare SAME before and after the acquisition, it provides relevant evidence that challenges in utilizing the expanded asset base remained during the post-acquisition period.

Overall, the TATO finding provides limited support for the operating-efficiency expectation of Efficiency Theory. The absence of a difference indicates that the acquisition-related expansion of SAME's asset base had not resulted in a statistically identifiable change in its ability to generate revenue from total assets. This suggests that potential post-acquisition operating synergies were not yet consistently reflected in overall asset utilization during the period examined.

4.5.6 Hypothesis 6

The hypothesis testing result indicates that there is no difference in Fixed Asset Turnover (FATO) between the pre- and post-acquisition periods. Therefore,

the null hypothesis (H_0) is not rejected. Based on the descriptive statistics, FATO changed between the two periods; however, the statistical result indicates that the change was not sufficiently consistent across the quarterly observations to establish a difference in SAME's ability to generate revenue from its fixed assets.

From the perspective of Efficiency Theory, FATO is closely related to operating efficiency, particularly the effective utilization of fixed assets following an acquisition. M&A is expected to generate operating synergy through economies of scale, elimination of duplicated resources, and more efficient utilization of the combined asset base. Zuhri et al. (2020) explain that operating synergy may arise from economies of scale across business activities, while efficiency differences may allow the assets of the combined companies to become more productive under more effective management. Accordingly, the absence of a difference in FATO suggests that potential operating synergies were not clearly reflected in the productivity of SAME's fixed assets during the observed post-acquisition period.

This finding is consistent with Izzah and Murwanti (2023), who found no difference in FATO before and after the merger of PT Sejahteraraya Anugrahjaya Tbk, another company operating in the Indonesian healthcare sector. This similarity suggests that the expansion of hospital assets following M&A does not necessarily lead to an immediate or statistically identifiable improvement in fixed-asset utilization.

Company-specific evidence from Yudiantono et al. (2025) also provides relevant context. Their analysis of SAME during 2021-2024 indicates that the company demonstrated lower overall asset-utilization efficiency than Primaya and identifies optimization of asset utilization as an area for improvement. Although their study examines TATO rather than FATO specifically, the findings provide contextual evidence that SAME continued to face challenges in generating revenue efficiently from its expanded asset base during the post-acquisition period.

4.5.7 Hypothesis 7

The hypothesis testing result indicates a statistically significant difference in the Debt-to-Equity Ratio (DER) between the pre- and post-acquisition periods. Therefore, the null hypothesis (H_0) is rejected. Based on the descriptive statistics, DER was lower during the post-acquisition period, indicating that SAME became less dependent on debt relative to shareholders' equity. Unlike the profitability, liquidity, and asset-utilization indicators examined previously, DER therefore provides clear statistical evidence of a change in the company's capital structure between the two periods.

From the perspective of Efficiency Theory, changes in capital structure may be relevant to the concept of financial synergy. M&A may provide opportunities for financial benefits through improved financing arrangements, lower transaction costs, and more efficient financial management. Zuhri et al. (2020) identify financial savings as one potential source of M&A synergy and explain that M&A may strengthen a company's financial position and ability to manage debt obligations. In the case of SAME, the lower DER observed during the post-acquisition period indicates a more equity-supported and less debt-dependent capital structure. However, the decline in DER alone does not provide sufficient evidence to conclude that financial synergy or financial efficiency was realized, as the ratio may change due to movements in liabilities, equity, or a combination of both.

The finding differs from Zuhri et al. (2020), who found no statistically significant difference in DER before and after M&A among Indonesian listed companies. Their findings demonstrate that changes in leverage following M&A are not necessarily uniform across companies. In comparison, SAME exhibited a statistically identifiable change in its financing structure between the two periods, highlighting the importance of company-specific financial conditions when evaluating post-acquisition performance.

More directly, Yudiantono et al. (2025) provide supporting evidence regarding SAME's post-acquisition capital structure. Their analysis for 2021–2024 found that SAME maintained a relatively conservative capital structure, with lower

DER than Primaya, indicating a lower proportion of debt relative to equity. The authors note that such a structure may provide advantages through lower financial risk and financing burdens. Although their study does not examine SAME's pre- and post-acquisition periods directly, its findings are consistent with the lower leverage observed during the post-acquisition period in the present study.

Overall, the DER result provides evidence of a material change in SAME's financing structure, rather than direct evidence of financial efficiency or synergy. The statistically significant difference, together with the lower DER observed during the post-acquisition period, indicates that SAME operated with lower debt relative to equity during this period. While this pattern is consistent with a more conservative financing structure and with the financial dimension discussed in Efficiency Theory, further examination of the underlying movements in total liabilities and shareholders' equity is required before attributing the change to financial efficiency or financial synergy. Moreover, given the comparative design of this study, the observed change cannot be causally attributed to the acquisition.

4.5.8 Hypothesis 8

The hypothesis testing result indicates a statistically significant difference in the Debt-to-Asset Ratio (DAR) between the pre- and post-acquisition periods. Therefore, the null hypothesis (H0) is rejected. Based on the descriptive statistics, DAR was lower during the post-acquisition period, indicating that a smaller proportion of SAME's total assets was financed through liabilities. Together with the DER result, this provides statistical evidence that SAME's leverage and financing structure differed between the two periods.

From the perspective of Efficiency Theory, changes in leverage and financing structure may be relevant to the concept of financial synergy. Zuhri et al. (2020) identify financial savings as one potential source of M&A synergy, alongside operating savings and managerial efficiency. In the case of SAME, the lower DAR observed during the post-acquisition period indicates a less debt-dependent asset financing structure. However, the decline in DAR alone is insufficient to establish the realization of financial efficiency or financial synergy, as changes in this ratio may result from movements in total liabilities, total assets, or a combination of both.

The result is consistent with the company-specific findings of Yudiantono et al. (2025). Their analysis of SAME during 2021–2024 found that the company maintained lower leverage than Primaya in terms of both DER and DAR. They describe SAME as adopting a relatively conservative approach to financing its assets and note that a lower-leverage structure may be associated with lower financial risk and financing burdens. Although Yudiantono et al. (2025) do not conduct a before-and-after acquisition analysis, their findings provide relevant contextual support for the lower leverage observed during SAME’s post-acquisition period.

The DAR finding also reinforces the interpretation of the previous DER result. While DER measures liabilities relative to shareholders’ equity, DAR reflects the proportion of total assets financed through liabilities. The fact that both indicators show statistically significant differences and lower values during the post-acquisition period indicates that the observed change in SAME’s capital structure is consistent across two measures of leverage. Rather than establishing financial synergy, these findings demonstrate that SAME operated with a less debt-dependent financing structure during the post-acquisition period.

Overall, the DAR result provides evidence of a material change in SAME’s capital structure rather than direct evidence of financial efficiency or synergy. Together with the DER finding, the lower DAR indicates that capital structure represents one of the clearest dimensions of change in SAME’s financial performance between the pre- and post-acquisition periods, particularly compared with profitability, liquidity, and asset-utilization indicators that did not show statistically significant differences. Further examination of the underlying movements in total liabilities and total assets is required to explain the mechanism behind the lower DAR and determine whether it is consistent with the financial-efficiency expectations of Efficiency Theory. Given the comparative design of this study, the observed change should therefore be interpreted as associated with the post-acquisition period rather than as a direct effect of the acquisition.

4.5.9 Hypothesis 9

The hypothesis testing result indicates that there is no statistically significant difference in Market-Adjusted Return between the pre- and post-acquisition periods. Therefore, the null hypothesis (H_0) is not rejected. Nevertheless, the descriptive statistics show that the average Market-Adjusted Return decreased from 9.86% in the pre-acquisition period to -2.59% in the post-acquisition period. This descriptive change indicates that SAME generated stronger returns relative to the overall market during the pre-acquisition period, while its average relative return was negative during the post-acquisition period. However, given the absence of statistical significance, this decline should be interpreted as a descriptive pattern rather than evidence of a systematic difference in market-adjusted performance between the two periods.

From the perspective of Efficiency Theory, M&A is generally expected to create synergy and enhance firm value through operating savings, financial efficiency, managerial improvements, and increased market share (Zuhri et al., 2020). If investors expect these potential benefits to improve future company performance, such expectations may eventually be reflected in market valuation and stock performance. In the present study, however, the absence of a statistically significant difference in Market-Adjusted Return indicates that SAME's relative stock performance remained statistically comparable between the pre- and post-acquisition periods. Therefore, the findings do not provide sufficient statistical evidence that the post-acquisition period was associated with a systematic improvement or deterioration in market-relative return.

This finding is consistent with the broader understanding that stock returns are not determined solely by accounting performance. Chiang et al. (2024) found that ROA was not associated with stock return, whereas market return showed a strong relationship with stock return. Their findings suggest that stock performance may reflect broader market and macroeconomic conditions in addition to firm-specific financial fundamentals. This consideration is particularly relevant because Market-Adjusted Return measures SAME's performance relative to the overall market. Therefore, the descriptive decline observed in this study may reflect various

firm-specific and market-wide factors that cannot be isolated through the comparative research design.

The finding should therefore be interpreted cautiously within Efficiency Theory. The absence of a statistically significant difference in Market-Adjusted Return means that the study does not provide sufficient evidence of a change in SAME's market-relative return performance across the two periods. Although the descriptive mean declined from positive to negative, this pattern alone cannot establish that market-based benefits associated with acquisition synergy were absent or that the acquisition was associated with weaker stock performance. Stock-market outcomes may incorporate expectations about future profitability, integration conditions, macroeconomic developments, and other information beyond the financial indicators examined in this study.

Overall, the Market-Adjusted Return result does not provide statistical evidence of a difference in SAME's relative stock return performance between the pre- and post-acquisition periods. While the descriptive statistics indicate a lower average Market-Adjusted Return during the post-acquisition period, the difference is not statistically significant. Consequently, the market-value dimension of Efficiency Theory is not empirically supported by Market-Adjusted Return in this study, but neither can it be concluded that market performance significantly deteriorated. When considered alongside the financial performance findings, the result further demonstrates that changes observed in SAME's capital structure do not necessarily correspond with statistically identifiable changes in market-relative stock returns.

4.5.10 Hypothesis 10

The hypothesis testing result indicates a statistically significant difference in Stock Risk between the pre- and post-acquisition periods. Therefore, the null hypothesis (H_0) is rejected. Based on the descriptive statistics, the standard deviation of SAME's daily stock returns decreased from 3.89% in the pre-acquisition period to 2.96% in the post-acquisition period. This indicates that SAME's daily stock returns exhibited lower volatility during the post-acquisition

period, reflecting a more stable stock risk profile. The Brown–Forsythe test further confirms that the variability of daily stock returns differed statistically between the two periods.

From the perspective of Efficiency Theory, the observed reduction in stock risk may be discussed in relation to the broader financial characteristics of the company. M&A may provide opportunities for financial benefits through improved financial capacity, financing arrangements, and financial management (Zuhri et al., 2020). In the present study, the lower stock risk occurred alongside lower DER and DAR during the post-acquisition period, indicating that this period was characterized by both lower stock volatility and a less leveraged capital structure. However, these simultaneous changes do not by themselves establish the realization of financial synergy, as stock risk is a market-based measure and the reductions in leverage may be driven by changes in their underlying financial statement components.

Furthermore, changes in stock risk should not be attributed exclusively to the acquisition. Chiang et al. (2024) emphasize that stock-market performance may be influenced by firm-specific financial characteristics as well as broader market and macroeconomic conditions. Therefore, the lower volatility observed in SAME's daily stock returns may reflect a combination of company-specific and external market factors. This consideration is particularly relevant because the pre- and post-acquisition periods cover different economic environments, including the COVID-19 pandemic and subsequent recovery period.

The finding also provides an important perspective when considered together with Market-Adjusted Return. While Market-Adjusted Return was lower during the post-acquisition period, Stock Risk also decreased. Therefore, SAME's post-acquisition stock performance cannot be characterized simply as better or worse. Instead, the findings indicate a different risk-return profile, characterized by lower return relative to the market accompanied by lower stock volatility. The reduction in risk indicates greater stability in daily stock returns, but it does not necessarily represent superior investment performance when considered alongside the weaker Market-Adjusted Return.

Overall, the Stock Risk result provides evidence of a material change in SAME's market risk characteristics between the pre- and post-acquisition periods. The lower standard deviation of daily stock returns indicates reduced volatility during the post-acquisition period. When considered alongside DER and DAR, the findings indicate that the post-acquisition period was characterized by a less leveraged financial structure and a lower stock risk profile. Nevertheless, these findings should not be interpreted as direct evidence of financial efficiency or acquisition synergy, nor can the reduction in stock risk be causally attributed to the acquisition. Instead, the findings demonstrate changes associated with the post-acquisition period that are relevant to, but do not independently establish, the financial-efficiency expectations of Efficiency Theory.

After conducting all hypothesis tests, an additional robustness check is performed to account for the potential risk of error arising from multiple hypothesis testing. Since this study evaluates ten hypotheses simultaneously, the Holm correction is applied to assess whether the conclusions obtained from the primary hypothesis tests remain robust after controlling for the family-wise error rate. The results of the Holm correction are presented in Table 4.21.

Table 4.21 Holm Correction Robustness Check

Rank	Hypothesis	Variable	p-value	Holm Threshold	Hypothesis Decision	Holm Comparison	Step-Down Status	Robustness Result
1	H8	DAR	1.47968E-05	0.005	Reject H0	p < Threshold	Continue	Robust
2	H7	DER	0.000208901	0.00555556	Reject H0	p < Threshold	Continue	Robust
3	H10	Stock Risk	0.003	0.00625	Reject H0	p < Threshold	Continue	Robust
4	H5	TATO	0.089	0.007142857	Do Not Reject H0	p > Threshold	Stop	No Change in Conclusion
5	H4	QR	0.215	0.008333333	Do Not Reject H0	p > Threshold	Not rejected under the Holm step-down procedure	No Change in Conclusion
6	H3	CR	0.234	0.01	Do Not Reject H0	p > Threshold	Not rejected under the Holm step-down procedure	No Change in Conclusion
7	H9	Market-Adjusted Return	0.371	0.0125	Do Not Reject H0	p > Threshold	Not rejected under the Holm step-down procedure	No Change in Conclusion
8	H6	FATO	0.484	0.016666667	Do Not Reject H0	p > Threshold	Not rejected under the Holm step-down procedure	No Change in Conclusion
9	H2	ROE	0.836	0.025	Do Not Reject H0	p > Threshold	Not rejected under the Holm step-down procedure	No Change in Conclusion
10	H1	ROA	0.877	0.05	Do Not Reject H0	p > Threshold	Not rejected under the Holm step-down procedure	No Change in Conclusion

The p-values from the primary hypothesis tests were ranked from the smallest to the largest and sequentially compared with the corresponding Holm thresholds at an overall significance level of 5%.

The results show that DAR, DER, and Stock Risk, which were identified as having differences between the pre- and post-acquisition periods in the primary hypothesis testing, remained below their respective Holm thresholds. DAR recorded a p-value of 0.000015 compared with a Holm threshold of 0.005, DER recorded a p-value of 0.000209 compared with 0.005556, and Stock Risk recorded

a p-value of 0.003 compared with 0.006250. Therefore, the findings for these three indicators remain robust after adjustment for multiple hypothesis testing.

The step-down procedure stops at TATO, the fourth-ranked p-value, because its p-value of 0.089 exceeds the corresponding Holm threshold of 0.007143. Under the Holm procedure, once the first ordered p-value fails to meet its adjusted threshold, no further hypotheses in the sequence are rejected. As TATO and the remaining indicators had already shown no differences in the primary hypothesis testing, their conclusions remain unchanged.

Overall, the Holm correction does not alter the substantive conclusions of the primary hypothesis testing. The differences identified in DAR, DER, and Stock Risk remain robust after controlling for the family-wise error rate, while the conclusions for ROA, ROE, CR, QR, TATO, FATO, and Market-Adjusted Return remain unchanged. This robustness check therefore provides additional support that the three identified differences are not solely attributable to the increased error risk associated with conducting multiple hypothesis tests.

4.6 Summary Result

Based on the observation, Table 4.21 shows the summary result for the findings from the observation.

Table 4.22 Summary Result for Findings from the Observation

Objective	Hypothesis	Findings	Hypothesis Decision
To analyze whether there is a difference before and after acquisition towards SAME'S return on asset (ROA)	H ₁ : There is a difference in the SAME'S return on asset (ROA) before and after the acquisition event.	There is no difference in the SAME'S return on asset (ROA) before and after the acquisition event.	Do not reject H ₀
To analyze whether there is a difference before and after acquisition towards SAME'S	H ₂ : There is a difference in the SAME'S return on equity (ROE) before and after	There is no difference in the SAME'S return on equity (ROE) before and after the acquisition event.	Do not reject H ₀

return on equity (ROE)	the acquisition event.		
To analyze whether there is a difference before and after acquisition towards SAME'S current ratio (CR)	H ₃ : There is a difference in the SAME'S current ratio (CR) before and after the acquisition event.	There is no difference in the SAME'S current ratio (CR) before and after the acquisition event.	Do not reject H ₀
To analyze whether there is a difference before and after acquisition towards SAME'S quick ratio (QR)	H ₄ : There is a difference in the SAME'S quick ratio (QR) before and after the acquisition event.	There is no difference in the SAME'S quick ratio (QR) before and after the acquisition event.	Do not reject H ₀
To analyze whether there is a difference before and after acquisition towards SAME'S total asset turnover (TATO)	H ₅ : There is a difference in the SAME'S total asset turnover (TATO) before and after the acquisition event.	There is no difference in the SAME'S total asset turnover (TATO) before and after the acquisition event.	Do not reject H ₀
To analyze whether there is a difference before and after acquisition towards SAME'S fixed asset turnover (FATO)	H ₆ : There is a difference in the SAME'S fixed asset turnover (FATO) before and after the acquisition event.	There is no difference in the SAME'S fixed asset turnover (FATO) before and after the acquisition event.	Do not reject H ₀
To analyze whether there is a difference before and after acquisition towards SAME'S debt to equity ratio (DER)	H ₇ : There is a difference in the SAME'S debt to equity ratio (DER) before and after the acquisition event.	There is a difference in the SAME'S debt to equity ratio (DER) before and after the acquisition event.	Reject H ₀
To analyze whether there is a	H ₈ : There is a difference in the	There is a difference in the	Reject H ₀

difference before and after acquisition towards SAME'S debt to asset ratio (DAR)	SAME'S debt to asset ratio (DAR) before and after the acquisition event.	SAME'S debt to asset ratio (DAR) before and after the acquisition event.	
To analyze whether there is a difference before and after acquisition towards SAME'S stock return.	H ₉ : There is a difference in the SAME'S stock return before and after the acquisition event.	There is no difference in the SAME'S stock return before and after the acquisition event.	Do not reject H ₀
To analyze whether there is a difference before and after acquisition towards SAME'S stock risk.	H ₁₀ : There is a difference in the SAME'S stock risk before and after the acquisition event.	There is a difference in the SAME'S stock risk before and after the acquisition event.	Reject H ₀

Overall, the hypothesis testing results demonstrate that the acquisition was followed by different outcomes across the dimensions of financial and stock performance. No differences were identified in ROA, ROE, CR, QR, TATO, and FATO, indicating that the expected efficiency gains were not consistently reflected in profitability, liquidity, or asset utilization during the observed post-acquisition period. In contrast, DER and DAR showed differences and declined following the acquisition, suggesting that the clearest financial change occurred in SAME's capital structure, characterized by lower reliance on debt. From the perspective of Efficiency Theory, these findings suggest that the post-acquisition outcomes were more consistent with financial efficiency than operating efficiency, as changes in leverage were more evident than improvements in profitability or asset utilization.

The stock performance results provide an additional perspective. Market-Adjusted Return did not show a statistically significant difference before and after acquisition event, although its descriptive mean was lower during the post-acquisition period. In contrast, Stock Risk showed a difference, with the lower

standard deviation of daily stock returns indicating reduced volatility during the post-acquisition period. These findings suggest that SAME experienced a more stable stock risk profile without a statistically identifiable change in its market-relative return performance. The results further demonstrate that financial and market performance indicators do not necessarily move uniformly, as stock performance may also be influenced by broader market and macroeconomic conditions (Chiang et al., 2024).

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

Based on the analysis and discussion presented in Chapter IV, this study concludes that the acquisition of PT Kedoya Adyaraya Tbk by PT Sarana Meditama Metropolitan Tbk (SAME) resulted in different outcomes across the dimensions of financial and stock performance. In terms of financial performance, no differences were identified in Return on Assets (ROA), Return on Equity (ROE), Current Ratio (CR), Quick Ratio (QR), Total Asset Turnover (TATO), and Fixed Asset Turnover (FATO) between the pre- and post-acquisition periods. Although ROA and ROE improved descriptively from negative to positive average values, the changes were not statistically significant. Meanwhile, the liquidity and asset-utilization indicators also did not demonstrate statistically identifiable changes following the acquisition. In contrast, Debt-to-Equity Ratio (DER) and Debt-to-Asset Ratio (DAR) showed differences, with both ratios declining in the post-acquisition period. These findings indicate that the most evident change in SAME's financial performance occurred in its capital structure, characterized by lower leverage and reduced reliance on debt financing.

In terms of stock performance, Market-Adjusted Return did not show a statistically significant difference between the pre- and post-acquisition periods, although its average value decreased during the post-acquisition period. In contrast, Stock Risk showed a statistically significant difference, with the lower standard deviation of daily stock returns indicating reduced volatility and a more stable risk profile during the post-acquisition period.

The findings further indicate that improvements in post-acquisition performance should not be evaluated solely based on changes in profitability. Although the acquisition expanded SAME's business and asset base, the absence of differences in ROA, ROE, TATO, and FATO suggests that the expanded resources had not yet translated into consistently different levels of profitability and asset utilization during the observation period. Similarly, the absence of differences in

CR and QR indicates that the company's short-term liquidity characteristics remained statistically comparable across the two periods. Nevertheless, the statistically significant reductions in DER and DAR demonstrate a clear shift in the company's financing structure. This suggests that the financial outcomes following the acquisition were more evident in the management of leverage and capital structure than in the generation of operating returns.

Furthermore, the stock performance findings indicate that the post-acquisition period was characterized by lower stock risk without a statistically identifiable change in market-relative return performance. Therefore, lower stock risk was not accompanied by statistically significant improvement or deterioration in market-adjusted return. Taken together, the financial and stock performance findings demonstrate that the differences between the pre- and post-acquisition periods were multidimensional and concentrated primarily in capital structure and stock risk. While the lower DER, DAR, and Stock Risk are consistent with a less leveraged and more conservative financial and risk profile, these findings alone are insufficient to establish the realization of financial synergy under Efficiency Theory. Similarly, statistically significant differences in profitability, liquidity, asset utilization, and Market-Adjusted Return were not identified.

5.2 Research Limitations

This research has two main limitations that should be considered when interpreting the findings.

1. The pre-acquisition period overlaps with the COVID-19 pandemic and also includes capital restructuring in 2021, while the post-acquisition period reflects subsequent recovery conditions. Therefore, changes in SAME's financial and stock performance cannot be attributed solely to the acquisition, as pandemic-related conditions, financing decisions, and broader industry developments may also have influenced the observed results. Since this study does not statistically isolate these external influences or include a peer comparison against non-acquiring healthcare companies, the findings should be interpreted as differences associated with the post-acquisition period rather than direct effects of the acquisition.

2. Matching corresponding quarters between the pre- and post-acquisition periods helps reduce seasonal differences, but it does not fully account for underlying time trends, pandemic-related structural changes, or autocorrelation across quarterly observations. As a result, the paired comparison may not capture all time-related dependencies in SAME's financial performance.
3. The use of the Brown–Forsythe test provides a more robust comparison of Stock Risk under not normal daily return distributions. However, daily stock returns may still exhibit serial dependence and volatility clustering. These characteristics mean that observations may not be fully independent over time, which is not explicitly modeled in the current variance comparison.

5.3 Research Implications

5.3.1 Theoretical Implications

This study provides several theoretical implications for understanding the acquisition event outcomes, particularly through the perspective of Efficiency Theory.

1. The expected efficiency gains from an acquisition may not occur uniformly across all dimensions of firm performance. The absence of differences in ROA, ROE, CR, QR, TATO, and FATO based on hypothesis testing suggests that potential acquisition synergies were not clearly reflected in profitability, liquidity, and asset utilization during the observed period. In contrast, the differences and reductions in DER and DAR indicate that the most evident financial changes occurred in SAME's capital structure and leverage. This suggests that the realization of acquisition efficiency may be more visible in financial restructuring than in immediate improvements in operating performance.
2. The application of Efficiency Theory is extended in this study by considering financial performance together with stock performance. The findings show that lower leverage after the acquisition was accompanied by lower stock risk, suggesting a post-acquisition profile characterized by a more conservative financial structure and lower market volatility. However,

the simultaneous decline in market-adjusted return demonstrates that lower financial and market risk does not necessarily translate into superior returns relative to the market.

5.3.2 Practical Implications

Based on the findings of this study, PT Sarana Meditama Metropolitan Tbk (SAME) should prioritize translating its post-acquisition expansion into stronger profitability and asset utilization. Although the average ROA and ROE improved from negative to positive levels after the acquisition, the differences were not statistically significant. Similarly, TATO and FATO did not show differences between the pre- and post-acquisition periods. These findings suggest that the larger asset and business base following the acquisition has not yet been consistently translated into higher profitability or more efficient asset utilization. Therefore, the company should focus on optimizing the utilization of acquired assets, improving operational productivity, controlling operating costs, and maximizing revenue generation from its expanded hospital network. This recommendation is also consistent with Yudiantono et al. (2025), who identify asset utilization and operational efficiency as areas for improvement for SAME.

The company should also closely manage its short-term liquidity position. Although CR and QR did not show differences, both ratios declined descriptively after the acquisition. This indicates that liquidity should remain an area of management attention, particularly as business expansion may increase working-capital requirements. SAME should therefore maintain sufficient liquid assets, strengthen operating cash-flow management, optimize receivable collection, and carefully balance short-term liabilities with its expansion requirements. This is particularly relevant because Yudiantono et al. (2025) reported relatively constrained liquidity for SAME during 2021-2024 and highlighted working-capital management and financing strategy as important factors affecting healthcare companies' financial performance.

At the same time, the differences and descriptive declines in DER and DAR should be maintained as a positive development in SAME's financial structure.

Lower leverage indicates that the company became less dependent on debt financing during the post-acquisition period, potentially providing greater financial flexibility and reducing exposure to financial risk. Yudiantono et al. (2025) similarly characterize SAME as having a relatively conservative capital structure and note that lower leverage may provide advantages through lower financial risk and financing burdens. Therefore, management should maintain an appropriate balance between debt and equity while ensuring that a conservative financing strategy does not unnecessarily restrict investment opportunities that could improve profitability and asset productivity.

For investors, the findings suggest that SAME should be evaluated not only from the perspective of profitability growth, but also from the improvement in its capital structure and risk profile. The lower DER and DAR indicate reduced reliance on debt financing, while the lower Stock Risk reflects greater stability in daily stock-return movements during the post-acquisition period. However, because ROA, ROE, TATO, FATO, and Market-Adjusted Return did not show statistically significant differences, investors should remain cautious in interpreting the acquisition as having generated broad-based financial improvement. Investment decisions should therefore consider both the company's stronger solvency and lower market risk alongside the still-limited evidence of improvement in profitability, asset utilization, and market-relative returns.

5.3.3 Policy Implications

This study provides policy implications for healthcare regulators and policymakers by highlighting the importance of considering post-acquisition financial sustainability and operational efficiency when evaluating consolidation within the hospital sector.

1. Healthcare policymakers and regulators should consider post-acquisition financial sustainability and operational efficiency when evaluating consolidation within the hospital sector, as the findings demonstrate that the acquisition outcomes may vary across performance dimensions and may not immediately translate into improvements in profitability or asset utilization.

2. Financial resilience should be considered alongside healthcare capacity and business expansion in the development of policies related to hospital corporate actions like acquisition, as the changes observed in SAME's leverage and stock risk indicate the importance of maintaining a sustainable financial structure to support the long-term development of healthcare institutions.

5.4 Recommendations

From this study's limitations, there are some recommendations or further research implications for those who want to continue and develop this study, as follows:

1. Future research could specifically control for the impact of the COVID-19 pandemic on SAME to better distinguish changes associated with the acquisition from those influenced by external shocks.
2. Future studies could strengthen the analysis by incorporating comparable healthcare companies, industry benchmarks, or time-series approaches such as interrupted time-series analysis.
3. Future research could therefore apply time-series volatility models or other methods that explicitly account for serial correlation and changing volatility patterns.
4. Extend the post-acquisition observation period to assess whether changes in financial and stock performance become more evident over the longer term.
5. Incorporate operational and non-financial indicators such as revenue growth, EBITDA margin, patient volume, bed occupancy rate, and cost efficiency to provide a more comprehensive assessment of SAME's post-acquisition performance.
6. Future research could consider macroeconomic conditions, healthcare regulations, and industry developments to better account for external factors that may influence SAME's financial and stock performance.

7. Examine operating, financial, and managerial synergies more directly by combining quantitative financial analysis with qualitative approaches such as management interviews.
8. Apply different stock-performance event windows and observation periods to distinguish short-term market reactions from longer-term changes in SAME's stock return and risk.

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APPENDICES

Appendix 1: Company Profile of PT Sarana Meditama Metropolitan Tbk (SAME)

PT Sarana Meditama Metropolitan was established on November 13th, 1984, with the name of Omni Hospital. In the same year, the Company acquired the shares of OMNI Hospitals Pulomas as a strategic move to enter the healthcare industry. In accordance with its long-term strategic vision, in 1988 the Company transformed itself into a general hospital by providing a comprehensive range of healthcare services. Twenty years later, in 2008, OMNI Hospitals Alam Sutera officially commenced operations with five Centers of Excellence supported by leading specialist doctors. In 2010, the Ministry of Health of the Republic of Indonesia accredited both the 12 Company's hospitals namely Omni Hospitals Pulomas and OMNI Hospitals Alam Sutera to provide 16 health services that had met the health service quality standards.

In order to scale up its business, the Company conducted initial public offering by listing its shares on the Indonesia Stock Exchange on January 11th, 2013, under the name PT Sarana Meditama Metropolitan Tbk with "SAME" ticker symbol. The proceeds from the initial public offering were utilized to expand hospital rooms and as working capital. In 2016, the Company started the operations of its third OMNI Hospitals located in Cikarang, and in 2018, the fourth in Pekayon, South Bekasi. Today, the Company has established itself as a leading hospital group in Indonesia with KARS-accredited hospitals (three JCI), over 1,397 beds, and ~892 doctors (716 specialists) across Tangerang, Cikarang, Pekayon, Pulomas, Sentul, Cibitung, Alam Sutera, and Grha Kedoya. The Company also owns landed space in Balikpapan, East Kalimantan, that has been allocated for future hospital development

The Company was acquired by Emtex Group (PT Elang Mahkota Teknologi Tbk via PT Elang Medika Corpora, 78.4% stake) for ~Rp 2.3 trillion from prior Omni owners, it rebranded RS Omni into EMC network. This rebranding integrated digital synergies, achieving full "digital hospital" status by June 2024 via EMCare

app (telehealth, appointments, unified records) and optimized medtech/pharma assets, boosting operational scale amid JKN INA-DRG shifts. Post-merger, SAME expanded reach, leveraging Emtek's tech ecosystem for telemedicine and data analytics, aligning with national goals like Satusehat.

The deal digitized operations, attaining "digital hospital" certification by June 2024 via EMCare app for telehealth, unified records, and appointments, plus synergies in medtech/pharma assets (~892 doctors, 716 specialists). SAME now manages 1,397+ beds across EMC sites (three JCI-accredited), leveraging Emtek's tech for Satusehat compliance and expansions.

PT Sarana Meditama Metropolitan Tbk (SAME), operating under the EMC Healthcare network, executed a significant acquisition in November 2021, when the company completed the acquisition of approximately 66% of PT Kedoya Adyaraya Tbk (RSGK), the operator of Grha Kedoya and Grha MM2100 hospitals. The transaction value was reported at approximately IDR 1.35 trillion, representing one of the notable consolidation moves in the Indonesian hospital sector during the post-COVID transition phase.

The timing of this acquisition is strategically significant. The transaction occurred when Indonesia's healthcare system was shifting from acute pandemic response toward structural normalization. By 2021-2022, hospitals were facing declining COVID-related revenues, normalization of patient volumes, rising operational costs, and increasing regulatory adjustments within the JKN/BPJS reimbursement framework. Unlike the 2020-2021 emergency stimulus environment, the period following the acquisition was characterized by tighter financial discipline and heightened competition. Therefore, SAME's consolidation move can be interpreted as a proactive strategy to strengthen network scale, diversify revenue streams, improve referral integration, and enhance asset utilization under sustained financial pressure.

Appendix 2: Financial Data of PT Sarana Meditama Metropolitan Tbk

Year	Quarter	Current Asset	Fixed Asset	Inventory	Total Asset	Current Liabilities	Total Liabilities	Total Equity	Revenue	Net Profit
2018	Q4-17	203.6	1,503.0	19.1	1,714.7	165.1	672.5	1,042.3	205.5	0.9
	Q1-18	221.7	1,525.3	21.6	1,755.2	182.4	854.9	900.3	222.4	21.1
	Q2-18	243.3	1,571.4	23.8	1,822.8	196.0	742.8	1,080.0	225.3	26.6
	Q3-18	397.7	1,773.0	25.1	2,179.6	135.4	1,096.9	1,082.7	245.7	2.7
2019	Q4-18	427.2	2,087.0	29.7	2,529.0	121.4	1,202.9	1,326.1	258.7	8.5
	Q1-19	430.1	2,114.9	32.4	2,559.8	148.0	1,229.6	1,330.3	163.8	4.2
	Q2-19	426.9	2,091.4	21.6	2,533.0	110.4	1,202.1	1,330.9	111.2	0.7
	Q3-19	196.0	1,997.7	13.3	2,234.9	199.7	1,234.9	1,000.0	121.1	(97.8)
2020	Q4-19	227.2	2,531.7	19.6	3,031.8	286.3	1,348.4	1,683.4	133.3	(21.4)
	Q1-20	123.7	2,045.0	16.6	2,224.8	234.3	1,265.1	959.7	136.6	(17.8)
	Q2-20	83.3	2,025.2	10.3	2,164.7	193.7	1,234.6	930.1	79.0	(29.7)
	Q3-20	103.4	1,699.1	10.3	1,829.4	217.7	1,272.3	557.1	274.7	(482.3)
2021	Q4-20	131.3	1,727.2	12.7	1,889.6	293.3	1,343.8	545.8	326.4	80.3
	Q1-21	1,393.8	1,708.3	11.1	3,130.7	1,274.0	1,349.0	1,781.7	218.9	39.3
	Q2-21	342.8	1,701.4	17.5	2,068.4	153.8	227.5	1,840.9	219.2	59.4
	Q3-21	1,255.4	2,704.9	24.9	4,528.0	183.8	305.6	4,222.4	548.8	46.5
2022	Q4-21	859.3	3,561.3	38.4	4,948.7	331.3	517.1	4,431.6	284.7	2.9
	Q1-22	700.9	3,555.3	35.3	4,785.5	303.0	566.4	4,219.1	349.5	8.8
	Q2-22	598.8	3,541.5	34.7	5,188.8	353.6	1,198.0	3,990.8	288.5	(31.8)
	Q3-22	565.4	3,530.8	35.9	5,075.4	346.8	1,168.4	3,907.0	379.9	20.8
2023	Q4-22	558.0	3,573.9	40.4	5,140.0	363.0	1,157.0	3,983.0	375.7	11.8
	Q1-23	573.9	3,575.7	43.1	5,166.8	400.5	1,177.9	3,988.8	364.6	3.5
	Q2-23	537.1	3,563.1	51.7	5,138.7	379.8	1,167.3	3,971.4	358.1	(2.1)
	Q3-23	449.8	3,826.0	49.2	5,321.3	460.6	1,340.2	3,981.1	409.0	12.5
2024	Q4-23	472.3	3,796.9	53.8	5,364.8	541.8	1,381.2	3,983.6	403.9	3.9
	Q1-24	544.6	3,824.3	58.4	5,434.4	607.9	1,443.3	3,991.1	435.8	4.7
	Q2-24	501.6	3,821.4	49.2	5,393.2	583.1	1,408.3	3,984.9	411.9	(4.4)
	Q3-24	451.3	3,812.3	49.6	5,360.0	589.6	1,371.4	3,988.5	433.6	3.4
2025	Q4-24	491.2	3,973.3	52.3	5,558.3	663.2	1,420.1	4,138.3	425.1	16.9
	Q1-25	477.2	3,962.1	35.9	5,529.7	664.9	1,377.6	4,152.0	440.9	11.3
	Q2-25	492.1	3,972.4	50.2	5,592.3	751.0	1,432.9	4,159.4	434.2	7.1
	Q3-25	521.2	4,194.1	49.5	5,779.9	847.0	1,599.8	4,180.1	492.3	20.5
2026	Q4-25	506.8	4,235.3	54.3	5,802.2	953.5	1,636.4	4,165.7	494.7	(1.4)

Appendix 3: Pairing of Financial Performances PT Sarana Meditama Metropolitan Tbk

Before	ROA	ROE	CR	QR	TATO	FATO	DER	DAR	After	ROA	ROE	CR	QR	TATO	FATO	DER	DAR
Q1-18	0.012	0.0234	1.2156	1.0972	0.1267	0.1458	0.9495	0.487	Q1-22	0.0018	0.0021	2.3134	2.197	0.073	0.0983	0.1343	0.1184
Q1-19	0.0016	0.0031	2.9066	2.6876	0.064	0.0774	0.9243	0.4803	Q1-23	0.0007	0.0009	1.4329	1.3252	0.0706	0.102	0.2953	0.228
Q1-20	-0.008	-0.0185	0.5279	0.457	0.0614	0.0668	1.3182	0.5686	Q1-24	0.0009	0.0012	0.8958	0.7997	0.0802	0.1139	0.3616	0.2656
Q1-21	0.0125	0.022	1.094	1.0853	0.0699	0.1282	0.7571	0.4309	Q1-25	0.002	0.0027	0.7178	0.6638	0.0797	0.1113	0.3318	0.2491
Q2-18	0.0146	0.0247	1.2415	1.12	0.1236	0.1434	0.6878	0.4075	Q2-22	-0.0061	-0.008	1.6934	1.5953	0.0556	0.0814	0.3002	0.2309
Q2-19	0.0003	0.0005	3.8648	3.6694	0.0439	0.0532	0.9032	0.4746	Q2-23	-0.0004	-0.0005	1.4144	1.2782	0.0697	0.1005	0.2939	0.2272
Q2-20	-0.0137	-0.0319	0.4301	0.3768	0.0365	0.039	1.3275	0.5703	Q2-24	-0.0008	-0.0011	0.8602	0.7758	0.0764	0.1078	0.3534	0.2611
Q2-21	0.0287	0.0323	2.2295	2.1159	0.106	0.1288	0.1236	0.11	Q2-25	0.0013	0.0017	0.6553	0.5885	0.0776	0.1093	0.3445	0.2562
Q3-18	0.0012	0.0025	2.9372	2.7517	0.1127	0.1386	1.0132	0.5033	Q3-22	0.0041	0.0053	1.6302	1.5268	0.0748	0.1076	0.299	0.2302
Q3-19	-0.0438	-0.0978	0.9818	0.9153	0.0542	0.0606	1.2349	0.5526	Q3-23	0.0024	0.0031	0.9766	0.8697	0.0769	0.1069	0.3366	0.2519
Q3-20	-0.2636	-0.8657	0.4751	0.4276	0.1502	0.1617	2.2838	0.6955	Q3-24	0.0006	0.0008	0.7655	0.6813	0.0809	0.1137	0.3438	0.2559
Q3-21	0.0103	0.011	6.8296	6.694	0.1212	0.2029	0.0724	0.0675	Q3-25	0.0035	0.0049	0.6154	0.5569	0.0852	0.1174	0.3827	0.2768
Q4-17	0.0005	0.0009	1.2335	1.1176	0.1199	0.1368	0.6452	0.3922	Q4-22	0.0023	0.003	1.5373	1.4259	0.0731	0.1051	0.2905	0.2251
Q4-18	0.0033	0.0064	3.5187	3.2743	0.1023	0.1239	0.9071	0.4757	Q4-23	0.0007	0.001	0.8718	0.7725	0.0753	0.1064	0.3467	0.2574
Q4-19	-0.0071	-0.0127	0.7937	0.725	0.044	0.0527	0.801	0.4447	Q4-24	0.003	0.0041	0.7407	0.6618	0.0765	0.107	0.3432	0.2555
Q4-20	0.0425	0.1471	0.4479	0.4046	0.1727	0.189	2.4619	0.7111	Q4-25	-0.0002	-0.0003	0.5315	0.4745	0.0853	0.1168	0.3928	0.282