ANALYSIS PROFITABILITY OF COMPANY BEFORE AND AFTER MERGER
(A case study on the company's merger in 2009 to 2014 are listed in Indonesia Stock Exchange)

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ABSTRACT

Merger is combination of two or more companies to establish a new company. Merger happens when a company takes over all the operations of other business entities and the entities which taken over is dissolved. This research aims to analyze profitability of company before and after merger in companies listed in Indonesia Stock Exchange. Profitability is measured by using ratios: Net Profit Margin (NPM), Return on Equity (ROE), Return on Investment (ROI). This research takes population from all of the company that done merger in period of 2009-2014. The samples of this research consists of 3 firms from non-banking category are listed in Indonesia Stock Exchange. The ratios of data obtained from company's financial statements are published. The analysis used to test the hypothesis of this research is descriptive and comparative analysis with a statistical test Paired Sample T Test. The results from Paired Sample T Test shows that there was difference for Net Profit Margin, Return on Equity and Return On Investment ratios before and after merger in period of observation and testing.

Keywords: Mergers, Profitability, Paired Sample T Test

BACKGROUND RESEARCH

The trend of mergers and acquisitions (M & A) globally experienced tremendous growth. Throughout 2014, seven out of ten major M & A transactions have occurred during the last six months. "The regulations about foreign stake in national banks are only allowed 40%, as well as the shipwreck of the acquisition of DBS Bank Danamon, making M & A transactions in the banking sector in 2014 greatly decreased," said Bruce Delteil, M & A Asia Pacific Lead for Accenture. Bruce explained, in ASEAN, the trend of mergers and acquisitions is still running positive. In 2014, the number of mergers and acquisitions in the region increased by about 12% or US $ 68.4 billion, with the number of transactions reached 1,751 cases.

Most mergers and acquisitions occurred in the six business sectors, namely: finances, energy and electric power, property, technology and raw materials. In the period of the ASEAN Economic Community (MEA) scrolls, Indonesia must be ready for that in the year 2020 foreigners may own 70% of assets of domestic enterprises in any industry

Therefore, Bruce said, Indonesia needs to have a more flexible investment policy. He believes that M & A is able to bring benefits to the economic climate of a country. "Level M & A Low implies questions about the dynamics of the industry in the country. Without M & A, no improvements can be done industry. Instead, through M & A, Indonesia will have a large enterprise scale is able to compete with companies regionally and globally," said Bruce. (Www.marketeers.com)

In general, the goal to do mergers and acquisitions is gaining synergies or value-added long-term added value is not just a temporary solution

According Beams, Brozovsky, and Shoulders (2009:1) Companies constantly strive to create added value for its shareholders economy. In connection with this strategy, business expansion has long been regarded as a destination business entity that makes sense. Companies may choose to expand the business both internally (to build its own facilities) and externally (to take control of another company in the merger).

If the expansion is the main targets of the company, some of the reasons why the business expanded through the merger: (1) cost advantage, (2) a lower risk. Buying a product line and existing markets typically reduce risk rather than developing new products and markets. (3) Minimize delay in operations. In building a new company facility possible delays in construction due to the necessary government approval to start operations. (4) Avoid takeover. (5) Acquisition of intangible assets.

The merger involves combining of resources, both tangible and intangible. Thus, the acquisition of patents, mineral mining, research customer database, or management expertise may be a major factor that motivates a business combination. According Beams, Brozovsky, and Shoulders (2009: 5) Merger requires the dissolution of all the entities involved except the one entity. While consolidation requires the dissolution of all business entities involved and form a new company.

In 2014, XL has focused its efforts on consolidation and post-merger integration with Axis. During the first quarter of 2015, XL's revenue of Rp. 5.5 trillion, with a growth rate that is relatively flat compared with the period last year, following the selling and leasing back 3,500 towers by the end of 2014. Revenue from mobile services grew 3% from last year, while Data services continued to grow by 29% compared to last year.

Data service revenues accounted for 32% of total consumption in revenues compared to the previous year by 26%. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) decreased 15% from the same period last year to Rp. 1.9 Trillion with EBITDA margin of 34%. The decline in EBITDA is a reflection of their integration with Axis, which the acquisition was completed on March 19, 2014 ago. In the first quarter of last year the effect is yet to be seen fully.

(Http://www.xl.co.id/corporate/id/investor/informasi/lakukan-konsolidasi-XL-fokus-untuk-percepat-transformasi)

According Harahap (2009: 304) describes the profitability is the company's ability to profit through all of the capabilities and existing resources such as sales activities, cash, capital, number of employees, number of branches of the company, and so forth.

According to Kashmir (2011: 114) Profitability ratios are ratios to assess the ability of companies in search of gain or profit in a given period. ratio used is ROE, ROI, NPM, OPM, GPM. The use of financial ratios as an assessment of the profitability of companies in relation to mergers and acquisitions have been made by several researchers, including Dhani Ichsanuddin Nur (2010), which examines the impact of the decision on the merger of banking in Indonesia Stock Exchange. The results showed that there were no significant differences in the level of liquidity, activity level, and the level of profitability between before and after the merger. Holy Mutiara Ayu (2014) who studied Comparative Analysis of Company Profitability before and after Acquisition. The results showed that there were significant differences in the Operating Profit Margin of the company before and after the merger, whereas no significant difference in the Net Profit Margin, Gross Profit Margin, Return on Investment and Return On Equity company before and after the merger.

In this study, only limited to the difference in the profitability of the company before and after the merger was observed with the following ratings:

a. How big is the difference in the company's profitability as measured by the ratio of Net Profit Margin (NPM) before and after the merger?
b. How big is the difference in the company's profitability as measured by return on equity ratio (ROE) before and after the merger?

c. How big is the difference in the company's profitability as measured by the ratio of Return On Investment (ROI) before and after the merger?

This research was conducted on a publicly traded company merger and includes the date of the merger on the financial statements, published through the official website which www.idx.co.id and locations used for data collection Investments Gallery Widyatama University Jl. Cikutra No.204A Bandung.

Theoretical Framework

Definition of Merger

Definition of Merger Beams, Brozovsky, and Shoulders (2009:2) states that: "The merger is the union entities - business entities that were previously separate." Although the main purpose of the merger is the profitability, the merger is also aimed at gaining efficiency through the integration of operating horizontally (merger companies in the business line or the same market) or vertical (the merger of two or more companies with different operating) or conglomerate (merging companies with products and / or services that are not interconnected and diverse.

IAS 22 Business Combinations (business combination) are: "The merger is the union of two or more separate companies into one economic entity as the company merges with another company or gain control over the assets and operations of another company."

In Government Regulation No. 57 in 2010 form the merger are:

a. Amalgamation (merger) is a legal act performed by a single entity or to combine with other business entities that have no resulting assets and liabilities of the business entity that combines the self-switch for the law to business entities that receive incorporation and subsequent status of business entities who joined expires by operation of law.

b. Smelter (consolidation) is a legal act performed by two or more business entities to merge by way of setting up a new business entity for obtaining legal assets and liabilities of the merged entity and the status of business entities merged expire by operation of law.
c. Takeover (acquisition) is a legal act performed by businesses to take stock enterprise which resulted in the shift of control over the enterprise.

Legal Aspects of Mergers and Consolidation

In Act No. 40 of 2007 on Limited Liability section 122 -137 regulate merger, consolidation, acquisition and separation. Article 122 explains:

1. Merger and Consolidation resulted in the Company which combine or merge an end because of the law.
2. The end of the liquidation of the Company occur without any prior
3. In the event of termination of the Company
   a. Assets and liabilities of the Company which combine or merge the switch because hukumm to the Company that the Company receives the Merger or Consolidation results.
   b. Shareholders whose combine or merge because of the law into the Company's shareholders who accept the Merger or Consolidation of the Company's results, and
   c. A company which combines or merges expires by operation of law as of the date the Merger or Consolidation into effect.

The design of the merger set out in Article 123:

1. The Board of Directors of the company will merge and the surviving draft the merger
2. The design of incorporation must contain at least

a. name and domicile of each company that will do the Merger;

b. reasons and explanations Board of Directors who will perform the requirements of the Merger and the Merger;
c. procedures for assessment and conversion of shares of the Company were merged to the Company's shares that accept the Merger;
d. draft amendment of the articles of association of the Company who received the Merger, if any;
e. the financial statements referred to in Article 66 paragraph (2) letter a covering 3 (three) last fiscal year from each company that will do the Merger;
f. plan continuation or termination of the business activities of the Company who will perform the Merger;
g. proforma balance sheet of the Company who received the Merger in accordance with generally accepted accounting principles in Indonesia;
h. h. settlement status, rights and obligations of members of the Board of Directors, Board of Commissioners, and employees of the Company who will perform the Merger themselves;
i. settlement rights and obligations of the Company to be merged to the third party;
j. settlement rights of shareholders who do not agree to the Merger of the Company;
k. name of Directors and the Board of Commissioners and the salaries, emoluments and allowances for members of the Board of Directors and Board of Commissioners which receives the Merger;
l. the estimated period of implementation of the Merger;
m. reports on the state, development, and results of each of the Company who will perform the Merger;
n. The main activities of any company that does the Merger and the changes that occurred during the financial year are running; and

o. Details of the problems that arise during the financial year under way that affect the Company's activities which will perform the Merger.

3. After the Merger Plan approved by the Board of Commissioners of each company submitted to the AGM each for approval.

Merger

Beams, Brozovsky, and Shoulders (2009: 5) states: "The merger occurs when a company takes over all operations of entities other businesses and entities were taken over is dissolved." Meanwhile, according to Gitman (2009: 762): "The merger is a combination of two or more companies, where the company generated maintain the identity of one of the companies, usually the largest companies. "According to the Regulation No. 57 of 2010 the merger was" legal actions performed by a single entity or to combine with other business entities existing assets and liabilities resulting from business entities that incorporate self-switch for the law to business entities that receive incorporation and subsequent status of a business entity that combines self-ends because of the law. "

Profitability

According to Agus (2010: 122): "Profitability is the ability of the company makes a profit in relation to sales, total assets and own capital." Meanwhile, according to Susilawati (2012: 180): "Profitability describes the company's operational performance by providing large gains can be achieved in running the company's operations. Profitability shows the ability of capital invested in the total assets to generate profits for investors."

So the profitability of a company's ability to earn a profit, which illustrates the good or bad performance of the company seen from profits earned in a given period.

Profitability ratios

According to Kashmir (2011:114): "The ratio is the ratio of profitability to evaluate the ability of companies in search of gain or profit in a given period. Ratio used is ROE, ROI, NPM, OPM, and GPM."

Meanwhile, according to Irham (2011; 135) is a profitability ratio "Profitability ratios measure the effectiveness of the overall management shown by the size of the level of profits in connection with the sale or investment. The better the profitability ratio the better illustrate the ability of the high profitability of the company. "

So the profitability ratio used to assess the company's ability to make a profit and to measure the effectiveness of the overall management.

Type of Profitability Ratios

The types of profitability ratios used in this study are:

1. ***Net Profit Margin*** **(NPM)**

$$NPM = \frac{\text{Earning after interest and tax}}{\text{Sales}} \times 100\%$$

Net Profit Margin is a measure profits by comparing the profit after interest and taxes compared with sales. This ratio shows the company's net income on the sale.

2. ***Return on Equity*** **(ROE)**

$$ROE = \frac{\text{Earning after interest and tax}}{\text{Sales}} \times 100\%$$

Return on equity (ROE) or own capital profitability is to measure the ratio of net profit after tax with their own capital. This ratio indicates the efficient use of its own capital. The higher this ratio, the better. That is the position of the owner of the company is getting stronger, and vice versa.

3. *Return On I nvesment* (ROI)

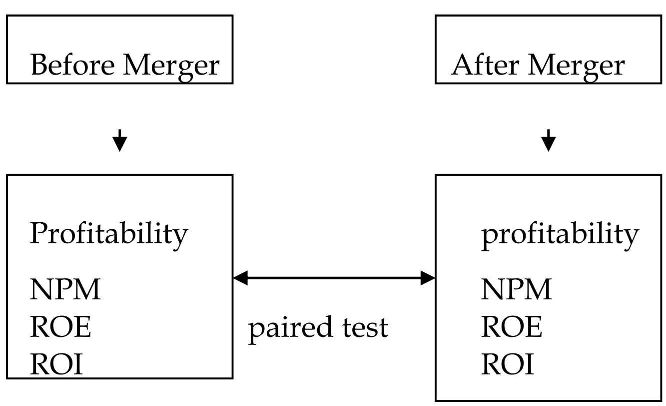
$$\text{ROI} = \frac{\text{Earning after interest and tax}}{\text{Total Assets}} \times 100\%$$

Return on investment (ROI) or return on total assets is a ratio that shows the results (return) on the amount of assets used in the company. ROI is also a measure of the effectiveness of management in managing its investments. It shows the productivity of the entire fund companies, both loan capital and equity capital. The smaller the ROI increasingly less good, and vice versa. This means that this ratio is used to measure the effectiveness of the overall operation of the company.

According Irham (2011:137), the ratio of return on investment (ROI) or return on investment, or written as return on total assets (ROA). This ratio saw the extent of the investments made capable of providing returns as expected.

Framework

Figure 1 Framework



The study hypothesis

H1: There is a difference in the company's profitability as measured by the ratio of Net

Profit Margin (NPM) before and after the merger.

H2: There is a difference in the company's profitability as measured by the ratio of

Return on Equity (ROE) before and after the merger.

H3: There is a difference in the company's profitability as measured by the ratio of return

On Investment (ROI) before and after the merger.

Object and Methode Research

Object of research

The object of research companies listed in the Indonesia Stock Exchange. The company's profitability is measured using the Net Profit Margin (NPM), Return on Equity (ROE) and Return on Investment (ROI). The time period used in this study is a company that merged between 2009 -2015.

Research methods

Descriptive analysis method and comparative method (Sugiyono (2011: 2)), the descriptive method is: "A method in researching the status of a group of people, an object, a condition, a system of thought, or an event in the present" and Natzir (200 954), descriptive research goal is to create a description, picture or painting in a systematic, factual and accurate information on the facts, nature and the relationship between the phenomenon investigated ". The comparative method according to Nazir (2009: 58): Comparative research is a kind of descriptive study wants to find answers to fundamental about the result, by analyzing the factors that cause the occurrence or the emergence of a particular phenomenon. "

Table 1

Operasionalization Variable

Operasionalization Variable	Sub-Variabel	Indicator	Scale
Profitabilitas	NPM	NPM = Earning after interest and tax / Sales X 100	Rasio
	ROE	ROE = Earning after interest and tax / equity X 100	Ratio
	ROI	ROI = Earning after interest and tax / Total Assets X 100	Ratio

Population and Sample Research

The population in this study is a company listed on the Indonesia Stock Exchange (IDX) in the period 2009-2015. The sampling technique used in this research is *purposive sampling method*. Sample companies were selected based on the following criteria:

1. The company is listed on the Indonesia Stock Exchange (IDX).
2. The Company's non-bank merger between 2010-2014.
3. Companies that publishes financial statements of the two years before the merger, and two years after the merger.

Table 2 Reserach Sampel

Research Sampel	Emiten Code	Emiten Merger	Result Merger	Date of Merger
1	SCMA	PT Surya Citra Media Tbk PT Indosiar Karya Media Tbk	PT Surya Citra Media Tbk	1 Mei 2013
2	JPFA	PT Japfa Comfeed Indonesia Tbk	PT Japfa Comfeed Indonesia Tbk	2 juli 2012

3	CPIN	PT Multibeeder Adirama Indonesia Tbk PT Charoen Pokphand Jaya Farm Tbk PT Cipendawa Agriindustri Tbk	PT Charoen Pokphand Jaya Farm	8 juni 2011

Source: IDX Indonesia 2016

Different test

According Sunyoto (2013: 29), the purpose of the different test or test this hypothesis is to test the prices of statistics, the mean and the proportion of one or two samples studied. Test difference by Kuncoro (2013: 219), including Chi-square test (x2) for differences between groups, the Z test for the difference in proportion, and the t test for differences in average.

According Atmaja (2009: 197), there are two methods used to test the hypothesis, parametric methods which require the assumption that the data are normally distributed. Nonparametric method that does not require the assumption that the data are normally distributed.

The data has been normally distributed, tested using parametric methods. However, if the data is not distributed normally, then the different tests conducted by nonparametric methods.

The difference will be tested in this study was prior to the merger and after the merger, so that the output will be visible there or 43 whether the average difference of the profitability of the companies represented by the ratio of NPM, ROE and ROI.

Hypothesis testing

Testing this hypothesis aims to determine whether or not the difference Net Profit Margin (NPM), Return on Equity (ROE) and Return On Investment (ROI) before and after the merger. The hypothesis was tested using paired samples t test were processed using IBM SPSS Statistics application 20. The steps of hypothesis testing are as follows:

A. formulate hypothesis

Ho: X1 = X2 no differences Net Profit Margin before and after the merger.
Ha: X1 ≠ X2 Net Profit Margin no difference before and after the merger.
Ho: X1 = X2 there is no difference in return on equity before and after the merger.
Ha: X1 ≠ X2 is no difference in return on equity before and after the merger.
Ho: X1 = X2 no difference Return on Investment before and after the merger.
Ha: X1 ≠ X2 Return on Investment is no difference before and after the merger.

B. Statistic test

Testing the hypothesis in this study is paired samples test. According Ghozali (2011: 66), paired samples test was used to test whether there are differences in the average of two samples related. According Nisfiannoor (2009: 118), paired sample t test aims to test the mean difference for the two groups of pairs, the subject is the same, but have two different treatments or measurements. There is a pre-test and post-test or no measurement of phase I and phase II.

C. Stating the level of significance and draw conclusions

In this test using a significance level α. 5 with degrees of freedom (db = n-k-1) where n is the number of samples and k is the number of variables. From the test results paired sample t test using IBM SPSS Statistics 20, the variable is said to have no significant difference between before and after the merger or accept H0 if asymptotic sig> significance level used in pengujiaan. Conversely variable is said to have a significant difference between before and after the merger or reject Ho if asymptotic sig <significant level.

Results and Discussion

Companies that merged and listed in Indonesia Stock Exchange 2009-2015 period. Is:

Table 3 The Company that merged in the year 2009 until 2015

No Sample	Emiten Code	Emiten Company Name	Date of Merger
1	SCMA	PT Surya Citra Media Tbk	1 Mei 2013
2	JPFA	PT Japfa Comfeed Indonesia Tbk	2 juli 2012
3	CPIN	PT Charoen Pokphand Jaya Farm Tbk	8 juni 2011

Source: Idx Indonesia 2016

Descreptive Statitistic:

***Net Profit Margin* (NPM)**

Table 4 NPM Before Marger

Emiten Code	Year	NPM	Average
SCMA	2011	39.56%	37.63%
	2012	35.70%	
JPFA	2010	6.87%	5.41%
	2011	3.95%	
CPIN	2009	11.07%	12.86%
	2010	14.66%	
Average		18.64%	
Maximum		39.56%	
Minimum		3.95%	

Source: IDX Indonesia

Table 4 presents the descriptive value NPM generated by SCMA, JPFA and CPIN before the merger. In Table 4 shows that: the value of the lowest net profit margin before the merger is owned by JPFA amounted to 3.95%. While the value of the highest net profit margin before the merger is owned by SCMA amounted to 39.56%. Overall, the value of the average net profit margin was 18.64% before the merger.

SCMA in 2011 had a net profit margin of 39.56% and in 2012 the net profit margin of the company decreased by 3.86% from the previous year to 35.70%. JPFA in 2010 had a net profit margin of 6.87% and in 2011 the company's net profit margin decreased by 2.92% from the previous year to 3.95%. CPIN in 2009 had a net profit margin of 11:07% and in 2010 the company's net profit margin increased by 3:59% from the previous year to 14.66%.

Table 5 NPM after Marger

Emiten Code	Year	NPM	Average
SCMA	2014	35.71%	35.65%
	2015	35.60%	
JPFA	2013	2.78%	2.07%
	2014	1.36%	
CPIN	2012	12.58%	11.22%
	2013	9.85%	
Average		16.31%	
Maximum		35.71%	
Minimum		1.36%	

Source: Idx Indonesia 2016

`In Table 5 presents the descriptive value NPM generated by SCMA, JPFA and CPIN after the merger. In Table 5 it can be seen that the value of the lowest net profit margin after the merger is owned by JPFA at 1:36%. While the value of the highest net profit margin after the merger is owned by SCMA amounted to 35.71%. Overall, the value of the average net profit margin after the merger is 16:31%.

SCMA in 2014 had a net profit margin of 35.71% and in 2015 the net profit margin of the company decreased by 12:11% from the previous year to 35.60%. JPFA in 2013 had a net profit margin of 2.78% and in 2014 the net profit margin of the company decreased by 1:42% from a year earlier to 1:36%. CPIN in 2012 had a net profit margin of 12:58% and in 2013 the net profit margin of the company decreased by 2.73% from the previous year to 9.85%.

In Table 4 and Table 5 can be seen that the average - average net profit margin of 18.64% before the merger is greater than - average net profit margin of 16.31% after the merger. Average - Average net profit margin decreased by 2:33% after the merger.

Return on Equity **(ROE)**

Table 6 ROE Before Merger

Emiten Code	Year	ROE	Average
SCMA	2011	60.67%	52.42%
	2012	44.18%	
JPFA	2010	31.20%	24.90%
	2011	18.60%	
CPIN	2009	54.99%	52.28%
	2010	49.57%	
Average		43.20%	
Maximum		60.67%	
Minimum		18.60%	

Source: Idx Indonesia 2016

Table 6 presents the descriptive value ROE generated by SCMA, JPFA and CPIN before the merger. In Table 6 it can be seen that the value of the lowest return on equity before the merger is owned by JPFA amounted to 18.60%. While the value of the highest return on equity before the merger is owned by SCMA amounted to 60.67%. Overall, the value of the average return on equity was 43.20% before the merger.

SCMA in 2011 had a return on equity of 60.67% and in 2012 the return on equity of companies decreased by 16:49% from the previous year to 44.18%. JPFA in 2010 had a return on equity of 31.20% and in 2011 the company's return on equity has decreased by 12.60% from the previous year to 18.60%. JPFA in 2009 had a return on equity of 54.99% and in 2010 the company's return on equity decreased by 5:42% from the previous year to 49.57%.

Table 7 ROE after Merger

Emiten Code	Year	ROE	Average
SCMA	2014	41.64%	35.76%
	2015	29.87%	
JPFA	2013	12.52%	9.67%
	2014	6.83%	
CPIN	2012	32.76%	29.09%
	2013	25.42%	
Average		24.84%	
Maximum		41.64%	
Minimum		6.83%	

Source: Idx Indonesia 2016

Table 7 presents the descriptive value ROE generated by SCMA, JPFA and CPIN after the merger. In Table 7 it can be seen that the value of the lowest return on equity after the merger is owned by JPFA amounted to 6.83%. While the value of the highest return on equity after the merger is owned by SCMA amounted to 41.64%. Overall, the value of the average return on equity was 24.84% after the merger. SCMA in 2014 had a return on equity of 41.64% and a 2015 return on equity of companies decreased by 11.77% from the previous year to 29.87%. JPFA in 2013 had a return on equity of 12:52% and in 2014 the return on equity of companies decreased by 5.69% from the previous year to 6.83%. CPIN in 2012 had a return on equity of 32.76% and in 2013 the return on equity of companies decreased by 7.34% from the previous year to 25.42%.

In Table 6 and Table 7 it can be seen that the average - average return on equity amounted to 43.20% before the merger is greater than - average return on equity amounted to 24.84% after the merger. Average - Average return on equity decreased by 18:36% after the merger.

***Return On Investment* (ROI)**

Table 8 ROI before Merger

Emiten Code	Year	ROI	Average
SCMA	2011	36.34%	33.42%
	2012	30.49%	
JPFA	2010	13.74%	10.60%
	2011	7.46%	
CPIN	2009	30.16%	32.03%
	2010	33.91%	
Average		25.35%	
Maximum		36.34%	
Minimum		7.46%	

Source: Idx Indonesia 2016

Table 8 presents the descriptive value ROI generated by SCMA, JPFA and, CPIN before the merger. In Table 8 it can be seen that the value of the lowest return on investment before the merger is owned by JPFA at 7:46%. While the value of the highest return on investment before the merger is owned by SCMA amounted to 36.34%. Overall, the average value of return on investment before the merger is 25.35%.

SCMA in 2011 had a return on equity of 36.34% and in 2012 the return on equity of companies decreased by 5.85% from the previous year to 30.49%. JPFA in 2010 had a return on equity of 13.74% and in 2011 the company's return on equity decreased by 6:28% from a year earlier to 7:46%.

CPIN in 2009 had a return on equity of 30.16% and in 2010 the company's return on equity increased by 3.75% from the previous year to 33.91%

Table 9 ROI after Merger

Emiten Code	Year	ROI	Average
SCMA	2014	30.63%	26.86%
	2015	23.09%	
JPFA	2013	3.99%	3.05%
	2014	2.11%	
CPIN	2012	21.70%	18.89%
	2013	16.09%	
Average		16.27%	
Maximum		30.63%	
Minimum		2.11%	

Source: Idx Indoensia 2016

Table 9 presents the descriptive value ROI generated by SCMA, JPFA, and, CPIN after the merger. In Table 9 it can be seen that the value of the lowest return on investment after the merger is owned by JPFA at 2:11%. While the value of the highest return on investment after the merger is owned by SCMA amounted to 30.63%. Overall, the average value of the return on investment after the merger is 16:27%.

SCMA in 2014 had a return on equity of 30.63% and a 2015 return on equity of companies decreased by 7:54% from a year earlier to 23:09%. JPFA in 2013 had a return on equity of 3.99% and a 2014 return on equity of companies decreased by 1.88% from a year earlier to 2:11%. CPIN in 2012 had a return on equity of 21.70% and in 2013 the return on equity of companies decreased by 5.61% from a year earlier to 16:09%.

In Table 8 and Table 9 it can be seen that the average - average return on equity amounted to 25.35% before the merger is greater than - average return on equity after the merger of 16:27%. Average - Average return on equity decreased by 9:08% after the merger.

Hypothesis Testing Results

Testing the hypothesis in this study using a different test paired sample t-test is processed using IBM SPSS Statistics application 20. The difference will be tested in this study was prior to the merger and after the merger, so that the output will be seen whether or not the difference in the average of the profitability of the companies represented by the ratio of NPM, ROE and ROI.

Paired sample t-test Net Profit Margin (NPM)

Ho: X1 = X2 no differences Net Profit Margin before and after the merger.

Ha: X1 ≠ X2 Net Profit Margin no difference before and after the merger.

Table 10 Descriptive Statistics *Net Profit Margin* before and after merger

Descriptive Statistics *Net Profit Margin* before and after merger

	N	Minimum	Maximum	Mean	Std. Deviation
npm_before	6	.039	.396	.18650	.152173
npm_after	6	.014	.357	.16333	.155419
Valid N (listwise)	6				

Source: IBM SPSS Statistics 20

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Table 10 shows that the lowest net profit margin before the merger, namely 3.9% and 1.4% after the merger, which means that for every IDR 1.00 of net sales resulted in a net profit as much as 3.9% of net sales before the merger, and 1.4% of net sales after the merger. while the highest net profit margin before the merger, namely 39.6% and 35.7% after the merger, which means that for every IDR 1.00 of net sales resulted in a net profit as much as 39.6% of net sales before the merger and 35.7% of net sales after the merger. Average - Average net profit margin before and after the merger has decreased by 2.3% (18 933% - 16,333%) this shows that for every IDR 1.00 of net sales resulted in a net profit as much as 18.9% of net sales before the merger and 16.3% of sales clean after the merger, meaning that the net profit margin before the merger is better than the net profit margin after the merger.

Table 11 Paired Samples Test T-Test *Net Profit Margin* before and after Merger

Paired Samples Test T-Test *Net Profit Margin* before and after Merger
Paired Samples Test

Paired Differences		t			df		Sig. (2-tailed)		
Mean		Std. Deviation			Std. Error Mean		95% Confidence Interval of the Difference		
Lower					Upper				
Pair 1	npm_before - npm_after	.023167	.020547	.008388	.001604	.044729	2.762	5	.040

Source: IBM SPSS Statistics 20

Based on the results of Paired Samples Test on Table 10 shows that the value of 2762 while tcount ttable 2,571 (df = 5, α = 0.05), and the significance value obtained by the 0.040> 0.05 (the real level of significance of research). The hypothesis that can be taken is H0 rejected. So we can conclude there is no difference between the Net Profit Margin before and after the merger.

Paired Samples Test Return on Equity (ROE)

Ho: X1 = X2 there is no difference in return on equity before and after the merger.

Ha: X1 ≠ X2 Return on Equity was no difference before and after the merger.

Table 12 Descriptive Statistic *Return On Equity* before and after merger

Descriptive Statistic *Return On Equity* before and after merger

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
roe_before	6	.186	.607	.43217	.157265
roe_after	6	.068	.416	.24833	.130222
Valid N (listwise)	6				

Source: IBM SPSS Statistic 20

Table 12 shows that the Return on Equity lows before the merger, namely 18.6% and 6.8% after the merger, which means that out of every IDR 1,00 equity company earned a net profit as much as 18.6% of the equity of the company prior to the merger and 6.8% of the equity of the company after the merger. While the highest return on equity before the merger, namely 60.7% and 41.6% after the merger, which means that for every IDR 1.00 of equity companies, generate a net profit of as much as 60.7% of the equity of the company prior to the merger and 41.6% of the equity of the company after the merger. Average - Average return on equity before and after the merger has decreased by 18.4% (43 217% - 24 833%) this shows that for every IDR 1.00 of equity companies generate a net profit of as much as 43.2% of the equity of the company prior to the merger and 24.8% of the equity after the merger, it means Return On Equity before the merger is better than the return on equity after the merger.

Table 13 Paired Sample T-Test *Return On Equity* before and after Merger

Paired Sample T-Test *Return On Equity* before and after Merger

Paired Samples Test

		Paired Differences					T	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	roe_before – roe_after	.183833	.119891	.048945	.058016	.309651	3.756	5	.013

Source: IBM SPSS Statistics 20

Based on the results of Paired Samples Test Table 13 shows that the value tcount is 3,756 by 2,571 while TTable (df = 5, α = 0.05), and the significance value obtained by the 0.013> 0.05. The hypothesis that can be taken is H0 rejected. So we can conclude there is no difference between the return on equity before and after the merger.

Paired Samples Test Return on Investment (ROI)

Ho: X1 = X2 no difference Return on Investment before and after the merger.

Ha: X1 ≠ X2 Return on Investment is no difference before and after the merger.

Tabel 14 Descriptive statistics *Return On Investment* before and after merger

Descriptive statistics *Return On Investment* before and after merger

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
roi_before	6	.075	.363	.25350	.118101
roi_after	6	.021	.306	.16267	.112504
Valid N (listwise)	6				

Source: IBM SPSS Statistics 20

Table 14 shows that the Return On Investment lows before the merger, namely 7.5% and after the merger 2.1% which means that out of every IDR 1:00 capital invested in the company's assets generate a net profit of as much as 7.5% of the total assets of the company prior to the merger and 2.1% of the total assets of the company after the merger. while the highest Return On Investment before the merger, namely 36.3% and 30.6% after the merger, which means that for every IDR 1.00 of capital invested in the company's assets generate a net profit of as much as 36.3% of the total assets of the company prior to the merger and 30.6% of the total assets of the company after merger. Average - Average Return On Investment before and after the merger has decreased by 9.1% (25.35% - 16 267%) this shows that for every IDR 1.00 capital invested in the company's assets generate a net profit of as much as 25.35% of the total assets of the company prior to the merger and 16:27 % of the total assets of the company after the merger, it means Return on Investment before the merger is better than the Return on Investment after the merger.

Table 15 Paired Samples Test T-Test *Return On Investment* before and after Merger

Paired Samples Test T-Test *Return On Investment* before and after Merger

Paired Samples Test

Paired Differences		T			df		Sig. (2-tailed)		
Mean		Std. Deviation			Std. Error Mean		95% Confidence Interval of the Difference		
Lower					Upper				
Pair 1	roi_before - roi_after	.090833	.058935	.024060	.028985	.152682	3.775	5	.013

Source: IBM SPSS Statistics 20

Based on the results of Paired Samples Test on Table 15 shows that tcount is 3,775 while ttabel 2,571 (df = 5, α = 0.05), and the significance value obtained by the 0.013> 0.05 (the real level of significance of research). The hypothesis that can be taken is H0 rejected. So we can conclude there is no difference between the Return On Investment before and after the merger.

Discussion of Results

Table 16 Summerize

Summerize Hipotesis	Sig.		Conclusion
Variabel trest			
Profitability			
H_1	NPM	0.040	There is a difference before and after merger
H_2	ROE	0.013	There is a difference before and after merger
H_3	ROI	0.013	There is a difference before and after merger

Source: Data yang diolah 2016

Differences Profitability Ratio Based Company That Measured Net Profit Margin (NPM) Before and After Merger

Based on test results seen in Table 16 it can be seen that the significance value of 0.040 (two-tailed) is greater than the real level of significance was set in this study is 0.05. It can be concluded that there are significant differences Net Profit Margin before and after the merger.

The results of this study indicate that after the merger net profit margin decline caused by a decline in net income and an increase in net sales. The increase in net sales due to increased sales volumes. Meanwhile, sales expenses and general and administrative increased due to the increase in salaries and employee benefits, resulting in net income decline. The decline in the ratio indicates that the company's profitability decreased views of the Net Profit Margin.

This is contrary to the theory of Wild et al. (2005: 359) states, the merger may raise higher the image of the company, the potential for growth, corporate welfare, and to increase its profit. This study showed different results with a previous study conducted by Dhani Ichsanuddin (2010) which states that there is no real or significant difference between the Net Profit Margin before and after the merger. Research conducted by Edfan and Zirman (2011) also stated that there was no difference in the average net profit margin before and after the merger.

Differences Profitability Based Company That Measured Ratio Return On Equity (ROE) Before And After Merger

Based on test results seen in Table 16 it can be seen that the significance value of 0.013 (two-tailed) is greater than the real level of significance was set in this study is 0:05. It can be concluded that there are significant differences in return on equity before and after the merger.

The results of this study indicate that after the merger Return on Equity decreased due to the decrease in net income and increased equity. The decline in net income due to the increase in net sales and an increase in selling expenses and general and administrative. While the company's equity has increased from the profit for the year attributable to the parent entity. The decline in the ratio indicates that the company's profitability decreased views of Return on Equity.

This is contrary to the theory of Wild et al. (2005: 359) states, the merger may raise higher the image of the company, the potential for growth, corporate welfare, and to increase its profit. This study showed different results with a previous study conducted by Edfan and Zirman (2011) which states that there is no difference in the average return on equity before and after the merger. Research conducted by Sylviana May (2013) states that there is no difference in return on equity before and after the merger.

Differences Profitability Ratio Based Company That Measured Return on Investment (ROI) Before and After Merger

Based on test results seen in Table 16 it can be seen that the significance value of 0.013 (two-tailed) is greater than the real level of significance was set in this study is 0:05. It can be concluded that there are significant differences Return on Investment before and after the merger.

The results of this study indicate that after the merger the Return on Investment decline caused by a decline in net income and an increase in total assets. The decline in net income due to the increase in net sales and an increase in selling expenses and general and administrative.

While the company's assets have increased due to the increase in fixed assets, inventories, advances and accounts receivable. The decline in the ratio indicates that the company's profitability decreased views of Return on Equity.

This is contrary to the theory of Wild et al. (2005: 359) states, the merger may raise higher the image of the company, the potential for growth, corporate welfare, and to increase its profit. This study showed different results with a previous study conducted by Edfan and Zirman (2011) which states that there is no difference in the average Return on Investment before and after the merger.

CONCLUSIONS AND SUGGESTIONS

CONCLUSIONS

The following conclusions:

1. Based on the results of descriptive analysis there is a decrease in average Net Profit Margin after the merger. That is, the Net Profit Margin before the merger is better than the Net Profit Margin after the merger. Based on the results of testing of the hypothesis, the study was able to prove that there is a difference in the net profit margin before and after the merger.
2. Based on the results of descriptive analysis there is a decrease in average return on equity after the merger. That is, the return on equity before the merger better than the return on equity after the merger. Based on the results of testing of the hypothesis, the study

was able to prove that there is a significant difference in the return on equity before and after the merger.

3. Based on the results of descriptive analysis there is a decrease in average Return on Investment after the merger. That is, the Return on Investment before the merger is better than Return On Investment after the merger. Based on the results of testing of the hypothesis, the study was able to prove that there are differences on Return On Investment before and after the merger

SUGGESTIONS

Suggestions can be submitted as follows:

1. for the enterprise

For the company that will conduct merger should do a good preparation before deciding to merge. The company should really take into account whether the merger will have a positive impact for the firm. In addition companies that do mergers need to make adjustments, berusahan improve performance and combines the advantages that have been owned by the respective companies merged in order to achieve synergies and enhance shareholder value.

2. for the financier or investor

Investors can invest more wisely by making observations on the financial performance of companies based on financial statement information. As well as more cautious in dealing with merger activities of the company since the merger does not always bring a good impact on the companies that have merged.

3. for further research

For other researchers who are interested in the same topic, further research is expected to add the observation period and adds the object of research, so that the number of samples used increasingly large and obtain test results are getting better.

4. for institutions / universities

Institutions / Universities should multiply reference such as a journal or the latest books on similar studies with this study, so further research is easier to find a theory or examples of previous studies to be a reference in conducting research.

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