



M&A Impetus: Analyzing Motivation and Synergy Determinants
Chao-Hsiung Lee¹, Tsung-Yi Liu¹, and Ching-Chih Wu^{2*}

1. *Department of Finance, National Chung-Hsing University, Taiwan*
2. *Bachelor's Program of Business, Feng Chia University, Taiwan*

Accepted September 2023

ABSTRACT

We focus on two issues related to the US M&As from 1990 to 2014. First, we investigate the motivation of acquirers concerning different firm characteristics, operational performances, and corporate governance. Second, we analyze the long-term market performance after M&As and find factors affecting its long-term performance. The empirical results show that the acquirer's capital expenditure significantly affects the decision positively. In addition, we also find evidence that horizontal M&As positively impact acquiring firms' long-term performance significantly. This evidence implies that business-related M&As can create synergy. Finally, we find that the higher the major institutional shareholder's holding percentage, the better its long-term abnormal performance after M&As. In contrast, the higher the major institutional shareholder's holding density, the worse its long-term abnormal performance after the M&As.

Keywords: mergers and acquisitions, corporate governance, synergy

JEL classification: G34

* Correspondence to: Bachelor's Program of Business, Feng Chia University, Taiwan, 100, Wenhua Rd, Xitun Dist., Taichung City 407102, Taiwan. Email: cchihwu@fcu.edu.tw.