



POZNAŃ UNIVERSITY
OF ECONOMICS
AND BUSINESS



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Determinants of acquisitions on the Polish capital market.
Identification of the characteristics of the acquired companies

Abstract of the doctoral thesis

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Poznan 2016

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1. Justification for the choice of the doctoral dissertation topic

Transactions of mergers and acquisitions, which are the execution of the path for the external growth, are a phenomenon of the global reach, which also increasingly concerns Poland. The resumption in 1991 of the activity of the Polish capital market has also impacted the development of the Polish control market. With the increase of the capitalisation of the Stock Exchange in Warsaw and the number of companies listed on it, it was possible to observe the growth of the number and values of the *M&A* transactions. The activity of the Polish control market has also been connected with the changes taking place on the global capital market. In periods of downturn, which occurred after the bursting of the Internet bubble in 2001 and in the period of the financial crisis of 2008 the decrease of the number and values of transactions has been observed. Based on the reports published in recent years of the consulting companies we can observe the increased activity of the Polish control market, which occupies a high position in the region of Central and South-Eastern Europe in terms of the number of the conducted transactions.

The literature on mergers and acquisition is extensive and varied in terms of subjects. The undertaken issues concern both the theoretical and practical aspects. The theoretical studies undertake subjects, such as definitions or motives of mergers and acquisitions. Empirical studies relate primarily to the assessment of the results of mergers and acquisitions and the identification of characteristics of companies, which are the target of these transactions.

The research problem of this discussion is part of the current of research over the identification of the characteristics of the public companies, which are targeted for acquisition. Besides the cognitive importance, the knowledge of the factors, which influence the increased probability of the acquisition may have an important practical significance from two points of view. Firstly, in the context of the possibility of achieving excess returns rates by the shareholders of the acquired entity, it may be used for the construction of the investment strategy involving investments into stocks of companies, which are the potential takeover target. Secondly, in the case of the hostile nature of transactions, this knowledge may be used by the board to undertake actions directed at the hindering of the control acquisition.

It should be emphasized that research to identify the characteristics of the companies being the takeover target were carried out mainly for the developed control markets, such as the American, British, Canadian, but also for the developing markets, like the Greek example. The research results in this area were varied, what could be due to the fact that in most cases they

were conducted on the research samples, which included both transactions of mergers and acquisitions of different motives. For the Polish control market one research of this type has been conducted, which has been created by M. Gruszczyński. He has performed the analysis of 21 tender offers for shares announced in 1999.

The empirical research conducted in this dissertation aims to fill in the existing research gap in the identification of characteristics of the companies, which are the takeover target. First of all, the research presented in the paper include 137 transactions, which took place on the Polish capital market in 1999 – 2013. Secondly, in the studies presented in the paper over the identification of the characteristics of the acquired companies, the diversification of the motives of the acquisition transactions has been taken into account for the first time, dividing them into strategic and investment ones.

2. The main and detailed objectives

The main objective of this paper is the **identification of the characteristics of companies being the takeover target of the investment nature**. To achieve the main objective it was necessary to implement the following detailed objectives:

1. Performing the characteristics of the merger and acquisition characteristics.
2. Performing the systematic of factors, which can have a significant impact on the selection of companies being the target of acquisitions.
3. Selection and characterisation of the research methods enabling the distinction of companies being the takeover target from other companies.
4. Estimation, interpretation and comparison of econometric models differentiating companies being the target of takeover on the Polish capital market from the non-acquired companies, taking into account the diversity of motives of these transactions.

3. Methodology, data sources and the concept of the empirical study

The main source of information about the transactions included the base of DealWatch. After gaining access to information relating to all transactions, in which the acquired subject was the Polish companies, the non-financed public companies were separated from them, what required the individual assessment whether the given subject in the period preceding the acquisition has been noted on the main market on the Warsaw Stock Exchange. In addition, in order to potentially expand the research sample with the transactions, which were not included in the resources of the DealWatch base, the Stock Exchange Annals have been analysed in terms of

