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Financial Performance and Share Price of PT Barito Renewables Energy Tbk Post-Acquisition

Anggita Nurfaiza*, Nurul Fuada[1]
Corresponding Email: Anggitanurfaiza13@gmail.com*

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Abstract
This study aims to analyze the effect of fundamental performance changes on stock price movements in PT Barito Renewable Energy Tbk. (BREN) before and after the acquisition. The data used includes financial ratios in the form of Return On Equity (ROE), Debt to Asset Ratio (DAR), and Current Ratio (CR) from the quarter before and after the acquisition as well as historical data on stock price movements in the same period, the results of the study show that after the acquisition ROE had decreased but increased again and remained stable and the current ratio (CR) decreased. Despite the improvement in fundamental performance, the stock price remains highly volatile and subject to sharp declines. This shows that stock price movements are not entirely influenced by fundamentals but also by market sentiment.

Keywords:
BREN; Acquisition: ROE; DEBT; Current Ratio

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INTRODUCTION

The development of the capital market in Indonesia shows significant dynamics, especially in the energy sector, which is one of the strategic and vital sectors for the national economy. The efficiency of the capital market can be achieved when the stock price represents relevant information. Amid fierce global and domestic competition, companies in the energy sector are required to continue to innovate and develop business strategies to remain competitive. One of the corporate strategies that is often used is acquisitions. The increasingly dynamic development of the business world and global economy has encouraged companies to constantly innovate in developing their business growth and sustainability strategies. One of the strategies that is often chosen to strengthen the company's competitive position is through corporate acquisition actions.[2]

[1]Accounting Study Program, Faculty of Economics and Business, Muhammadiyah University of Makassar, Makassar, Indonesia
[2]Sahninda, B. P., & Pujiono, P. (2025). The Relevance of Accounting Information Value and the Portion of Non Public Ownership in Investment Decision Making. *Amsir Accounting & Finance Journal*, *3*(1), 1–19. https://doi.org/10.56341/aafj.v3i1.566

This acquisition is a form of taking over the ownership of the company on the condition of combining the two companies, in which the acquiring company buys a portion of the shares of the acquired company. So that the management control of the acquired company is transferred to the acquiring company, while the two companies each continue to operate as a stand-alone legal entity. With the acquisition, it can increase investors' interest in making investments. Acquisition as a form of strategy formulation in the strategic management process has the ultimate goal of strategic competitiveness and above-average profits. Acquisition practices are expected to increase company synergy, as shown by improving company performance, especially for the acquirer. The acquirer will obtain above-average profits through its ability to create synergies because the practice of acquisition will be more beneficial to the acquirer if it is accompanied by synergy. The acquisition is considered a fast track for the company to expand its network of businesses to access technologies and New Markets and increase the company's overall efficiency and value, according to acquisitions carried out with planning and integration that can create positive synergies that lead to increased profitability and competitiveness of the company in the market. However, acquisitions also pose risks if they do not produce the expected efficiency or added value, thus hurting the company's operational performance and stock value.[3]

In the capital market, the acquisition action is usually greeted with mixed reactions from investors; this reaction can be reflected in the change in the share price of the company that made the acquisition, both in the short and long term. According to the theory of market efficiency, put forward by, Stock prices reflect all available information, including information related to corporate actions such as acquisitions. This means that if the market views the acquisition as a profitable move, then the stock price will tend to rise as a reflection of the expectation of an increase in the company's value. On the other hand, if the acquisition is seen as not prospective, the stock price may experience pressure. Still, not all stock price increases reflect an increase in the company's intrinsic value. In many cases, stock price spikes are triggered more by short-term expectations and speculative market sentiment than by in-depth fundamental analysis.[4]

The energy sector is the main foundation for various other industrial sectors so that every dynamic that occurs in it, including corporate actions such as acquisitions, has the potential to have a significant impact on economic stability and development. In addition, the energy sector is one of the most dynamic sectors with rapid growth, especially amid increasing awareness of the energy transition from fossil sources to new and renewable energy. This dynamic encourages energy companies to continue to adapt, expand, and restructure their businesses through acquisition strategies. The acquisition is an important step to strengthen the market position, secure energy resources, and develop a business portfolio. With the large number of energy sector issuers listed on

[3]Bruner, R. F. (2004). *Applied Mergers and Acquisitions*. https://www.researchgate.net/publication/228318533

[4]Fama, E. F. (n.d.). American Finance Association Efficient Capital Markets: A Review of Theory and Empirical Work. In *Source: The Journal of Finance* (Vol. 25, Issue 2).

the Indonesia Stock Exchange, the availability of financial data and company value after acquisition greatly supports the implementation of quantitative analysis. Therefore, this sector is considered relevant and interesting to be studied more deeply in the context of financial performance and company value after the acquisition.

The company's financial performance is one of the critical indicators in assessing the success of an acquisition. Based on signaling theory and market efficiency theory, corporate actions such as acquisitions can provide positive signals to the company's prospects, thus affecting investor perception, which is then reflected in the stock price. According to Jauhari Mahardhika, by acquiring the Sidrap Geothermal Power Plant, Barito Renewables' or BREN's total installed capacity could increase by 8.5% to 961 MW.[5] This announcement aligns with Stockbit's analysis on Thursday (November 30th), where we predicted that BREN would acquire the Sidrap Geothermal Power Plant. Acquisitions can have a significant effect on improving the company's financial performance and market value if managed effectively. Strategic acquisitions can improve profitability ratios and have a positive impact on stock values, especially in emerging industries such as renewable energy.

PT Barito Renewable Energy Tbk BREN is one of the renewable energy issuers that has begun to attract the attention of the Indonesian capital market, especially since carrying out a strategic corporate action in the form of an acquisition in 2024 of the Bayu power plant (PLTB). This acquisition is an important milestone in BREN's business expansion into the clean and sustainable energy sector. In line with the global trend towards a green energy transition, this milestone not only strengthens the company's portfolio in the renewable energy sector but also has an impact on investors' perception of the brand's long-term growth prospects. Is this position just the performance of brand shares showing a fairly dynamic movement reflecting the market response to changes in the company's fundamentals? Therefore, it is important to analyze how the acquisition of PLTB affects BREN's financial performance and how the relationship between these fundamental aspects and its share price movements throughout 2023-2024 is concerned. Looking at BREN's post-acquisition development, it is important to analyze whether the corporate action improves financial performance and has a real impact on the value of the share price. This analysis becomes relevant not only for investors but also for academics, regulators, and other stakeholders in assessing the effectiveness of a company's growth strategy through acquisitions. Therefore, this study will discuss how the impact of the case on the financial performance and share price movements of PT Barito Renewables Energi tbk BREN in the period after the acquisition action was carried out.

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[5]Jauhari Mahardhika. (2025). *Akuisisi PLTB Sidrap Minimal Bisa US$ 150 Juta, BREN Punya Kas Besar*. Investor.Id.

RESEARCH METHODS

This study uses a descriptive quantitative approach that aims to analyze the financial performance and company value of energy sector issuers after point acquisition. In this study, all data analysis is carried out manually without involving statistical software such as SPSS. The analysis process was carried out using Microsoft Excel to calculate various financial ratios such as Return on Equity (ROE), Debt to Asset Ratio (DAR), and Current Ratio (CR).

1. Return on Equity
   Return on Equity (ROE) is a profitability ratio that measures a company's ability to generate profit according to the net of capital invested by shareholders. ROE is expressed as a percentage and calculated by dividing net profit by shareholder equity. A high ROE point indicates that the company can generate good profits from the capital invested by investors.[6]

$$\text{Return On Equity} = \frac{\text{Net Profit}}{\text{Total Equities}} \times 100\%$$

2. Debt to Asset Ratio
   Debt to Asset Ratio is a financial ratio that measures how much a company's assets are financed by debt. This ratio provides an idea of the company's level and ability to meet its long-term obligations. Dar compares the company's total debt with its total assets. The higher this ratio, the greater the share of the company's assets financed by debt, which means the company has more liabilities than assets.

$$\text{Debt to asset ratio} = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

3. Current Ratio
   Current Ratio is a financial ratio used to measure a company's ability to pay short-term obligations or debts that are due soon. This Ratio considers the relationship between the company's current assets and current liabilities.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Seamless}} \times 100\%$$

RESULTS AND DISCUSSION

Before Acquisition

Based on the data before the acquisition shown, it can be seen that the company's financial condition is under pressure both in terms of the availability of the funding structure and liquidity. ROE saw a sharp decline of 19% from 24% in Q3 to just 5% in Q1. According to this decline, this reflects the decline in the company's ability to generate profits or capital owned by shareholders. This drastic drop in ROE is a signal

[6]Rezky Ramadhani, D., Muhammmadiyah Makassar Ainun Arizah, U., & Khalid, A. (2021). Faktor-Faktor yang Mempengaruhi Audit Delay(Studi pada Perusahaan Manufaktur Sub Sektor Food and Beverage yang Terdaftar di Bursa Efek Indonesia Tahun 2018-2020). In *Accounting, Accountability and Organization System (AAOS) Journal E-ISSN* (Vol. 3, Issue 1). https://journal.unifa.ac.id/index.php/aaos_

that the company is losing the efficiency and profits that were previously achieved, and this is a serious problem in terms of financial performance.[7]

Table 1. Data Before Acquisitions Q3 (2023) and Q1 (2024)

Ratio	Before the Acquisition		Information
	Q3	Q1	
ROE	24%	5%	Go down
DAR	87%	81%	Go down
CR	21%	27%	Climb

Source: IDX, 2025 (Processed)

Meanwhile, in terms of capital structure, 2DAR has decreased from 87% to 81%. Although technically this is a decrease in the DAR figure which is still above 80%, it shows that the company is very dependent on debt financing, this means that most of the company's assets are financed not from its model but from debt, which of course carries high financial risk, especially if the interest on the debt is large or the amount of time close to the decline this could reflect an effort by the company to reduce dependence on debt ahead of the acquisition or it could also be only because of the increase in the value of the asset which is temporary.

In terms of liquidity or Current Ratio, it increased from 21% to 27%. It showed a slight improvement in the company's ability to meet short-term liabilities with its current assets, but despite the increase, the numbers were still far from healthy. Ideally, this ratio should be at least 1 or 100%, which means the company has enough current assets to pay all its short-term obligations. At 27% of companies, it is still difficult to meet short-term commitments without seeking additional funds from outside. This is a sign that the company's liquidity is still very weak.

The following are the stock price movements in the Q3 (2023) and Q1 (2024) periods, but the stock price movements in Q3 are only listed for 3 months:

1. Stock price movements in Q3 (2023)

Figure 1. Chart Views in Q3 (2023)

Source: Profits Anywhere

[7]Amalia, N. R., & Budi Utomo. (2025). Dampak Kinerja Keuangan Terhadap Harga Saham Perusahaan Manufaktur Sub Sektor Konsumsi. *Solusi*, *23*(2), 323–337. https://doi.org/10.26623/slsi.v23i2.11856

The chart above shows the movement of the share price of PT Barito Renewable Energy tbk before the acquisition. Since the start of trading in mid-October 2023, BREN shares have experienced a very significant price surge. From a price of around IDR 318, this stock continued to rise until it reached more than IDR 6,700 towards the end of October, or experienced an increase of around 693%. This increase is classified as very sharp and can be categorized as a big rally in a short time.

Trading volume was also seen as high at the beginning of the movement, which indicated a significant accumulation by investors. Although there was a slight correction in the middle of the road, the general trend is still very bullish because a re-strengthening follows the correction. This consistent rise shows a very positive market sentiment towards the company's prospects, even before the acquisition took place. Technically, before the acquisition was announced or carried out, BREN shares had experienced an extraordinary increase that reflected the positive expectations and euphoria of investors. This increase could be influenced by rumors or leaks of internal information regarding the company's acquisition or expansion plans.

2. Stock price movements in Q1 (2024)

Figure 2. Chart Views in Q1 (2024)
Source: Profits Anywhere

The movement of PT Barito Renewables Energi tbk BREN's share price in Q1 showed a significant downward trend in line with the weakness of the company's fundamental condition after the acquisition. One of the most striking indicators is the decline in return on equity ROE, indicating that the company's profitability has declined sharply, which is undoubtedly a significant concern for investors. When a company's ability to generate profits from its capital decreases, market confidence also weakens, resulting in selling pressure and a decline in the stock price. However, there is a decline in the ratio, indicating that the company's capital structure is becoming less healthy. This does not seem to be enough to offset the market's concern over declining profits.

On the other hand, because the current ratio is increasing, indicating the company's short-term liquidity is strong. Still, in these eyes, it is usually not a significant factor in the short term when compared to profitability. Therefore, the decline in stock prices reflected in the chart is most likely triggered by a decrease in financial performance, especially to profitability, although there are some improvements in debt structure and liquidity, market sentiment tends to be negative, and this makes it clear how fundamental changes in a negative direction can be directly reflected in the decline in stock prices.

After the Acquisition

Table 2. Q2 and Q3 Post-Acquisition Data (2024)

Ratio	After the Acquisition		Information
	Q2	Q3	
ROE	10%	15%	Climb
DAR	81%	81%	Remain
CR	22%	19%	Go down

Source: IDX, 2025 (Processed)

The return on equity ROE ratio showed an increase from 10% in Q2 to 15% in Q3. This indicates that the company can increase its effectiveness in generating profits from its capital after the acquisition process is carried out. This increase in ROE is a positive signal that shows that acquisitions have a good influence on the company's profitability. The synergies of the acquisition results likely provide a boost to more efficient operational performance, increased revenue, or a more optimal capital management strategy.

Meanwhile, the Debt to Asset ratio recorded a steady level of 81% for two consecutive quarters, this condition reflects that the proportion of debt to total assets of the company has not changed post-acquisition, although the stable DAR figure shows that the company is still highly dependent on debt-based funding, this dependency can be a risk if it is not accompanied by strong financial management, especially in terms of interest payments and debt installments even so The stability of this figure can also mean that the company does not add additional debt burden after the acquisition or manages to keep its marking structure balanced.

On the other hand, the Current Ratio decreased from 22% in Q2 to 19% in Q3. This point of decline indicates that the company's liquidity is weakening, which means that the company's ability to meet its short-term obligations is also declining. This decline is noteworthy because it can indicate that the company has used most of its jumping assets for long-term needs or financing the acquisition process, or that there is an increase in short-term liabilities. If not addressed quickly, this condition can interfere with the smooth operation of the company, especially in terms of short-term debt payments and routine operational costs.[8]

1. Stock price movements in Q2 (2024)

   In Q2, the fundamental performance of PT Barito Renewables Energy tbk BREN showed quite significant improvement, especially as seen from the increase in ROE from 10% to 15% in the following quarter. However, the data should remain in Q3. The market usually reacts early to the prospect of improved performance, especially if there has been a positive signal of an expansion in aprofit growth. Rising ROE indicates an increase in the

[8]Apriliana, N. (2022). *Pengaruh Likuiditas, Profitabilitas dan LeverageTerhadap Agreasifitas Pajak*.

company's ability to generate profits from its model, which is often the primary concern of investors because it shows better efficiency and profitability.

Figure 3. Chart Views in Q2 (2024)
Source: Profits Anywhere

During the Q2 period, BREN's share price experienced a sharp increase, increasing by almost 87% from early April to mid-May 2024. This surge seems to be inseparable from the positive sentiment over the success of the acquisition and the potential for an increase in the financial performance of sellers. Although the blood remains high at 81% and the ratio is slightly down, the market seems to be more focused on potential profits and not on short-term liquidity risks or debt levels. This reflects that investors are more optimistic about the company's future after the acquisition. Thus, the movement of the share price of the Portal 2 brand is very likely to be influenced by the positive response in the market to the prospect of improving the company's fundamental performance, especially the increase in strong market sentiment towards this growth potential, which is the primary driver and will drive the share price in that period.

2. Stock price movements in Q3 (2024)

Figure 4. Chart View in Q3 (2024)
Source: Profits Anywhere

In Q3, after the acquisition, PT Barito Renewables Energy TBK's fundamental condition showed an improvement in terms of profitability, with ROE increasing from 10% in Q2 to 15% in Q3. In theory, an increase in ROE is a positive signal because it indicates that the company can generate a profit greater than its equity. However, in reality, stock price movements show high volatility with a sharp decline after briefly strengthening significantly in early September, as seen on the chart. Although there is no change in the company's capital structure, with the DAR remaining at 81%, this indicates that there is no improvement in terms of the debt-to-assets ratio, which could still cause market concerns related to the company's financial burden. In addition, the decrease in CR from 22% to 19% shows that the company's short-term liquidity is weakening, which can signal financial risk in fulfilling short-term obligations.

The sharp rise in stock prices in early September was likely triggered by market optimism over post-special performance or other external sentiment. Still, the drastic decline at the end of the month suggests that the market is responding quickly to concerns that may arise from fundamental data that is not yet strong enough to sustain high valuations. It was this combination of short-term positive sentiment and concerns over financial structural conditions that seemed to create a sharp volatility in Brainly stock during Q3.

CONCLUSIONS AND SUGGESTIONS

Based on the analysis of the financial ratios and share price movements of PT Barito Renewables Energy Tbk before and after the acquisition, it can be concluded that the acquisition has a diversified impact on fundamental performance and market response. More profitable companies tend to have more resources to distribute to shareholders in the form of dividends therefore an increase in profitability will usually increase the company's ability to pay dividends or increase the amount of dividends paid, but fundamentally there is a significant decline in ROE after the acquisition although it starts to show recovery in the following quarter i.e. Dar is relatively stable indicating the funding structure The company did not change much while the Current Ratio had improved, but then declined again, indicating challenges in the liquidity aspect.

However, the improvement in some of these financial ratios does not necessarily sustainably encourage stock price appreciation; stock movements show high volatility with sharp declines even though they had experienced a rally. This suggests that the market is not yet fully confident in the post-acquisition outlook, especially as the fundamental improvement has not been consistent and significant enough to sustain the stock price at higher levels.

Based on the findings of the study, it is suggested that the management of PT Barito Renewable Energy Tbk focus on strengthening the fundamental performance after the acquisition, especially in improving capital use efficiency and maintaining liquidity. Transparency of strategies and performance outcomes need to be enhanced to rebuild market confidence considering that stock prices are still fluctuating and have not yet reflected a steady improvement, investors are advised to be cautious and consider financial performance as a whole before making decisions, further research can expand the scope by comparing similar companies to see the impact of the ecosystem more comprehensively.

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