

Foreword

Which motives initiate managers to merge or to acquire other corporations? While there is a long-lasting history of empirical research on M&A in a cross-industry context, our knowledge about industry specific drivers of M&A is more than limited. Given this background, the machinery industry is an attractive segment to address questions on M&A motives – as it is on the one hand a very fragmented industry and on the other hand a bundle of in some parts highly consolidated sub-industries.

In his thesis, Mr. Geiger makes an effort to answer the question why firms in the machinery industry follow M&A strategies and how successful they are in their transactions. This is not only a remarkable endeavour because Mr. Geiger uses some hand selected unique datasets, but in particular, because he presents state-of-the-art analyses which are competitive and meet highest international standards.

The thesis on hand carefully identifies and addresses open research questions related to M&A strategies in a very specific industry. Its primary objective was to identify M&A motives for different types of companies in various sub-segments of the machinery industry by analyzing stock price and accounting data. Thusly objectifying managerial action allows deriving recommendations for financing practice.

Another focus of the thesis concerns the use of case study methodology to analyze the competitive advantages created by a merger in an already consolidated industry segment. The documented empirical evidence provides significant value added for the involved parties, in particular driven by transforming the competitive environment of producers in that segment into a competition with non price items as differentiating criteria.

Mr. Geiger fully achieves the objectives of this dissertation. The analysis contains many intriguing and surprising results which make this thesis an interesting read I highly recommend to corporate finance researchers and practitioners. I wish for a high, due circulation of this dissertation.

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