

Business Strategy Through Acquisition By Developing Selection Process Model on Target Company (Case Study PT Sincerity Investama Abadi, Jakarta, Indonesia)

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Abstract

This study develops a comprehensive selection model framework for acquiring target companies, with a specific focus on PT Sincerity Investama Abadi in Jakarta, Indonesia. The research integrates quantitative valuation methods, including Discounted Cash Flow (DCF) and the Adjusted Net Asset Method (ANAM), with financial ratio analysis to support strategic acquisition decisions. Through the systematic evaluation of five SME candidates using a weighted scoring model, the study identifies the most viable investment opportunities based on financial performance, management readiness, and strategic fit. The findings demonstrate that PT Multindo Cipta Kreasi emerges as the primary acquisition target, with a combined valuation of IDR 2.48 billion and a projected IRR of 15.69%, followed by Omen Futsal as a secondary diversification option. The proposed framework provides private equity and investment firms with a practical tool for optimizing acquisition choices, mitigating risks, and enhancing value creation. The study offers strategic implementation recommendations to improve the selection process and support sustainable investment decisions in the SME sector.

Keywords: Acquisition Strategy, Company Valuation, Financial Analysis, Investment Decision, SME Acquisition, Private Equity.

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INTRODUCTION

Small and Medium Enterprises (SMEs) play a central role in driving global economic growth (Elhousseiny et al., 2021; Ndubisi et al., 2021). In many countries, including Indonesia, SMEs account for the majority of businesses and employ more than half of the workforce. Despite their significant contribution to national GDP, SMEs often face constraints in accessing external financing, particularly equity financing. This financing gap is especially pronounced among SMEs in non-technology sectors, such as manufacturing, agribusiness, and traditional trade, which are less favored by formal financial institutions and venture investors. Studies indicate that only a small percentage of SMEs have access to formal credit, with many relying on internal resources or informal financing sources (Fachrurazi, 2019; Tambunan, 2019). Moreover, the lack of collateral and financial literacy further exacerbates the challenges in securing equity financing for these enterprises (Paramita & Indarwati, 2020).

In Indonesia, this condition is exacerbated by the low level of bank lending to these sectors, as financial institutions tend to prioritize those considered low-risk (ILO, 2018). As a result, most SMEs rely on their own capital, which in turn limits their growth capacity (IMF, 2024). In this context, private equity (PE) emerges as a strategic financing alternative that offers not only capital but also managerial and governance expertise to drive SMEs' growth and operational efficiency (Yang, 2025). PE backing helps reduce agency costs and improves

governance mechanisms in investee firms (Gigante et al., 2024), and can strengthen firms' creditworthiness and resilience during liquidity shock periods (Peskes & Tang, 2024).

Several previous studies have discussed private equity investment and acquisition strategies. Kaplan and Sensoy (2021) emphasized the importance of due diligence and in-depth financial analysis in private equity investments (e.g. stress testing, scenario analysis, cash flow sensitivity). Gilligan and Wright (2020) outlined various commonly used valuation approaches, including DCF and asset-based methods (e.g. multiples, net asset value) as key tools in PE evaluation. Tambunan (2019) highlighted the structural barriers faced by MSMEs in Indonesia, including limited access to equity financing, inadequate governance, and institutional constraints (Tambunan, 2019). In cross-country literature, Braun (2020) examined adverse selection risks in private equity co-investments, reinforcing the need for rigorous target screening via multidimensional analysis. Wilson (2022) analyzed characteristic traits of private equity targets and stressed that selection models should reflect fund life cycles, risk metrics, and exit planning. Moreover, Hammer et al. (2022) investigated pricing and value creation in buyouts, emphasizing how value drivers and operational improvements must be integrated into valuation models. Ljungqvist (2024) in a critical review noted the evolving due diligence emphasis (e.g. ESG, operational analytics) in PE deals, suggesting that modern acquisition models need to embed multidimensional screening criteria. In the Indonesian context, a gap remains in the development of a comprehensive and tested acquisition selection model for non-technology MSMEs in Indonesia. Existing studies tend to focus on technology companies or digital-based startups, or they use only a single valuation approach. Furthermore, no model has integrally combined a Weighted Scoring Model, in-depth financial ratio analysis, combined valuation methods (DCF and ANAM), and financial projection simulations within a cohesive framework to support acquisition decisions by domestic private equity firms.

This research offers novelty through the development of a comprehensive and structured acquisition selection process model specifically for non-technology MSMEs in Indonesia. This model integrates various financial analysis tools and strategies simultaneously and is specifically designed to address the unique characteristics and challenges faced by MSMEs in the real sector. The proposed framework is not only theoretical but also tested through a real case study at PT Sincerity Investama Abadi, thereby providing practical contributions to both academia and investment practitioners.

However, investing in non-technology SMEs presents a number of challenges. These include lower growth potential compared to technology-based startups, limited historical financial data, traditional and less scalable business models, and resistance to changes in management structure, especially in family-owned companies. On the other hand, if properly screened and managed, SMEs in these sectors hold strong potential to become sustainable and productive assets. Therefore, investors such as PT Sincerity Investama Abadi need a systematic and comprehensive approach to selecting target companies for acquisition. An acquisition selection model that considers financial, strategic, and managerial readiness aspects is crucial to ensure that investments are well-targeted, risks are minimized, and long-term added value is created for both investors and the SME sector itself.

This research aims to develop a systematic and comprehensive target company selection process model for PT Sincerity Investama Abadi, apply the model to evaluate and recommend the most viable non-technology MSMEs for acquisition based on financial analysis, valuation,

and return projections, and provide recommendations for acquisition implementation strategies along with follow-up plans. The benefits of this research include serving as a strategic and structured guide for PT Sincerity Investama Abadi in the acquisition decision-making process—thereby minimizing investment risk and maximizing potential returns; contributing to academic literature in corporate finance, investment management, and acquisition strategy, particularly within the context of MSMEs and emerging markets; and offering MSME actors insights into the criteria and perspectives used by professional investors, thereby helping them prepare to attract equity funding in the future.

METHOD

The study employed a mixed-method approach, with qualitative data supporting quantitative analysis. The main focus was the development of a strategic evaluation model for selecting non-technology SMEs suitable for acquisition by PT Sincerity Investama Abadi. Primary data were collected through interviews with stakeholders from PT Sincerity Investama Abadi and representatives of the target enterprises to understand investment objectives, financial requirements, and business projections. To support the valuation and financial analysis, secondary data from financial statements, business profiles, academic references, and consultant reports were also gathered.

A purposive sampling method was used to select three to five non-technology SMEs that had operated for at least two years, demonstrated profitability, and were willing to provide data. The firms examined included PT Multindo Cipta Kreasi, PT Ladang Indonesia Citra Mandiri, Omen Futsal, Glowly Laundry, and Dojo Printing.

The quantitative analysis focused on financial ratios (profitability, liquidity, leverage), valuation using the DCF and ANAM methods, and internal rate of return (IRR) assessment. The valuation process was conducted using the Weighted Scoring Model (WSM) based on predetermined criteria. Concurrently, qualitative analysis was carried out to identify operational challenges, managerial readiness, and potential strategic adjustments.

Validity was ensured through triangulation of data sources, including interviews, financial reports, and external references. Reliability was maintained through standardized data collection techniques. Ethical approval was obtained from relevant academic institutions prior to field data collection, and ethical considerations such as data confidentiality and voluntary participation were observed.

RESULTS AND DISCUSSION

1. Initial Assessment of Five SME Candidates

The study started with choosing five non-technology SMEs that PT Sincerity Investama Abadi considered possible acquisition candidates. Kitchenware distribution (PT Multindo Cipta Kreasi), fertiliser manufacture (PT Ladang Indonesia Citra Mandiri), sports facility provision (Omen Futsal), laundry services (Glowly Laundry), and garment printing and home garment industry (Dojo Printing). To guarantee a minimum degree of company maturity and stability, selection criteria required candidates to have at least two years of operating experience and a record of profitability. These businesses' financial records, operating histories, and financing requirements—which would assist additional evaluation and ranking—were gathered by data collectors.

A. Preliminary Selection Using Weighted Scoring Model

Based on four primary criteria—financial performance (40%), management preparedness (25%), company location (20%), and funding requirements (15%), a Weighted Scoring Model (WSM) evaluated the candidates in the first round. The bidders were ranked using these standards, which also helped to narrow the top three firms. The candidates' salient information is compiled in the table below:

Table 1. Candidates Key Data

Company Name	Revenue (IDR)	Years Operating	Funding Needed (IDR)	Location
PT Multindo Cipta Kreasi	Rp 6,932,709,305	4	Rp 1,000,000,000	Tangerang
PT Ladang Indonesia Citra Mandiri	Rp 34,204,500,000	7	Rp 2,000,000,000	Gresik
Omen Futsal	Rp 240,684,537	3	Rp 300,000,000	Jakarta
Glowy Laundry	Rp 72,392,180	2	Rp 100,000,000	Bogor
Dojo Printing	Rp 192,726,500	2	Rp 100,000,000	Jakarta

Source: Processed from company data, 2025

B. Financial Position Analysis

Focussing on three key areas—liquidity, profitability, and capital structure—a thorough financial study was done on the shortlist candidates.

PT Multindo had a current ratio of 4.02 and a quick ratio of 1.38, therefore suggesting good capacity to handle short-term commitments and sufficient cash flow. With ratios much lower (current ratio 0.97 and quick ratio 0.46), PT Ladang Indonesia indicated possible liquidity restrictions and increased financial risk. Though its tiny scale suggests vulnerability to market changes, Omen Futsal exhibited enough financial reserves and lacked current obligations.

Omen Futsal led with a very high net profit margin of 69.4%, gross profit margin of 85.65%, and matching strong ROA and ROE (~68%). With net profit margins of 7.17% and 4.67%, respectively, PT Ladang Indonesia and PT Multindo revealed relatively modest degrees of profitability. These margins show the firms' operational effectiveness and financial situation; Omen Futsal's figures highlight outstanding cost control even with its tiny scale.

PT Multindo had a very good interest coverage ratio (ICR) of 51.33 and a conservative debt-to-equity ratio (DER) of 0.30, therefore implying low financial risk and great capacity to satisfy interest commitments. With a DER of 0.78 and a lower ICR of 1.71 PT Ladang Indonesia indicated more financial risk and smaller debt servicing buffer. Omen Futsal had no debt, suggesting little financial leverage but maybe limited access to expansion funds.

Table 2. Financial Ratio Summary

Ratio	PT Multindo	PT Ladang Indonesia	Omen Futsal
Current Ratio	4.02	0.97	-
Quick Ratio	1.38	0.46	-
Net Profit Margin (%)	4.67	7.17	69.4
Gross Profit Margin (%)	31.77	21.91	85.65
Return on Assets (ROA) (%)	20.65	16.78	68.35
Return on Equity (ROE) (%)	26.94	29.91	68.35
Debt to Equity Ratio (DER)	0.30	0.78	0
Interest Coverage Ratio	51.33	1.71	-

Source: Processed from financial statements, 2025

C. Company Valuation

Two valuation techniques—discounted cash flow (DCF) and adjusted net asset method (ANAM)—were used to project the economic worth of any organisation.

1) Discounted Cash Flow

Using a discount rate of 15% and supposing a 10% yearly growth rate, the DCF method projected free cash flows over a five-year horizon. With a DCF value of around IDR 4.08 billion, PT Multindo indicated operational stability and strong cash generating potential. Omen Futsal, with its smaller scale, had a positive IDR 1.94 billion valuation because of strong profitability margins. On the other hand, PT Ladang Indonesia's DCF value was quite negative at over -IDR 107.3 billion, which reflected ongoing negative cash flows and financial crisis concerns.

2) Adjusted Net Asset Method

adjusted for possible over- or undervaluation in fixed assets, receivables, inventories, and liabilities. PT Ladang Indonesia's significant physical asset base helped them to record the highest ANAM value at IDR 8.19 billion. Reflecting lesser asset bases in relation to PT Ladang Indonesia, PT Multindo and Omen Futsal filed ANAM values of IDR 884 million and IDR 269 million respectively.

3) Combined Valuation Insight

Combining DCF and ANAM values presents a more balanced viewpoint that combines actual asset value with income potential. This combined strategy lets investors reduce the risks related to asset-heavy but cash-poor enterprises or cash flow volatility.

Table 3. Valuation Summary

Company	DCF Value (IDR)	ANAM Value (IDR)	Combined Value (IDR)
PT Multindo	Rp 4,077,626,830	Rp 884,244,607	Rp 2,480,935,718
PT Ladang Indonesia	Rp (107,322,171,584)	Rp 8,193,700,000	Negative (Not Viable)
Omen Futsal	Rp 1,942,513,000	Rp 269,000,000	Rp 1,105,756,500

Source: Analysis results, 2025

D. Financial Projection and Acquisition Simulation

For every applicant on the short list, a thorough 10-year financial estimate was created with reasonable growth assumptions and operational predictions to corroborate value. Reflecting modest confidence matched with sectors' trends and past performance, the prediction modelled net income growth at a consistent 10% yearly.

With a 25% equity share in every candidate, an acquisition simulation anticipated by PT Sincerity Investama Abadi would make a minority investment typical of private equity entrance techniques meant to affect governance and operational changes without total takeover.

To predict investor returns, the expected net income sources were discounted at the 15% needed rate of return. For every investment, the simulation computed the Internal Rate of Return (IRR), therefore offering a fundamental measure of profitability and investment appeal:

Table 4. IRR Summary

Company	IRR (%)
PT Multindo	15.69
PT Ladang Indonesia	Negative
Omen Futsal	15.22

Source: Simulation results, 2025

The results confirm that PT Multindo and Omen Futsal surpass the hurdle rate of 15%, thereby indicating predicted returns match private equity investment criteria. The negative IRR of PT Ladang Indonesia demonstrates operational inefficiencies and cash flow problems, therefore highlighting the great risk involved in investment without turn-around policies.

The simulation underlines even more the need of cash flow consistency and management competence in producing enough returns as well as the effect of minority share investments on control and influence over portfolio firms.

E. Overall Analysis of Net Profit Projection and Acquisition Simulation

Financial projections and acquisition simulations are crucial instruments that significantly enrich static valuation analysis with a more dynamic and practical perspective on potential investment returns and inherent risks. Through a ten-year net profit projection and Internal Rate of Return (IRR) simulation, a comprehensive picture is obtained of how the future financial performance of candidate companies can contribute to the investment value and return on capital for PT Sincerity Investama Abadi.

The simulation results show that PT Multindo Cipta Kreasi and Omen Futsal are the candidates with the strongest investment feasibility. Both not only have positive and stable profit growth projections, but also IRRs that are consistently above the internal hurdle rate of 15%, indicating that investment in these companies is expected to provide competitive returns and in line with the company's risk-return targets. This shows that both companies have solid business foundations, efficient operational capabilities, and realistic expansion potential in the medium to long term.

On the other hand, PT Ladang Indonesia Citra Mandiri, although showing significant profit growth potential in the projections, needs special attention. The negative combined valuation and the inability of the investment simulation to produce a valid IRR indicate serious challenges in the cash flow and capital structure aspects that can hinder the achievement of the target return. Therefore, PT Ladang Indonesia Citra Mandiri requires an in-depth evaluation of its business strategy, financial management improvements, and capital restructuring before it is considered a strategic acquisition target. Investments without fundamental improvements risk long-term losses.

Furthermore, these projections and simulations emphasize the importance of an investment approach that does not only rely on historical values or current valuations but also considers business dynamics and forward-looking financial performance projections. This is an important basis for making careful investment decisions, so that liquidity risks, earnings volatility, and debt pressures can be minimized, while optimizing potential returns.

In conclusion, financial projections and acquisition simulations are effective evaluation tools for identifying companies with a balanced risk-return profile, as well as strategic guidance for PT Sincerity Investama Abadi in selecting acquisition targets that have sustainable growth and profitability opportunities and well-managed risks.

F. Comparative Analysis and Final Recommendations

Combining both quantitative and qualitative aspects, the comparison study produced a thorough and fair assessment of the shortlisted SMEs for investment by PT Sincerity Investama

Abadi. Together with important financial ratios showing profitability, liquidity, and capital structure, this included synthesising valuation indicators using Discounted Cash Flow (DCF) and Adjusted Net Asset Method (ANAM), investment return estimates using Internal Rate of Return (IRR). Using a weighted scoring model—which assigned relative value to each criterion—valuation (40%), IRR (25%), profitability ratios (15%), liquidity ratios (10%), and capital structure and leverage (10%) helped one to objectively rank prospects. While keeping attention on operational efficiency and financial stability, this weighting represents the investing philosophy that gives most importance on intrinsic value and predicted returns.

With an overall weighted score of 8.10 out of 10, PT Multindo Cipta Kreasi turned out as the top candidate. Its robust combined valuation of over IDR 2.48 billion, a predicted IRR of 15.69% above the hurdle rate, great profitability measures, and smart use of leverage with an efficient capital structure drove this higher score. PT Multindo presented an operational maturity and well-rounded financial profile that closely fits the investment parameters established by PT Sincerity Investama Abadi. Moreover, its shown eagerness to welcome digital adoption and management restructuring improves its appeal as a target for scalable and environmentally friendly investments.

With a weighted score of 7.50 Omen Futsal reflected its exceptional profitability ratios and perfect liquidity situation. Omen's excellent net profit margins and debt-free structure positioned it as a somewhat low-risk investment despite its limited operational scale and asset base. With an IRR of 15.22%, it provides quite competitive returns in accordance with private equity norms. Omen is thus advised as a strategic portfolio diversification choice as it provides access to a distinct sector with appealing operational efficiency and cash flow traits.

By comparison, PT Ladang Indonesia Citra Mandiri (LICM) came in rather poor at 5.35. Although LICM's very negative DCF valuation and negative IRR highlight ongoing operational inefficiencies and cash flow shortages, its ANAM value shows a significant asset base. Its lower liquidity indicators and greater leverage ratio highlight even more the financial risk involved. These results imply that without major strategic and financial restructuring, LICM as it is now not a suitable acquisition prospect. Potential investors would have to approach LICM carefully, maybe basing any investment on a thorough operational overhaul or comprehensive turn-around strategy.

Based on this thorough assessment, the research advises PT Sincerity Investama Abadi to concentrate a purchase of a minority share (about 25%) in PT Multindo Cipta Kreasi as the main investment, thereby balancing projected financial rewards with reasonable risk and scalability potential. Though with a lesser absolute investment level, Omen Futsal is positioned as a reasonable secondary investment objective to offer diversification advantages and steady income flow. Investment in PT Ladang Indonesia should wait till structural changes come around or alternatively conducted under strict guidelines and contingency preparations. By means of this multi-criteria, data-driven strategy, PT Sincerity Investama Abadi guarantees that the portfolio optimisation maximises value generation while minimising operational and financial risk.

1) PT Multindo Cipta Kreasi

PT Multindo received the highest overall score with a score of 8.10 out of 10. In terms of valuation, the company received a score of 8 due to its solid and realistic combined DCF and ANAM valuation, reflecting strong financial fundamentals and healthy future cash flow

potential. In terms of liquidity, PT Multindo excels with a score of 9, thanks to its excellent Current Ratio, which shows a strong ability to meet short-term obligations without cash pressure. Profitability is also stable with a score of 8, indicating good operational efficiency and capital returns. The company's capital structure and leverage are healthy, receiving a score of 8, indicating low dependence on debt and high capacity to pay interest expenses. Finally, an IRR of 8 indicates the potential for attractive investment returns over a 10-year investment horizon. All of this makes PT Multindo the strongest and most balanced investment candidate in this portfolio.

2) PT Ladang Indonesia Citra Mandiri (LICM)

LICM has the lowest total score, at 5.35 out of 10, reflecting several financial challenges that need to be overcome. In terms of valuation, a score of 6 indicates investor doubts regarding the negative DCF valuation despite the positive ANAM value, indicating serious operating cash flow risks. The company's liquidity was low at 5 because the Current Ratio is close to or below one, indicating high short-term liquidity risk and the need for debt restructuring. LICM's profitability is relatively good with a score of 8, indicating that although the company is profitable, its efficiency and use of assets are not optimal. The capital structure scored 5, indicating a high level of leverage and low interest payment capacity, which increases the risk of bankruptcy. The IRR, with a score of 3, indicates a less attractive rate of return on investment with high financial risk. Overall, LICM requires significant restructuring and improvement to become a viable investment option.

3) Omen Futsal

Omen Futsal achieved a total score of 7.5, placing the company as an attractive investment option, especially for investors who prioritize lower risk with high profitability potential. A score of 5 in the valuation aspect indicates a moderate valuation based on high profitability but small in assets, as the company's scale is smaller than the others. Liquidity is excellent with a score of 10, based on a high Quick Ratio, although market volatility and small business scale risks remain concerns. Profitability is superior with a score of 10, as high net profit margins reflect strong operational efficiency. Capital structure and leverage are also very healthy with a score of 10, as the company operates without debt, so financial risk is low. An IRR of 8 indicates positive but still with low amount of return potential compared to others over a 10-year investment horizon. Omen is suitable as a diversification option with a balanced risk and return profile.

Based on a comprehensive evaluation, PT Multindo Cipta Kreasi is the best investment choice with balanced financial performance, controlled risk, and promising return potential. Omen Futsal offers a moderate risk and return profile, suitable as a diversified investment with lower risk exposure. PT Ladang Indonesia Citra Mandiri, despite having large asset potential, currently faces significant financial and liquidity risks that reduce its investment attractiveness until there is a substantial improvement in performance.

2. Acquisition Recommendation

Based on a comprehensive and in-depth analysis of the three candidate companies, PT Multindo Cipta Kreasi, PT Ladang Indonesia Citra Mandiri (LICM), and Omen Futsal, the recommendations for acquisition strategies are formulated with a primary focus on optimizing investment value, mitigating risk, and utilizing sustainable growth potential in the long term.

a. Main Recommendation

PT Multindo Cipta Kreasi appears as the most superior investment candidate with a healthy and stable financial profile. This is indicated by strong liquidity, consistent profitability, and a conservative and balanced capital structure that minimizes financial risk and provides funding flexibility.

The combined valuation that integrates the Discounted Cash Flow (DCF) and Adjusted Net Asset Method (ANAM) approaches produces a realistic and credible fair value estimate, supported by positive net income projections and an Internal Rate of Return (IRR) that exceeds the cost of capital over a 10-year projection period. This indicates the potential for attractive and sustainable investment returns.

As a company that has demonstrated efficiency in managing working capital and assets, PT Multindo is ideal as a target for a minority acquisition of 25%. This strategy allows investors to obtain a significant portion of ownership without disrupting the stability and continuity of operational management, while optimizing the potential for organic growth and business synergies. This approach also minimizes the integration risk and internal resistance that often arise in majority acquisitions.

b. Alternative Option

Omen Futsal offers an investment opportunity with a low risk profile but with a high level of profitability. A debt-free capital structure and healthy liquidity provide good business resilience to market volatility and economic uncertainty.

Although Omen Futsal's business scale is relatively smaller and growth potential is limited, this company is suitable as a portfolio diversification instrument that enriches the composition of assets with a stable risk-return profile. A minority acquisition of Omen can provide consistent and stable cash flow, supporting the overall risk mitigation objective of the investment portfolio.

c. Conservative and Cautious Approach

Although LICM has substantial asset value, the company faces serious challenges in low liquidity, high leverage, and negative operating cash flow. This causes the equity value in the DCF method to be negative, which is an indicator of significant financial risk.

Therefore, every acquisition step in LICM must be carried out very carefully and selectively. A net asset valuation (ANAM)-based approach is recommended with strict requirements for financial restructuring, management improvement, and a clear strategic plan. Investors need to ensure management's readiness to carry out business transformation and the readiness of further funding resources to stabilize and restore performance.

This approach must also be accompanied by in-depth due diligence to identify hidden risks and anticipate failure scenarios, so that the investment does not cause ongoing losses.

d. Conclusion of Acquisition Recommendations

Overall, the optimal and balanced investment strategy for PT Sincerity Investama Abadi is to make a minority acquisition of 25% in PT Multindo Cipta Kreasi as the main investment. This company offers the best combination of attractive potential returns and controlled risk, making it an ideal choice to support the growth of the investment portfolio. In addition, a minority investment in Omen Futsal can be considered as a complement to the portfolio that functions to optimize risk diversification while providing stable cash flow.

Meanwhile, the acquisition of PT Ladang Indonesia Citra Mandiri should be carried out with a very selective and conservative approach, only if the company is able to show significant fundamental improvements and management is ready to carry out the necessary business transformation.

Based on these factors, the acquisition of PT Ladang Indonesia Citra Mandiri at the current condition is not recommended. Investors are advised to wait until the company shows significant improvement in liquidity, debt management, and positive cash flow projections, or consider investments with very conservative terms and tight controls, such as minority funding with tight restructuring clauses. This approach keeps PT Sincerity Investama Abadi from being exposed to excessive financial risk and ensures more efficient capital allocation in companies with better risk-return profiles and clear growth prospects.

3. Implementation Plan

The acquisition implementation plan is designed systematically to ensure a smooth transition process and provide optimal results for PT Sincerity Investama Abadi.

Table 5. Implementation Plan

Timeframe	Activity
July 2025	Finalize due diligence and confirm valuations
August 2025	Negotiate term sheet and Memorandum of Understanding (MoU)
September 2025	Sign acquisition agreements and establish integration team
October 2025	Begin management transformation and reporting

Source: Developed by researcher, 2025

The implementation stages begin with the finalization of due diligence and confirmation of valuation in July 2025, followed by negotiation of term sheets and Memorandum of Understanding (MoU) in August 2025. In September 2025, the signing of the share sale and purchase deed and the formation of an initial integration team responsible for overseeing the integration process. Furthermore, in October 2025, the transformation of management, operations, and financial reporting began to align systems and processes according to investment company standards

CONCLUSION

The analysis indicated that PT Multindo Cipta Kreasi possessed the most stable and balanced financial position, making it the primary recommendation for acquisition with an IRR of 15.69%, surpassing the minimum hurdle rate. Omen Futsal also demonstrated strong profitability and a low-risk profile, presenting potential as a diversification asset, while PT Ladang Indonesia Citra Mandiri faced liquidity constraints, high leverage, and negative cash flow, limiting its short-term acquisition feasibility. The combined use of DCF and ANAM methods produced a balanced and realistic valuation foundation for investment decisions, emphasizing the importance of integrating financial analysis, valuation, risk assessment, and performance projections in SME evaluation. Future research could expand this model by incorporating non-financial indicators such as innovation capacity, market adaptability, and environmental, social, and governance (ESG) factors to enhance acquisition decision-making frameworks.

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