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## Cross-border Merger Waves

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### Abstract

We examine the valuation effects of cross-border merger and acquisition (M&A) waves. Like domestic M&As, cross-border M&As cluster by industry and time. Cross-border M&A waves create value overall: acquirer announcement returns, combined acquirer and target announcement returns, and post-merger operating performance within waves are significantly higher than those outside of waves. Unlike domestic M&A waves, deals undertaken later in waves outperform those earlier in waves. The late entrants' outperformance is stronger when target countries differ from acquirer countries in terms of culture, financial development, and legal system. Overall, the results suggest that cross-border acquisitions promote efficient redeployment of corporate assets.

*JEL classification:* D83, F21, G32, G34

*Keywords:* Cross-border Mergers and Acquisitions, Merger Waves, Shareholder Value

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