



## **Online-Appendix zu**

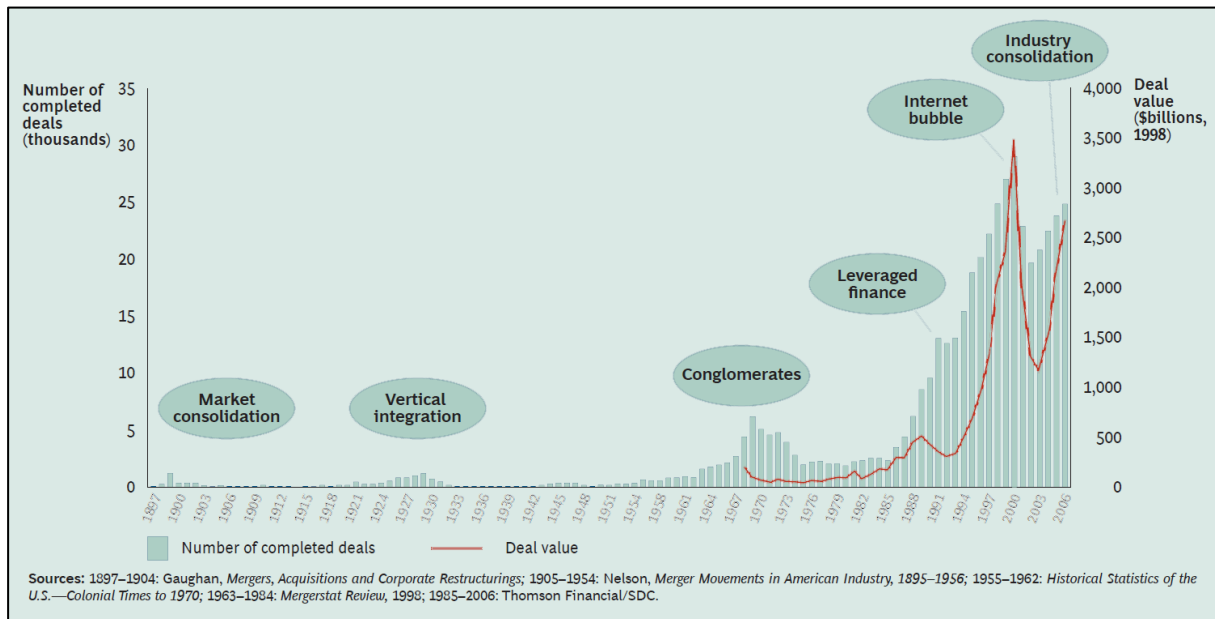
# **„Flipping the Switch – The Role of Activity Load in Temporal Acquisition Patterns of Acquiring Firms“**

Frédéric Herold

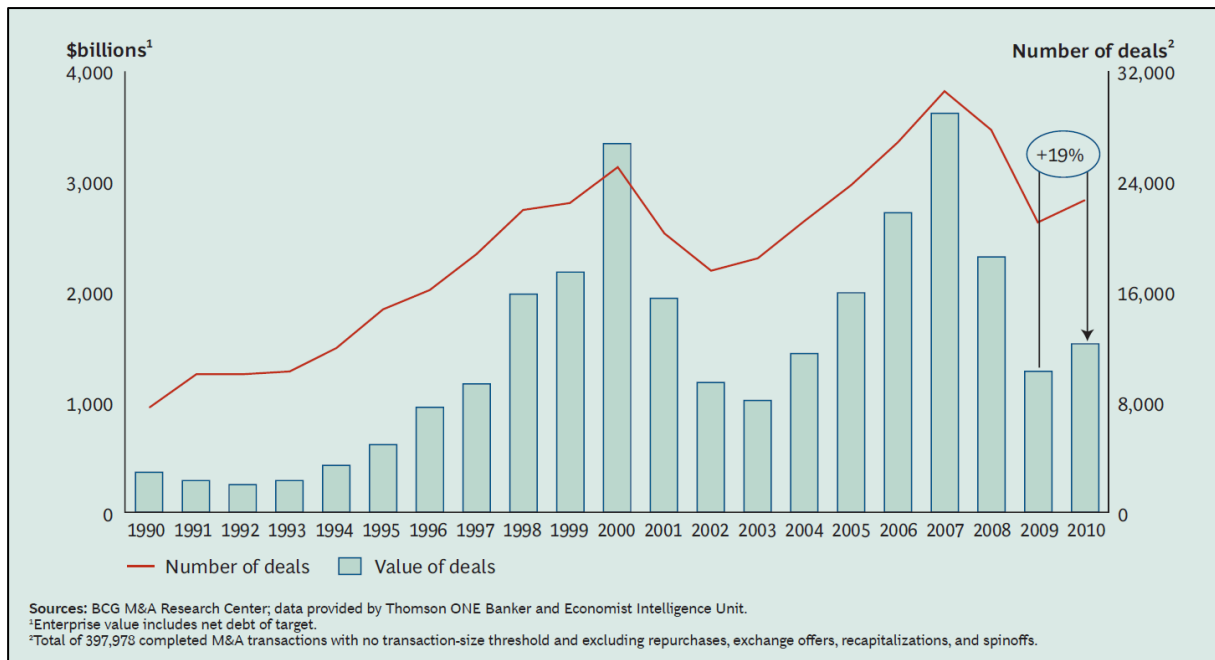
University of St.Gallen

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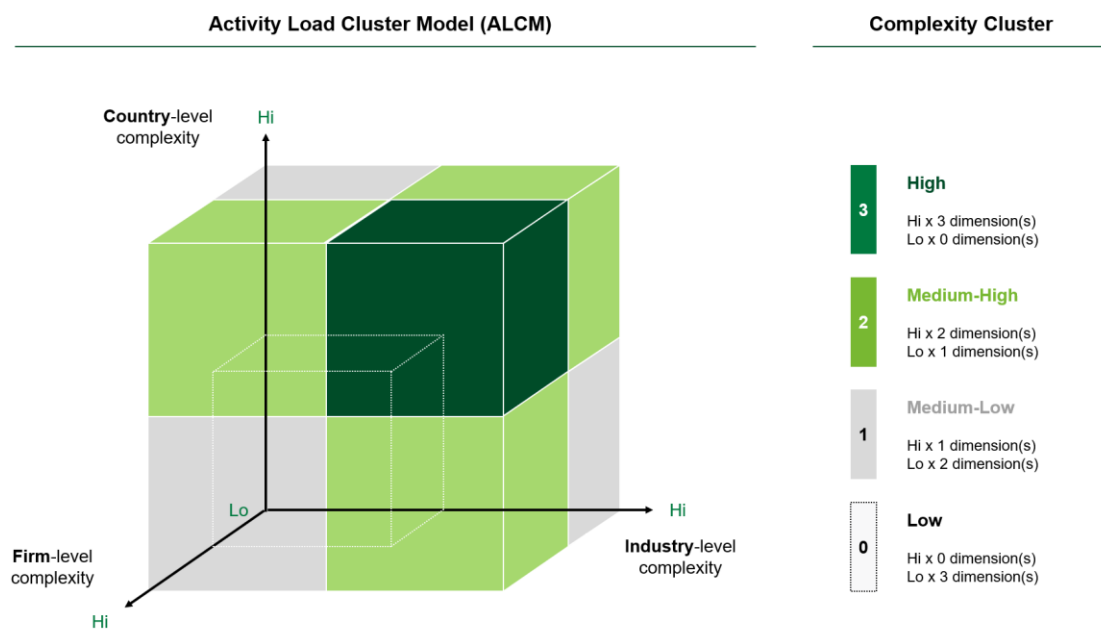
## Appendix



**Figure A.1:** Yearly Number of Completed Deals and Total Deal Values Across Historical M&A Waves from 1887 to 2006 – High Levels of Historical Acquisition Activity in the 1990–2010 Sample Period (source: Cools et al., 2007, p. 9)



**Figure A.2:** Yearly Number of Completed Deals and Total Deal Values from 1990 to 2010 – Largely Congruent Patterns of Acquisition Volumes and Deal Values in the 1990–2010 Sample Period (source: Kengelbach & Roos, 2011, p. 8)



**Table A.1:** Definitions of Main Variables

Variable	Definition
<b>Panel A: Acquisition Variables</b>	
Source: Refinitiv Eikon M&A Database	
Total Acquisition Momentum	<i>Total Acquisition Momentum</i> is a dummy variable equal to one if the sum of total known deal values of firm <i>i</i> in year <i>t</i> is greater than or equal to the sum of total known deal values of firm <i>i</i> in year <i>t-1</i>
Cross-Border Acquisition Momentum	<i>Cross-Border Acquisition Momentum</i> is a dummy variable equal to one if the sum of known cross-border deal values of firm <i>i</i> in year <i>t</i> is greater than or equal to the sum of known cross-border deal values of firm <i>i</i> in year <i>t-1</i> . The term ‘cross-border’ refers to acquisitions of targets with headquarters outside the United States.
Domestic Acquisition Momentum	<i>Domestic Acquisition Momentum</i> is a dummy variable equal to one if the sum of known domestic deal values of firm <i>i</i> in year <i>t</i> is greater than or equal to the sum of known domestic deal values of firm <i>i</i> in year <i>t-1</i> . The term ‘domestic’ refers to acquisitions of targets with headquarters in the United States.
Cross-Industry Acquisition Momentum	<i>Cross-Industry Acquisition Momentum</i> is a dummy variable equal to one if the sum of known cross-industry deal values of firm <i>i</i> in year <i>t</i> is greater than or equal to the sum of known cross-industry deal values of firm <i>i</i> in year <i>t-1</i> . Acquisitions are classified as ‘cross-industry acquisitions’ if the first two digits of the target’s and acquirer’s primary SIC codes are not identical.
Within-Own-Industry Acquisition Momentum	<i>Within-Own-Industry Acquisition Momentum</i> is a dummy variable equal to one if the sum of known within-own-industry deal values of firm <i>i</i> in year <i>t</i> is greater than or equal to the sum of known within-own-industry deal values of firm <i>i</i> in year <i>t-1</i> . Acquisitions are classified as ‘within-own-industry acquisitions’ if the first two digits of the target’s and acquirer’s primary SIC codes are identical.
Large Acquisition Momentum	<i>Large Acquisition Momentum</i> is a dummy variable equal to one if the sum of known large deal values of firm <i>i</i> in year <i>t</i> is greater than or equal to the sum of known large deal values of firm <i>i</i> in year <i>t-1</i> . Targets are considered ‘large’ if their relative size (measured relative to acquirer total assets) is greater than or equal to the sample mean of 8.9 percent.

Small Acquisition Momentum	<i>Small Acquisition Momentum</i> is a dummy variable equal to one if the sum of known small deal values of firm <i>i</i> in year <i>t</i> is greater than or equal to the sum of known small deal values of firm <i>i</i> in year <i>t-1</i> . Targets are considered ‘small’ if their relative size (measured relative to acquirer total assets) is smaller than the sample mean of 8.9 percent.
Total Acquisition Activity	<i>Total Acquisition Activity</i> is the total number of completed acquisitions of firm <i>i</i> in years <i>t-2</i> to <i>t</i>
Cross-Border Acquisition Activity	<i>Cross-Border Acquisition Activity</i> is the number of completed acquisitions in years <i>t-2</i> to <i>t</i> that firm <i>i</i> conducts outside the United States
Domestic Acquisition Activity	<i>Domestic Acquisition Activity</i> is the number of completed acquisitions in years <i>t-2</i> to <i>t</i> that firm <i>i</i> conducts in the United States
Cross-Industry Acquisition Activity	<i>Cross-Industry Acquisition Activity</i> is the number of completed acquisitions in years <i>t-2</i> to <i>t</i> that firm <i>i</i> conducts outside its own industry. Acquisitions are classified as ‘cross-industry acquisitions’ if the first two digits of the target’s and acquirer’s primary SIC codes are not identical.
Within-Own-Industry Acquisition Activity	<i>Within-Own-Industry Acquisition Activity</i> is the number of completed acquisitions in years <i>t-2</i> to <i>t</i> that firm <i>i</i> conducts in its own industry. Acquisitions are classified as ‘within-own-industry acquisitions’ if the first two digits of the target’s and acquirer’s primary SIC codes are identical.
Large Acquisition Activity	<i>Large Acquisition Activity</i> is the number of completed large acquisitions of firm <i>i</i> in years <i>t-2</i> to <i>t</i> . Targets are considered ‘large’ if their relative size (measured relative to acquirer total assets) is greater than or equal to the sample mean of 8.9 percent.
Small Acquisition Activity	<i>Small Acquisition Activity</i> is the number of completed small acquisitions of firm <i>i</i> in years <i>t-2</i> to <i>t</i> . Targets are considered ‘small’ if their relative size (measured relative to acquirer total assets) is smaller than the sample mean of 8.9 percent.
Proportion of Cross-Border Acquisitions	<i>Proportion of Cross-Border Acquisitions</i> is the percentage of acquisitions made by firm <i>i</i> over the three-year period <i>t-2</i> to <i>t</i> . The term ‘cross-border’ refers to acquisitions of targets with headquarters outside the United States.
Proportion of Cross-Industry Acquisitions	<i>Proportion of Cross-Industry Acquisitions</i> is the percentage of acquisitions made by firm <i>i</i> over the three-year period <i>t-2</i> to <i>t</i> . Acquisitions are classified as ‘cross-industry acquisitions’ if the first two digits of the target’s and acquirer’s primary SIC codes are not identical.

Proportion of Large Acquisitions	<i>Proportion of Large Acquisitions</i> is the percentage of acquisitions made by firm <i>i</i> over the three-year period <i>t</i> -2 to <i>t</i> . Targets are considered ‘large’ if their relative size (measured relative to acquirer total assets) is greater than or equal to the sample mean of 8.9 percent.
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Industry Acquisition Activity	<i>Industry Acquisition Activity</i> is the average number of acquisitions per industry (based on the first two digits of the primary SIC code of firm <i>i</i> ) in the period <i>t</i> -2 to <i>t</i>
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**Panel B: Acquirer Executive Variables**

Source: Compustat Execucomp

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CEO Overconfidence	<i>CEO Overconfidence</i> is a dummy variable equal to one if the CEO of firm <i>i</i> has not exercised at least 67 percent of his/her exercisable in-the-money stock options in year <i>t</i> . Exercisable in-the-money options are the sum of a CEO's exercised options and unexercised exercisable in-the-money options in year <i>t</i> .
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CEO Succession	<i>CEO Succession</i> is a dummy variable equal to one if firm <i>i</i> experienced a CEO change in year <i>t</i>
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Degree of Decentralization	<i>Degree of Decentralization</i> is the percentage of executives of firm <i>i</i> with divisional or geographic titles in year <i>t</i> , where a value of one represents a fully decentralized structure
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**Panel C: Acquirer Fundamentals Variables**

Source: Compustat Annual North America

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Performance Above Aspirations	<i>Performance Above Aspirations</i> is a spline variable that is given by the recursive formula $P_t - A_t$ , where $P_t$ is the ROA of firm <i>i</i> in year <i>t</i> and $A_t$ is that firm's aspiration level in year <i>t</i> which, in turn, is given by $0.3 P_{t-1} + 0.7 A_{t-1}$ , if the performance of firm <i>i</i> in year <i>t</i> is above its aspiration level and zero otherwise. $A_t$ equals zero in the year in which firm <i>i</i> enters the sample for the first time.
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Performance Below Aspirations	<i>Performance Below Aspirations</i> is a spline variable that is given by the recursive formula $P_t - A_t$ , where $P_t$ is the ROA of firm <i>i</i> in year <i>t</i> and $A_t$ is that firm's aspiration level in year <i>t</i> which, in turn, is given by $0.3 P_{t-1} + 0.7 A_{t-1}$ , if the performance of firm <i>i</i> in year <i>t</i> is below its aspiration level and zero otherwise. $A_t$ equals zero in the year in which firm <i>i</i> enters the sample for the first time.
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## Growth Above Aspirations

*Growth Above Aspirations* is a spline variable that is given by the recursive formula  $G_t - A_t$ , where  $G_t$  is the growth rate of sales of firm  $i$  from  $t-1$  to  $t$  and  $A_t$  is that firm's aspiration level in year  $t$  which, in turn, is given by  $0.3 G_{t-1} + 0.7 A_{t-1}$ , if the growth rate of sales of firm  $i$  from  $t-1$  to  $t$  is above its aspiration level and zero otherwise.  $A_t$  equals zero one year after firm  $i$  enters the sample for the first time.

## Growth Below Aspirations

*Growth Below Aspirations* is a spline variable that is given by the recursive formula  $G_t - A_t$ , where  $G_t$  is the growth rate of sales of firm  $i$  from  $t-1$  to  $t$  and  $A_t$  is that firm's aspiration level in year  $t$  which, in turn, is given by  $0.3 G_{t-1} + 0.7 A_{t-1}$ , if the growth rate of sales of firm  $i$  from  $t-1$  to  $t$  is below its aspiration level and zero otherwise.  $A_t$  equals zero one year after firm  $i$  enters the sample for the first time.

## Slack Resources

*Slack Resources* is defined as total liabilities scaled by total assets

## Acquirer Size

*Acquirer Size* is the natural logarithm of total assets

## Diversification

*Diversification* is defined as the Jacquemin-Berry entropy index as operationalized by Sanders (2001) and builds on Compustat segment-level revenue data. Segments with SIC code 9999 are excluded. Negative index values are replaced with a value of zero.

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*Notes:* All variable definitions in this table refer to the operationalizations used in my main analysis.

**Table A.2:** Descriptive Statistics of Main Variables

Variable	Mean	SD	Min	25th %-ile	Median	75th %-ile	Max
<b>Panel A: Acquisition Variables</b>							
Source: Refinitiv Eikon M&A Database							
Total Acquisition Momentum	0.38	0.48	0	0	0	1	1
Cross-Border Acquisition Momentum	0.25	0.43	0	0	0	1	1
Domestic Acquisition Momentum	0.32	0.47	0	0	0	1	1
Cross-Industry Acquisition Momentum	0.30	0.46	0	0	0	1	1
Within-Own-Industry Acquisition Momentum	0.26	0.44	0	0	0	1	1
Large Acquisition Momentum	0.11	0.31	0	0	0	0	1
Small Acquisition Momentum	0.35	0.48	0	0	0	1	1
Total Acquisition Activity	14.15	23.35	1	3	7	17	320
Cross-Border Acquisition Activity	6.29	12.26	0	1	3	7	173
Domestic Acquisition Activity	7.86	12.37	0	2	4	10	153
Cross-Industry Acquisition Activity	9.53	21.25	0	1	4	11	320
Within-Own-Industry Acquisition Activity	4.62	7.59	0	1	2	5	78
Large Acquisition Activity	0.53	0.92	0	0	0	1	10
Small Acquisition Activity	13.63	23.20	0	3	7	16	320
Proportion of Cross-Border Acquisitions	0.42	0.30	0.00	0.20	0.42	0.62	1.00
Proportion of Cross-Industry Acquisitions	0.60	0.32	0.00	0.36	0.67	0.88	1.00
Proportion of Large Acquisitions	0.08	0.18	0.00	0.00	0.00	0.07	1.00
Industry Acquisition Activity	44.97	35.71	0.333	16	34.33	68.33	141
<b>Panel B: Acquirer Executive Variables</b>							
Source: Compustat Execucomp							
CEO Overconfidence	0.68	0.47	0	0	1	1	1
CEO Succession	0.13	0.34	0	0	0	0	1
Degree of Decentralization	0.19	0.18	0.00	0.00	0.17	0.33	0.86
<b>Panel C: Acquirer Fundamentals Variables</b>							
Source: Compustat Annual North America							
Performance Above Aspirations	0.02	0.03	0.00	0.00	0.01	0.03	0.26
Performance Below Aspirations	-0.01	0.03	-0.26	-0.01	0.00	0.00	0.00
Growth Above Aspirations	0.06	0.11	0.00	0.00	0.01	0.07	1.25
Growth Below Aspirations	-0.06	0.13	-1.59	-0.06	0.00	0.00	0.00
Slack Resources	0.64	0.17	0.18	0.52	0.62	0.73	1.93
Acquirer Size	9.00	1.28	5.00	8.06	8.85	9.78	13.59
Diversification	0.90	0.48	0.00	0.58	0.92	1.26	2.25

Notes: N=2,267. Statistics are based on raw variables (i.e., before splitting independent variables into their within- and between-firm components).



**Table A.3:** VIF Test Results

Variable	All Acquisitions	Acquisitions Split by Geography	Acquisitions Split by Industry	Acquisitions Split by Target Size
Mean VIF	1.77	1.94	1.76	1.77
<b>Panel A: Within-Firm Variables</b>				
Total Acquisition Activity	1.27			
Cross-Border Acquisition Activity		1.46		
Domestic Acquisition Activity		1.54		
Cross-Industry Acquisition Activity			1.21	
Within-Own-Industry Acquisition Activity			1.21	
Large Acquisition Activity				1.14
Small Acquisition Activity				1.26
Proportion of Cross-Border Acquisitions	1.08		1.08	1.04
Proportion of Cross-Industry Acquisitions	1.09	1.09		1.06
Proportion of Large Acquisitions	1.13	1.08	1.09	
CEO Overconfidence	1.08	1.08	1.08	1.08
CEO Succession	1.02	1.02	1.02	1.02
Degree of Decentralization	1.09	1.09	1.08	1.09
Performance Above Aspirations	1.51	1.51	1.50	1.51
Performance Below Aspirations	1.50	1.50	1.50	1.51
Growth Above Aspirations	1.27	1.27	1.26	1.27
Growth Below Aspirations	1.45	1.45	1.45	1.45
Slack Resources	1.14	1.14	1.14	1.14
Acquirer Size	1.72	1.72	1.72	1.73
Diversification	1.17	1.17	1.17	1.17
Industry Acquisition Activity	1.74	1.74	1.76	1.75
<b>Panel B: Between-Firm Variables</b>				
Total Acquisition Activity	1.79			
Cross-Border Acquisition Activity		4.89		
Domestic Acquisition Activity		5.16		
Cross-Industry Acquisition Activity			1.59	
Within-Own-Industry Acquisition Activity			1.30	
Large Acquisition Activity				1.28
Small Acquisition Activity				1.78
Proportion of Cross-Border Acquisitions	1.15		1.15	1.13
Proportion of Cross-Industry Acquisitions	1.33	1.35		1.32
Proportion of Large Acquisitions	1.31	1.28	1.27	
CEO Overconfidence	1.13	1.15	1.13	1.16
CEO Succession	1.11	1.11	1.10	1.11
Degree of Decentralization	1.06	1.06	1.06	1.06

Performance Above Aspirations	1.30	1.31	1.30	1.27
Performance Below Aspirations	1.36	1.37	1.36	1.35
Growth Above Aspirations	1.72	1.71	1.70	1.73
Growth Below Aspirations	1.87	1.91	1.88	1.87
Slack Resources	1.14	1.17	1.15	1.11
Acquirer Size	1.87	1.85	1.91	1.97
Diversification	1.45	1.45	1.33	1.44
Industry Acquisition Activity	1.37	1.38	1.30	1.37

**Panel C: Year Indicator Variables**

Year 1994	2.42	2.42	2.42	2.42
Year 1995	2.46	2.46	2.46	2.46
Year 1996	2.50	2.50	2.50	2.50
Year 1997	2.64	2.64	2.64	2.64
Year 1998	2.65	2.65	2.65	2.65
Year 1999	2.64	2.64	2.64	2.64
Year 2000	2.67	2.67	2.67	2.67
Year 2001	2.67	2.67	2.67	2.68
Year 2002	2.69	2.68	2.68	2.69
Year 2003	2.53	2.53	2.53	2.54
Year 2004	2.48	2.48	2.48	2.49
Year 2005	2.52	2.52	2.52	2.53
Year 2006	2.39	2.39	2.39	2.40
Year 2007	2.39	2.39	2.39	2.40
Year 2008	2.46	2.46	2.46	2.47
Year 2009	2.47	2.48	2.47	2.48
Year 2010	2.58	2.58	2.58	2.59

*Notes:* N=2,267. Year 1993 is the baseline year and, thus, omitted for identification reasons.

**Table A.4:** Fixed Effects Panel Logit Regression Analysis with Different Acquisition Momentum Definitions as the Dependent Variable

	Total Acquisition Momentum		Cross-Border Acquisition Momentum		Domestic Acquisition Momentum		Cross-Industry Acquisition Momentum		Within-Own-Industry Acquisition		Large Acquisition Momentum		Small Acquisition Momentum	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13	Model 14
Hypotheses														
<i>Total Acquisition Activity</i>		0.988** (0.005)												
<i>Cross-Border Acquisition Activity</i>			0.966*** (0.011)			1.016 (0.011)								
<i>Domestic Acquisition Activity</i>				1.020** (0.010)		0.981** (0.009)								
<i>Cross-Industry Acquisition Activity</i>							0.995 (0.006)			1.007 (0.010)				
<i>Within-Own-Industry Acquisition Activity</i>							1.014 (0.017)			0.936*** (0.016)				
<i>Large Acquisition Activity</i>											0.756*** (0.067)		1.053 (0.069)	
<i>Small Acquisition Activity</i>											0.997 (0.008)		0.988** (0.005)	
Controls														
<i>Proportion of Cross-Border Acquisition</i>		1.153 (0.265)						1.395 (0.368)		0.849 (0.233)		2.064* (0.829)		1.019 (0.237)
<i>Proportion of Cross-Industry Acquisition</i>		1.712** (0.426)		1.918** (0.610)		1.519 (0.407)						1.242 (0.517)		1.707** (0.431)
<i>Proportion of Large Acquisitions</i>		0.440** (0.166)		0.861 (0.393)		0.371** (0.155)		0.668 (0.289)		0.478* (0.206)				
<i>CEO Overconfidence</i>	1.040 (0.118)	1.043 (0.119)	1.168 (0.154)	1.195 (0.159)	1.132 (0.136)	1.121 (0.135)	1.143 (0.143)	1.151 (0.144)	0.959 (0.123)	0.947 (0.123)	0.891 (0.164)	0.895 (0.166)	1.073 (0.124)	1.078 (0.125)
<i>CEO Succession</i>	1.087 (0.150)	1.071 (0.148)	1.291* (0.199)	1.318* (0.204)	1.080 (0.156)	1.050 (0.153)	1.122 (0.168)	1.115 (0.167)	1.122 (0.172)	1.103 (0.170)	0.940 (0.207)	0.915 (0.203)	1.127 (0.157)	1.139 (0.159)
<i>Degree of Decentralization</i>	0.730 (0.281)	0.767 (0.297)	0.903 (0.399)	0.906 (0.403)	0.678 (0.275)	0.724 (0.296)	0.768 (0.328)	0.767 (0.328)	1.057 (0.458)	1.108 (0.485)	1.914 (1.204)	2.284 (1.468)	0.728 (0.283)	0.722 (0.282)
<i>Performance Above Aspirations</i>	17.347 (34.836)	28.165* (57.132)	0.482 (1.186)	0.525 (1.308)	50.097* (104.466)	82.677** (173.259)	217.352** (459.710)	288.576*** (613.737)	69.511* (162.007)	61.688* (145.696)	84.128 (268.999)	208.833 (679.682)	20.132 (40.776)	24.494 (50.183)
<i>Performance Below Aspirations</i>	215.132** (543.518)	134.068* (342.086)	60.554 (182.993)	48.374 (145.662)	50.749 (133.719)	35.228 (93.900)	5.289 (13.641)	5.280 (13.728)	0.232 (0.630)	0.126 (0.345)	122.956 (511.232)	53.431 (222.813)	10.748 (26.060)	7.246 (17.717)
<i>Growth Above Aspirations</i>	0.046*** (0.029)	0.053*** (0.033)	0.107*** (0.073)	0.119*** (0.081)	0.084*** (0.051)	0.097*** (0.060)	0.198*** (0.116)	0.205*** (0.121)	0.114*** (0.074)	0.133*** (0.087)	0.098** (0.089)	0.128** (0.119)	0.145*** (0.084)	0.143*** (0.083)
<i>Growth Below Aspirations</i>	2.319* (1.122)	2.336* (1.140)	5.782*** (3.585)	5.909*** (3.688)	1.999 (0.993)	1.927 (0.959)	1.292 (0.644)	1.282 (0.641)	4.458** (2.594)	4.667*** (2.736)	0.912 (0.599)	0.951 (0.634)	2.878** (1.448)	3.071** (1.552)

<i>Slack Resources</i>	0.229*** (0.120)	0.235*** (0.124)	0.423 (0.268)	0.391 (0.251)	0.164*** (0.096)	0.174*** (0.103)	0.375* (0.219)	0.392 (0.229)	0.191*** (0.119)	0.172*** (0.109)	0.061*** (0.055)	0.057*** (0.053)	0.437 (0.229)	0.457 (0.241)
<i>Acquirer Size</i>	0.658*** (0.086)	0.650*** (0.087)	1.102 (0.160)	1.094 (0.161)	0.706** (0.096)	0.685*** (0.095)	0.903 (0.120)	0.897 (0.121)	0.691** (0.101)	0.695** (0.103)	0.717* (0.139)	0.682* (0.137)	0.785* (0.102)	0.796* (0.105)
<i>Diversification</i>	1.024 (0.165)	1.055 (0.172)	0.761 (0.138)	0.716* (0.132)	0.950 (0.162)	1.001 (0.173)	0.950 (0.167)	0.970 (0.172)	1.141 (0.205)	1.179 (0.215)	1.226 (0.308)	1.401 (0.357)	0.963 (0.157)	0.966 (0.159)
<i>Industry Acquisition Activity</i>	0.998 (0.003)	1.000 (0.003)	1.002 (0.003)	1.002 (0.003)	0.997 (0.003)	0.998 (0.003)	0.997 (0.003)	0.998 (0.003)	1.003 (0.003)	1.006* (0.003)	0.996 (0.005)	0.999 (0.005)	1.000 (0.003)	1.001 (0.003)
Observations	2,192	2,192	1,982	1,982	2,157	2,157	2,062	2,062	1,996	1,996	1,652	1,652	2,140	2,140
Number of Firms	163	163	141	141	156	156	146	146	145	145	112	112	156	156
Firm FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Notes* : Regression coefficients represent odds ratios. Standard errors in their exponentiated form are presented in parentheses. Odd-numbered (even-numbered) model specifications include control variables only (all variables of interest). Year dummies are included in all models but not reported. Light green cells indicate relationships between momentum and acquisition activity variables within the same target firm category (i.e., hypotheses 1 and 2). Conversely, dark green cells indicate relationships between momentum in a lower-complexity target firm category and acquisition activity in a higher-complexity target firm category (i.e., second part of hypothesis 2a).

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

**Table A.5:** Hybrid Panel Logit Regression Analysis by Acquirer Size with Different Acquisition Momentum Definitions as the Dependent Variable

	Total Acquisition Momentum		Cross-Border Acquisition Momentum		Domestic Acquisition Momentum		Cross-Industry Acquisition Momentum		Within-Own-Industry Acquisition Momentum		Large Acquisition Momentum		Small Acquisition Momentum	
	Model 1 <i>Small</i>	Model 2 <i>Large</i>	Model 3 <i>Small</i>	Model 4 <i>Large</i>	Model 5 <i>Small</i>	Model 6 <i>Large</i>	Model 7 <i>Small</i>	Model 8 <i>Large</i>	Model 9 <i>Small</i>	Model 10 <i>Large</i>	Model 11 <i>Small</i>	Model 12 <i>Large</i>	Model 13 <i>Small</i>	Model 14 <i>Large</i>
<i>Total Acquisition Activity</i>	0.956** (0.021)	0.986** (0.006)												
<i>Cross-Border Acquisition Activity</i>			0.934 (0.043)	0.964*** (0.012)	1.017 (0.043)	1.009 (0.012)								
<i>Domestic Acquisition Activity</i>			1.056 (0.043)	1.020* (0.011)	0.907*** (0.030)	0.982* (0.010)								
<i>Cross-Industry Acquisition Activity</i>							1.001 (0.029)	0.992 (0.006)	0.989 (0.031)	1.005 (0.010)				
<i>Within-Own-Industry Acquisition Activity</i>							1.037 (0.051)	1.008 (0.019)	0.864*** (0.040)	0.938*** (0.019)				
<i>Large Acquisition Activity</i>											0.542*** (0.106)	0.822* (0.085)	1.174 (0.149)	1.000 (0.080)
<i>Small Acquisition Activity</i>											1.008 (0.040)	0.996 (0.008)	0.980 (0.021)	0.985** (0.006)
Observations	1,129	1,138	1,129	1,138	1,129	1,138	1,129	1,138	1,129	1,138	1,129	1,138	1,129	1,138
Number of Firms	131	112	131	112	131	112	131	112	131	112	131	112	131	112
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mundlak Instruments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Notes* : Regression coefficients represent odds ratios. Standard errors in their exponentiated form are presented in parentheses. Odd-numbered (even-numbered) model specifications are based on the small firm (large firm) subsample. Only within-firm effects are reported. Between-firm effects of acquisition activity variables (i.e., Mundlak instruments), controls, and year dummies are included in all models but not reported.

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

**Table A.6:** Hybrid Panel Logit Regression Analysis by Acquirer Structure with Different Acquisition Momentum Definitions as the Dependent Variable

	Total Acquisition Momentum		Cross-Border Acquisition Momentum		Domestic Acquisition Momentum		Cross-Industry Acquisition Momentum		Within-Own-Industry Acquisition Momentum		Large Acquisition Momentum		Small Acquisition Momentum	
	Model 1 <i>Central</i>	Model 2 <i>Decentral</i>	Model 3 <i>Central</i>	Model 4 <i>Decentral</i>	Model 5 <i>Central</i>	Model 6 <i>Decentral</i>	Model 7 <i>Central</i>	Model 8 <i>Decentral</i>	Model 9 <i>Central</i>	Model 10 <i>Decentral</i>	Model 11 <i>Central</i>	Model 12 <i>Decentral</i>	Model 13 <i>Central</i>	Model 14 <i>Decentral</i>
<i>Total Acquisition Activity</i>	0.986*	0.987 (0.008)												
<i>Cross-Border Acquisition Activity</i>			0.965** (0.016)	0.951*** (0.018)	1.025 (0.016)	1.001 (0.018)								
<i>Domestic Acquisition Activity</i>			1.010 (0.015)	1.038** (0.015)	0.974* (0.014)	0.985 (0.014)								
<i>Cross-Industry Acquisition Activity</i>							0.992 (0.009)	0.997 (0.010)	1.004 (0.014)	1.012 (0.012)				
<i>Within-Own-Industry Acquisition Activity</i>							1.000 (0.024)	1.021 (0.026)	0.930*** (0.024)	0.931*** (0.025)				
<i>Large Acquisition Activity</i>											0.692** (0.103)	0.722*** (0.088)	1.139 (0.116)	0.990 (0.090)
<i>Small Acquisition Activity</i>											0.960** (0.017)	1.035*** (0.013)	0.987 (0.008)	0.983* (0.009)
Observations	991	1,276	991	1,276	991	1,276	991	1,276	991	1,276	991	1,276	991	1,276
Number of Firms	144	168	144	168	144	168	144	168	144	168	144	168	144	168
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mundlak Instruments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes : Regression coefficients represent odds ratios. Standard errors in their exponentiated form are presented in parentheses. Odd-numbered (even-numbered) model specifications are based on the centralized firm (decentralized firm) subsample. Only within-firm effects are reported. Between-firm effects of acquisition activity variables (i.e., Mundlak instruments), controls, and year dummies are included in all models but not reported.

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

**Table A.7:** Hybrid Panel Logit Regression Analysis by Acquired Stake with Different Acquisition Momentum Definitions as the Dependent Variable

	Total Acquisition Momentum		Cross-Border Acquisition Momentum		Domestic Acquisition Momentum		Cross-Industry Acquisition Momentum		Within-Own-Industry Acquisition Momentum		Large Acquisition Momentum		Small Acquisition Momentum	
	Model 1 Majority & undisclosed	Model 2 Majority only	Model 3 Majority & undisclosed	Model 4 Majority only	Model 5 Majority & undisclosed	Model 6 Majority only	Model 7 Majority & undisclosed	Model 8 Majority only	Model 9 Majority & undisclosed	Model 10 Majority only	Model 11 Majority & undisclosed	Model 12 Majority only	Model 13 Majority & undisclosed	Model 14 Majority only
<i>Total Acquisition Activity</i>	0.985** (0.006)	0.986** (0.007)												
<i>Cross-Border Acquisition Activity</i>			0.937*** (0.014)	0.927*** (0.015)	1.011 (0.014)	1.013 (0.014)								
<i>Domestic Acquisition Activity</i>			1.037*** (0.012)	1.041*** (0.014)	0.981* (0.011)	0.986 (0.011)								
<i>Cross-Industry Acquisition Activity</i>							0.992 (0.007)	0.991 (0.008)	1.012 (0.010)	1.016 (0.011)				
<i>Within-Own-Industry Acquisition Activity</i>							1.003 (0.018)	1.002 (0.019)	0.932*** (0.020)	0.936*** (0.020)				
<i>Large Acquisition Activity</i>											0.632*** (0.099)	0.760 (0.139)	1.027 (0.097)	0.995 (0.109)
<i>Small Acquisition Activity</i>											1.006 (0.011)	1.000 (0.010)	0.985** (0.006)	0.983** (0.007)
Observations	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170
Number of Firms	185	185	185	185	185	185	185	185	185	185	185	185	185	185
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mundlak Instruments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Regression coefficients represent odds ratios. Standard errors in their exponentiated form are presented in parentheses. Odd-numbered (even-numbered) model specifications are based on the sample which covers acquisitions in which a majority stake was acquired or whose acquired stake was not disclosed (only a majority stake was acquired). Only within-firm effects are reported. Between-firm effects of acquisition activity variables (i.e., Mundlak instruments), controls, and year dummies are included in all models but not reported.

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

**Table A.8:** Hybrid Panel Logit Regression Analysis by Time Horizon of Deal-Value-Based Dependent Variable with Different Acquisition Momentum Definitions as the Dependent Variable

	Total Acquisition Momentum		Cross-Border Acquisition Momentum		Domestic Acquisition Momentum		Cross-Industry Acquisition Momentum		Within-Own-Industry Acquisition Momentum		Large Acquisition Momentum		Small Acquisition Momentum	
	Model 1 2 years	Model 2 3 years	Model 3 2 years	Model 4 3 years	Model 5 2 years	Model 6 3 years	Model 7 2 years	Model 8 3 years	Model 9 2 years	Model 10 3 years	Model 11 2 years	Model 12 3 years	Model 13 2 years	Model 14 3 years
<i>Total Acquisition Activity</i>	0.982*** (0.006)	0.987** (0.006)												
<i>Cross-Border Acquisition Activity</i>			0.917*** (0.013)	0.883*** (0.015)	1.014 (0.012)	1.018 (0.012)								
<i>Domestic Acquisition Activity</i>			1.024** (0.011)	1.038*** (0.012)	0.965*** (0.010)	0.976** (0.010)								
<i>Cross-Industry Acquisition Activity</i>							0.990 (0.007)	0.982** (0.007)	1.001 (0.009)	1.002 (0.010)				
<i>Within-Own-Industry Acquisition Activity</i>							0.985 (0.017)	1.000 (0.018)	0.883*** (0.018)	0.862*** (0.019)				
<i>Large Acquisition Activity</i>											0.494*** (0.046)	0.418*** (0.041)	0.951 (0.064)	1.008 (0.074)
<i>Small Acquisition Activity</i>											1.000 (0.007)	0.999 (0.007)	0.977*** (0.006)	0.975*** (0.007)
Observations	2,099	1,932	2,099	1,932	2,099	1,932	2,099	1,932	2,099	1,932	2,099	1,932	2,099	1,932
Number of Firms	179	173	179	173	179	173	179	173	179	173	179	173	179	173
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mundlak Instruments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Notes :* Regression coefficients represent odds ratios. Standard errors in their exponentiated form are presented in parentheses. Odd-numbered (even-numbered) model specifications use the baseline sample and regress a two-year (three-year) momentum definition that is based on deal values on different operationalizations of activity load. Only within-firm effects are reported. Between-firm effects of acquisition activity variables (i.e., Mundlak instruments), controls, and year dummies are included in all models but not reported.

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .



**Table A.9:** Hybrid Panel Logit Regression Analysis by Time Horizon of Number-of-Acquisition-Based Dependent Variable with Different Acquisition Momentum Definitions as the Dependent Variable

	Total Acquisition Momentum			Cross-Border Acquisition Momentum			Domestic Acquisition Momentum			Cross-Industry Acquisition Momentum			Within-Own-Industry Acquisition Momentum			Large Acquisition Momentum			Small Acquisition Momentum		
	Model 1 1 year	Model 2 2 years	Model 3 3 years	Model 4 1 year	Model 5 2 years	Model 6 3 years	Model 7 1 year	Model 8 2 years	Model 9 3 years	Model 10 1 year	Model 11 2 years	Model 12 3 years	Model 13 1 year	Model 14 2 years	Model 15 3 years	Model 16 1 year	Model 17 2 years	Model 18 3 years	Model 19 1 year	Model 20 2 years	Model 21 3 years
<i>Total Acquisition Activity</i>	0.940*** (0.007)	0.879*** (0.010)	0.882*** (0.011)																		
<i>Cross-Border Acquisition Activity</i>				0.854*** (0.014)	0.761*** (0.016)	0.680*** (0.020)	1.020 (0.013)	1.059*** (0.016)	1.091*** (0.018)												
<i>Domestic Acquisition Activity</i>				1.030*** (0.011)	1.035*** (0.013)	1.030** (0.014)	0.908*** (0.011)	0.832*** (0.013)	0.820*** (0.015)												
<i>Cross-Industry Acquisition Activity</i>										0.926*** (0.009)	0.866*** (0.012)	0.843*** (0.014)	1.008 (0.009)	1.007 (0.009)	1.033*** (0.012)						
<i>Within-Own-Industry Acquisition Activity</i>										1.000 (0.017)	0.987 (0.018)	1.006 (0.021)	0.778*** (0.017)	0.624*** (0.019)	0.508*** (0.022)						
<i>Large Acquisition Activity</i>																0.197*** (0.024)	0.051*** (0.008)	0.003*** (0.001)	1.025 (0.070)	0.978 (0.074)	1.079 (0.091)
<i>Small Acquisition Activity</i>																1.014 (0.010)	1.005 (0.009)	1.009 (0.012)	0.939*** (0.007)	0.883*** (0.010)	0.878*** (0.011)
Observations	2,267	2,099	1,932	2,267	2,099	1,932	2,267	2,099	1,932	2,267	2,099	1,932	2,267	2,099	1,932	2,267	2,099	1,932	2,267	2,099	1,932
Number of Firms	187	179	173	187	179	173	187	179	173	187	179	173	187	179	173	187	179	173	187	179	173
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mundlak Instruments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Notes:* Regression coefficients represent odds ratios. Standard errors in their exponentiated form are presented in parentheses. The first (second; third) model specification per dependent variable uses the baseline sample and regresses a one-year (two-year; three-year) momentum definition that is based on the number of acquisitions on different operationalizations of activity load. Only within-firm effects are reported. Between-firm effects of acquisition activity variables (i.e., Mundlak instruments), controls, and year dummies are included in all models but not reported.

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

**Table A.10:** Hybrid Panel Logit Regression Analysis with Altered Acquisition Activity Definitions as the Independent Variable and Different Acquisition Momentum Definitions as the Dependent Variable

	Total Acquisition Momentum	Cross-Region Acquisition Momentum	Intra-Region Acquisition Momentum	Cross-Industry Acquisition Momentum	Industry Acquisition Momentum	Large Acquisition Momentum	Small Acquisition Momentum
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
<i>Total Acquisition Activity</i>	0.988** (0.005)						
<i>Cross-Region Acquisition Activity</i>		0.940*** (0.015)	0.994 (0.015)				
<i>Intra-Region Acquisition Activity</i>		1.020** (0.008)	0.991 (0.007)				
<i>Cross-Industry Acquisition Activity</i>				0.991 (0.006)	1.002 (0.010)		
<i>Within-Own-Industry Acquisition Activity</i>				1.028 (0.021)	0.947** (0.021)		
<i>Large Acquisition Activity</i>						0.791*** (0.041)	1.049 (0.043)
<i>Small Acquisition Activity</i>						1.011* (0.007)	0.986** (0.006)
Observations	2,267	2,267	2,267	2,267	2,267	2,267	1,850
Number of Firms	187	187	187	187	187	187	182
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mundlak Instruments	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Notes :* Regression coefficients represent odds ratios. Standard errors in their exponentiated form are presented in parentheses. All model specifications are based on the baseline sample but use altered definitions for key independent variables as explained in section 4.3. Only within-firm effects are reported. Between-firm effects of acquisition activity variables (i.e., Mundlak instruments), controls, and year dummies are included in all models but not reported.

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

**Table A.11:** Hybrid Panel Logit Regression Analysis by Business-Unit-Based Acquirer Structure with Different Acquisition Momentum Definitions as the Dependent Variable

	Total Acquisition Momentum		Cross-Border Acquisition Momentum		Domestic Acquisition Momentum		Cross-Industry Acquisition Momentum		Within-Own-Industry Acquisition Momentum		Large Acquisition Momentum		Small Acquisition Momentum	
	Model 1 <i>Central</i>	Model 2 <i>Decentral</i>	Model 3 <i>Central</i>	Model 4 <i>Decentral</i>	Model 5 <i>Central</i>	Model 6 <i>Decentral</i>	Model 7 <i>Central</i>	Model 8 <i>Decentral</i>	Model 9 <i>Central</i>	Model 10 <i>Decentral</i>	Model 11 <i>Central</i>	Model 12 <i>Decentral</i>	Model 13 <i>Central</i>	Model 14 <i>Decentral</i>
<i>Total Acquisition Activity</i>	0.982* (0.009)	0.987* (0.008)												
<i>Cross-Border Acquisition Activity</i>			0.945*** (0.018)	0.968** (0.015)	1.002 (0.017)	1.031** (0.015)								
<i>Domestic Acquisition Activity</i>			1.032* (0.017)	1.027** (0.014)	0.980 (0.016)	0.977* (0.013)								
<i>Cross-Industry Acquisition Activity</i>							0.989 (0.010)	1.004 (0.010)	1.001 (0.014)	1.009 (0.012)				
<i>Within-Own-Industry Acquisition Activity</i>							0.984 (0.031)	1.026 (0.020)	0.904*** (0.031)	0.934*** (0.019)				
<i>Large Acquisition Activity</i>											0.644** (0.118)	0.728*** (0.077)	1.080 (0.133)	1.036 (0.080)
<i>Small Acquisition Activity</i>											1.008 (0.018)	1.008 (0.011)	0.983* (0.009)	0.987 (0.008)
Observations	898	1,464	898	1,464	898	1,464	898	1,464	898	1,464	898	1,464	898	1,464
Number of Firms	161	164	161	164	161	164	161	164	161	164	161	164	161	164
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mundlak Instruments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Notes* : Regression coefficients represent odds ratios. Standard errors in their exponentiated form are presented in parentheses. Odd-numbered (even-numbered) model specifications are based on the centralized firm (decentralized firm) subsample. Only within-firm effects are reported. Between-firm effects of acquisition activity variables (i.e., Mundlak instruments), controls, and year dummies are included in all models but not reported.

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .