Table 3: **Panel A. Regression of Investment Measures. DRAFT.**
Automated output. The version in the submitted thesis was manually adjusted due to style and space constraints.

	Change in Ln(Assets)				Change in Ln(PPENT)			
	(1) I	(2) II	(3) III	(4) IV	(5) I	(6) II	(7) III	(8) IV
New financial covenant violation	−0.092***	−0.046***	−0.041***	−0.036***	−0.100***	−0.036***	−0.030***	−0.029***
	(0.008)	(0.008)	(0.008)	(0.008)	(0.010)	(0.010)	(0.010)	(0.011)
One-time violator				0.017**				0.022**
				(0.007)				(0.009)
Frequent violator				−0.016***				−0.006
				(0.006)				(0.007)
Operating cash flow/ Average assets		0.194***	0.200***	0.202***		0.201***	0.204***	0.205***
		(0.005)	(0.032)	(0.032)		(0.006)	(0.025)	(0.025)
Leverage		−0.079***	−0.060**	−0.057**		0.022*	0.060**	0.061**
		(0.009)	(0.023)	(0.023)		(0.012)	(0.029)	(0.030)
Interest expense/ Average assets		0.313***	0.347*	0.350*		0.680***	0.629**	0.629**
		(0.054)	(0.183)	(0.182)		(0.071)	(0.258)	(0.258)
Net worth/ Assets		0.078***	0.093***	0.091***		0.179***	0.217***	0.215***
		(0.007)	(0.022)	(0.022)		(0.010)	(0.027)	(0.027)
Current ratio		−0.004***	−0.005***	−0.005***		0.008***	0.007***	0.007***
		(0.000)	(0.001)	(0.001)		(0.001)	(0.002)	(0.002)
Market-to-book ratio		0.019***	0.018***	0.018***		0.015***	0.014***	0.014***
		(0.000)	(0.001)	(0.001)		(0.000)	(0.001)	(0.001)
Ln(Assets)		−0.006***	−0.007***	−0.008***		0.005***	0.001	0.000
		(0.001)	(0.002)	(0.002)		(0.001)	(0.002)	(0.002)
PPENT/ Assets		0.099***	0.041***	0.040**		−0.027***	−0.202***	−0.203***
		(0.005)	(0.015)	(0.015)		(0.007)	(0.023)	(0.022)
First differences (Assets)		0.235***	0.205***	0.204***		0.449***	0.401***	0.401***
		(0.007)	(0.019)	(0.019)		(0.009)	(0.020)	(0.020)
First differences (PPENT/Assets)		0.417***	0.421***	0.419***		0.358***	0.358***	0.357***
		(0.030)	(0.060)	(0.060)		(0.040)	(0.128)	(0.127)
Constant	0.065***	−0.008			0.046***	−0.156***		
	(0.001)	(0.006)			(0.001)	(0.008)		
No. of firms	6633	5885	5885	5885	6591	5878	5878	5878
FE & Clustered SE	No	No	Yes	Yes	No	No	Yes	Yes
R²	0.001	0.079			0.001	0.067		
Adj. R²	0.001	0.079			0.001	0.067		
Num. obs.	151059	108204	108204	108204	149429	107946	107946	107946
Num. groups: calendar			45	45			45	45
Num. groups: ffi			36	36			36	36
Num. groups: fqtr			4	4			4	4
R² (full model)			0.111	0.111			0.094	0.094
R² (proj model)			0.072	0.073			0.068	0.068
Adj. R² (full model)			0.110	0.111			0.093	0.093
Adj. R² (proj model)			0.072	0.073			0.068	0.068

***$p < 0.01$; **$p < 0.05$; *$p < 0.1$

Table 4: Table 3: **Panel B. Regression of Investment Measures (continued). DRAFT.**
Automated output. The version in the submitted thesis was manually adjusted due to style and space constraints.

	Change in CAPEX/ Average assets				Change in R&D/ Assets			
	(9) I	(10) II	(11) III	(12) IV	(13) I	(14) II	(15) III	(16) IV
New financial covenant violation	-0.009***	-0.007***	-0.006***	-0.006***	-0.003**	-0.001	-0.001	-0.001
	(0.002)	(0.002)	(0.002)	(0.002)	(0.001)	(0.001)	(0.001)	(0.001)
One-time violator				0.002*				-0.000
				(0.001)				(0.001)
Frequent violator				-0.000				-0.000
				(0.000)				(0.001)
Operating cash flow/ Average assets		0.012***	0.013***	0.013***		0.005***	0.006*	0.006*
		(0.001)	(0.002)	(0.002)		(0.001)	(0.003)	(0.003)
Leverage		-0.013***	-0.009*	-0.009*		0.006***	0.008***	0.008***
		(0.002)	(0.004)	(0.004)		(0.001)	(0.003)	(0.003)
Interest expense/ Average assets		0.069***	0.080***	0.080***		0.016**	0.016	0.016
		(0.014)	(0.028)	(0.028)		(0.007)	(0.021)	(0.021)
Net worth/ Assets		-0.008***	-0.003	-0.003		0.004***	0.005*	0.005*
		(0.002)	(0.002)	(0.002)		(0.001)	(0.003)	(0.003)
Current ratio		0.001***	0.001***	0.001***		0.001***	0.001***	0.001***
		(0.000)	(0.000)	(0.000)		(0.000)	(0.000)	(0.000)
Market-to-book ratio		0.000*	0.000	0.000		-0.000***	-0.000***	-0.000***
		(0.000)	(0.000)	(0.000)		(0.000)	(0.000)	(0.000)
Ln(Assets)		0.001***	-0.000	-0.000		-0.000***	-0.000***	-0.000***
		(0.000)	(0.000)	(0.000)		(0.000)	(0.000)	(0.000)
PPENT/ Assets		-0.018***	-0.029***	-0.029***		-0.004***	-0.004***	-0.004***
		(0.001)	(0.003)	(0.003)		(0.001)	(0.001)	(0.001)
First differences (Assets)		-0.068***	-0.070***	-0.070***		0.009***	0.008***	0.008***
		(0.002)	(0.005)	(0.005)		(0.001)	(0.002)	(0.002)
First differences (PPENT/Assets)		-0.530***	-0.524***	-0.524***		-0.013**	-0.015	-0.015
		(0.008)	(0.036)	(0.036)		(0.005)	(0.009)	(0.009)
Constant	-0.004***	0.002			0.000**	-0.003***		
	(0.000)	(0.002)			(0.000)	(0.001)		
No. of firms	6556	5810	5810	5810	4031	3473	3473	3473
FE & Clustered SE	No	No	Yes	Yes	No	No	Yes	Yes
R²	0.000	0.048			0.000	0.015		
Adj. R²	0.000	0.048			0.000	0.015		
Num. obs.	141434	101035	101035	101035	73797	48906	48906	48906
Num. groups: calendar			45	45			45	45
Num. groups: ffi			36	36			35	35
Num. groups: fqtr			4	4			4	4
R² (full model)			0.053	0.053			0.022	0.022
R² (proj model)			0.048	0.049			0.015	0.015
Adj. R² (full model)			0.052	0.052			0.020	0.020
Adj. R² (proj model)			0.048	0.048			0.015	0.015

*** $p < 0.01$; ** $p < 0.05$; * $p < 0.1$