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***	−0.028**
	(0.008)	(0.008)	(0.008)	(0.008)	(0.010)	(0.010)	(0.010)	(0.011)
One-time violator				0.018**				0.022**
				(0.007)				(0.009)
Frequent violator				−0.016***				−0.006
				(0.006)				(0.007)
Operating cash flow/ Average assets		0.195***	0.201***	0.204***		0.202***	0.204***	0.205***
		(0.005)	(0.032)	(0.032)		(0.006)	(0.025)	(0.025)
Leverage		−0.083***	−0.066***	−0.062***		0.021*	0.059*	0.060*
		(0.009)	(0.023)	(0.023)		(0.012)	(0.029)	(0.030)
Interest expense/ Average assets		0.374***	0.419**	0.421**		0.698***	0.649**	0.649**
		(0.055)	(0.180)	(0.179)		(0.073)	(0.263)	(0.263)
Net worth/ Assets		0.079***	0.095***	0.092***		0.180***	0.218***	0.216***
		(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		0.098***	0.040*	0.039**		−0.027***	−0.202***	−0.203***
		(0.005)	(0.015)	(0.015)		(0.007)	(0.022)	(0.022)
First differences (Assets)		0.234***	0.203***	0.202***		0.449***	0.400***	0.400***
		(0.007)	(0.018)	(0.018)		(0.009)	(0.020)	(0.020)
First differences (PPENT/Assets)		0.415***	0.421***	0.419***		0.356***	0.355***	0.353***
		(0.030)	(0.060)	(0.060)		(0.040)	(0.127)	(0.127)
Constant	0.065***	−0.009			0.046***	−0.157***		
	(0.001)	(0.006)			(0.001)	(0.008)		
FE	No	No	Yes	Yes	No	No	Yes	Yes
Clustered SE	No	No	Yes	Yes	No	No	Yes	Yes
R^2	0.001	0.080			0.001	0.067		
Adj. R^2	0.001	0.080			0.001	0.067		
Num. obs.	150928	108118	108118	108118	149304	107863	107863	107863
Num. groups: quarter			44	44			44	44
Num. groups: ffi			36	36			36	36
Num. groups: cqtr			4	4			4	4
R^2 (full model)			0.111	0.112			0.094	0.094
R^2 (proj model)			0.072	0.073			0.068	0.068
Adj. R^2 (full model)			0.110	0.111			0.093	0.094
Adj. R^2 (proj model)			0.072	0.073			0.068	0.068

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

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*** (0.002)	-0.007*** (0.002)	-0.006*** (0.002)	-0.006*** (0.002)	-0.003** (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
One-time violator				0.002** (0.001)				-0.000 (0.001)
Frequent violator				-0.000 (0.000)				-0.000 (0.001)
Operating cash flow/ Average assets		0.012*** (0.001)	0.013*** (0.002)	0.013*** (0.002)		0.004*** (0.001)	0.006 (0.003)	0.006 (0.003)
Leverage		-0.013*** (0.002)	-0.009* (0.004)	-0.009* (0.004)		0.006*** (0.001)	0.008*** (0.003)	0.008*** (0.003)
Interest expense/ Average assets		0.072*** (0.015)	0.084*** (0.029)	0.084*** (0.029)		0.014* (0.007)	0.013 (0.022)	0.014 (0.022)
Net worth/ Assets		-0.008*** (0.002)	-0.003 (0.002)	-0.003 (0.002)		0.004*** (0.001)	0.005** (0.003)	0.005* (0.003)
Current ratio		0.001*** (0.000)	0.001*** (0.000)	0.001*** (0.000)		0.001*** (0.000)	0.001*** (0.000)	0.001*** (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*** (0.001)	-0.029*** (0.003)	-0.029*** (0.003)		-0.004*** (0.001)	-0.004*** (0.001)	-0.004*** (0.001)
First differences (Assets)		-0.068*** (0.002)	-0.070*** (0.005)	-0.070*** (0.005)		0.009*** (0.001)	0.008*** (0.002)	0.008*** (0.002)
First differences (PPENT/Assets)		-0.532*** (0.008)	-0.526*** (0.036)	-0.526*** (0.036)		-0.013** (0.005)	-0.014 (0.009)	-0.014 (0.009)
Constant	-0.004*** (0.000)	0.002 (0.002)			0.000** (0.000)	-0.002*** (0.001)		
FE	No	No	Yes	Yes	No	No	Yes	Yes
Clustered SE	No	No	Yes	Yes	No	No	Yes	Yes
R^2	0.000	0.048			0.000	0.015		
Adj. R^2	0.000	0.048			0.000	0.014		
Num. obs.	141290	100944	100944	100944	73715	48854	48854	48854
Num. groups: quarter		44	44	44			44	44
Num. groups: ffi		36	36	36			35	35
Num. groups: cqtr		4	4	4			4	4
R^2 (full model)			0.053	0.053			0.022	0.022
R^2 (proj model)			0.048	0.048			0.015	0.015
Adj. R^2 (full model)			0.052	0.052			0.020	0.020
Adj. R^2 (proj model)			0.048	0.048			0.014	0.014

$^{***}p < 0.01$; $^{**}p < 0.05$; $^{*}p < 0.1$