

Table 4: **Comparison of Regression Results. DRAFT**

Automated output. The table version in the submitted paper was manually adjusted in style due to space constraints.

	Change in Ln(Assets)		Change in Ln(PPENT)		Change in CAPEX/ Average assets	
	(1)	(2)	(3)	(4)	(5)	(6)
New financial covenant violation	-0.041*** (0.008)	-0.041*** (0.007)	-0.030*** (0.010)	-0.042*** (0.011)	-0.006*** (0.002)	-0.005*** (0.002)
Operating cash flow/ Average assets	0.201*** (0.032)	0.309*** (0.030)	0.204*** (0.025)	0.312*** (0.022)	0.013*** (0.002)	0.011*** (0.002)
Leverage	-0.066*** (0.023)	-0.095*** (0.023)	0.059* (0.029)	-0.024 (0.029)	-0.009* (0.004)	-0.007** (0.003)
Interest expense/ Average assets	0.419** (0.180)	0.604*** (0.208)	0.649** (0.263)	0.785*** (0.240)	0.084 (0.029)	0.122*** (0.021)
Net worth/ Assets	0.095*** (0.022)	0.031 (0.023)	0.218*** (0.027)	0.110*** (0.023)	-0.003 (0.002)	0.001 (0.001)
Current ratio	-0.005*** (0.001)	-0.005*** (0.001)	0.007*** (0.002)	0.006*** (0.001)	0.001*** (0.000)	0.001*** (0.000)
Market-to-book ratio	0.018*** (0.001)	0.063*** (0.003)	0.014*** (0.001)	0.047*** (0.002)	0.000 (0.000)	-0.001*** (0.000)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
FE	Yes	Yes	Yes	Yes	Yes	Yes
Clustered SE	Yes	Yes	Yes	Yes	Yes	Yes
Num. obs.	108118	150474	107863	150019	100944	145442
Num. groups: quarter	44		44		44	
Num. groups: ffi	36		36		36	
Num. groups: cqtr	4		4		4	
R ² (full model)	0.111		0.094		0.053	
R ² (proj model)	0.072		0.068		0.048	
Adj. R ² (full model)	0.110	0.170	0.093	0.140	0.052	0.060
Adj. R ² (proj model)	0.072		0.068		0.048	

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