

Table 3: Debt Issuance and Investment Activities: Large Firms w/ EBCs

Panel A. Debt Issuance

	Net LT Debt Iss.	
	(1)	(2)
EBITDA	0.216*** (0.030)	0.273*** (0.034)
OCF		-0.111*** (0.033)
$Q$	0.010** (0.005)	0.011** (0.005)
Past 12m stock ret	-0.003 (0.003)	-0.003 (0.003)
L.Cash holding	-0.033 (0.043)	-0.033 (0.044)
Controls	Y	Y
Firm FE	Y	Y
Year FE	Y	Y
Obs	15,642	15,642
$R^2$	0.114	0.116

Panel B. Investment Activities

	CAPX	
	(1)	(2)
EBITDA	0.129*** (0.017)	0.101*** (0.019)
OCF		0.053*** (0.013)
$Q$	0.011*** (0.002)	0.011*** (0.002)
Past 12m stock ret	0.004* (0.002)	0.004* (0.002)
L.Cash holding	0.015 (0.013)	0.015 (0.013)
Controls	Y	Y
Firm FE	Y	Y
Year FE	Y	Y
Obs	16,907	16,907
$R^2$	0.156	0.160



Table 5: Changes in EBITDA: Accounting Natural Experiment

Panel A. First Stage

	EBITDA <sub>t</sub> <sup>06</sup>		
	Large w/ EBCs	Large w/o EBCs	Small
Avg. option comp expense 02-04	-0.857*** (0.212)	-0.721*** (0.134)	-0.520** (0.208)
Obs	686	435	727

Standard errors in parentheses

Panel B. IV

	Net LT Debt Iss			CAPX		
	Large w/ EBCs	Large w/o EBCs	Small	Large w/ EBCs	Large w/o EBCs	Small
$\widehat{\text{EBITDA}}_t^{05}$	0.869** (0.451)	-0.327 (0.344)	0.225 (0.366)	0.497** (0.225)	0.014 (0.169)	0.002 (0.136)
1st stage $F$	16.39	23.42	9.08	16.39	23.42	9.08
Obs	686	435	727	686	435	727

Standard errors in parentheses