

Online Appendix for “When Do Managers Seek Private Equity Backing in Public-to-Private Transactions?”

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Table A1: Analysis of factors influencing the likelihood of going private transactions (Market to book ratio)

The table reports in Panel A estimation results for the multinomial logistic regression model given in (2) and in Panel B estimation results for the multinomial probit model given in (4). The omitted reference category in both panels is the non-PtP firms. The models are estimated using 53 MBOs, 75 PE-backed deals and 42 other deals over the period 1997-2003. The total number of observations is 5713. All regressors are lagged by one year and are industry and time adjusted as they enter the models as deviations from the industry and year median. All variables are winsorized at the 1st and 99th percentiles, except for the executive ownership and thin trading variables. Standard errors are given in parentheses, with ^a, ^b, and ^c indicating significance at the 1%, 5% and 10% level, respectively. The last column in both panels reports *p*-values for the Wald test that the coefficients for MBO and PE-backed deals are equal. The line “No heterogeneity test” reports *p*-values for the Wald test that all parameters except the intercepts are equal for the groups. The first three numbers in this line compare the non-PtP group with the MBOs, PE-backed and other deals, respectively and the last compares MBOs versus PE-backed deals. The line “IIA test” reports *p*-values for the Hausman and McFadden (1984) LR test for the validity of the independence of irrelevant alternatives (IIA) assumption of the multinomial logistic model, omitting the indicated group from the model. Variable definitions are provided in Table 1 in the paper.

PANEL A:		MBO		PE-backed		Other		Wald test
MULTINOMIAL LOGIT	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE	
Constant	-6.162	(0.311) ^a	-4.460	(0.207) ^a	-5.773	(0.310) ^a		
Rumors	1.850	(0.335) ^a	2.296	(0.246) ^a	2.188	(0.332) ^a	0.273	
Firm-specific error	-1.327	(0.331) ^a	-0.167	(0.259)	-0.423	(0.341)	0.005	
Sector error	-1.175	(0.865)	-0.283	(0.722)	-3.672	(1.064) ^a	0.425	
Long-run value to book	-2.525	(0.711) ^a	-0.743	(0.593)	-3.123	(0.946) ^a	0.052	
Sales growth	-0.002	(0.004)	0.002	(0.004)	-0.001	(0.006)	0.549	
ROA	0.643	(0.834)	3.134	(1.255) ^b	0.909	(1.017)	0.096	
Ln total assets	0.108	(0.147)	-0.005	(0.126)	0.311	(0.161) ^c	0.558	
Cash	1.811	(0.811) ^b	-2.199	(1.183) ^c	1.910	(0.950) ^b	0.005	
Payout ratio	0.155	(0.353)	0.305	(0.304)	-0.669	(0.353) ^c	0.744	
Leverage	0.869	(0.968)	-0.807	(0.861)	-1.352	(1.230)	0.191	
Executive ownership	3.007	(0.606) ^a	0.006	(0.875)	-0.765	(1.461)	0.004	
Analysts following	-0.002	(0.069)	-0.042	(0.040)	0.015	(0.050)	0.606	
Thin trading	4.193	(1.074) ^a	0.387	(0.801)	2.889	(1.034) ^a	0.004	
Tax	7.645	(4.794)	-2.248	(5.363)	-3.307	(6.901)	0.165	
No heterogeneity test	0.000		0.000		0.000		0.000	
IIA test	1.000		1.000		1.000			

PANEL B:		MBO		PE-backed		Other		Wald test
MULTINOMIAL PROBIT	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE	
Constant	-6.420	(0.261) ^a	-4.791	(0.362) ^a	-9.8115	(1.845) ^a		
Rumors	1.992	(0.350) ^a	2.399	(0.275) ^a	3.3979	(0.665) ^a	0.325	
Firm-specific error	-1.058	(0.261) ^a	-0.109	(0.239)	-0.1713	(0.450)	0.006	
Sector error	-1.278	(0.470) ^a	-0.365	(0.576)	-3.0201	(1.514) ^b	0.202	
Long-run value to book	-0.047	(0.013) ^a	-0.020	(0.015)	-0.0433	(0.017) ^b	0.017	
Sales growth	0.000	(0.000)	-0.000	(0.001)	-0.0000	(0.000)	0.144	
ROA	0.713	(0.910)	3.099	(2.049)	0.5146	(1.519)	0.278	
Ln total assets	0.107	(0.121)	0.009	(0.123)	0.6229	(0.292) ^b	0.554	
Cash	0.027	(0.027)	-2.626	(1.113) ^b	0.0005	(0.096)	0.017	
Payout ratio	0.003	(0.042)	0.008	(0.013)	-1.2391	(0.763)	0.900	
Leverage	-0.349	(1.114)	-1.024	(0.777)	-4.0698	(2.181) ^c	0.608	
Executive ownership	3.040	(0.595) ^a	0.050	(0.822)	-0.6942	(4.410)	0.002	
Analysts following	-0.035	(0.070)	-0.047	(0.032)	-0.0230	(0.164)	0.884	
Thin trading	3.867	(0.963) ^a	0.461	(0.827)	4.7737	(2.070) ^b	0.005	
Tax	5.697	(4.333)	-2.266	(5.708)	-6.9136	(12.62)	0.247	
No heterogeneity test	0.000		0.000		0.000		0.000	

Table A2: Analysis of factors influencing the likelihood of going private transactions (No thin trading)

The table reports in Panel A estimation results for the multinomial logistic regression model given in (2) and in Panel B estimation results for the multinomial probit model given in (4). The omitted reference category in both panels is the non-PtP firms. The models are estimated using 53 MBOs, 75 PE-backed deals and 42 other deals over the period 1997-2003. The total number of observations is 5713. All regressors are lagged by one year and are industry and time adjusted as they enter the models as deviations from the industry and year median. All variables are winsorized at the 1st and 99th percentiles, except for the executive ownership and thin trading variables. Standard errors are given in parentheses, with ^a, ^b, and ^c indicating significance at the 1%, 5% and 10% level, respectively. The last column in both panels reports *p*-values for the Wald test that the coefficients for MBO and PE-backed deals are equal. The line “No heterogeneity test” reports *p*-values for the Wald test that all parameters except the intercepts are equal for the groups. The first three numbers in this line compare the non-PtP group with the MBOs, PE-backed and other deals, respectively and the last compares MBOs versus PE-backed deals. The line “IIA test” reports *p*-values for the Hausman and McFadden (1984) LR test for the validity of the independence of irrelevant alternatives (IIA) assumption of the multinomial logistic model, omitting the indicated group from the model. Variable definitions are provided in Table 1 in the paper.

PANEL A:		MBO		PE-backed		Other		Wald test
MULTINOMIAL LOGIT	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE	
Constant	-5.607	(0.260) ^a	-4.450	(0.201) ^a	-5.430	(0.270) ^a		
Rumors	1.825	(0.329) ^a	2.280	(0.245) ^a	2.226	(0.327) ^a		0.258
Market to book	-1.277	(0.277) ^a	-0.321	(0.171) ^c	-0.523	(0.261) ^b		0.003
Sales growth	-0.003	(0.004)	0.002	(0.004)	-0.003	(0.005)		0.388
ROA	0.422	(0.687)	3.401	(1.251) ^a	0.482	(0.869)		0.036
Ln total assets	-0.220	(0.122) ^c	-0.057	(0.097)	0.038	(0.130)		0.291
Cash	0.787	(0.730)	-2.298	(1.146) ^b	1.061	(0.871)		0.022
Payout ratio	0.029	(0.349)	0.300	(0.306)	-0.560	(0.338) ^c		0.552
Leverage	0.085	(0.932)	-0.880	(0.857)	-1.571	(1.194)		0.441
Executive ownership	3.095	(0.595) ^a	0.032	(0.875)	-0.773	(1.454)		0.003
Analysts following	-0.068	(0.069)	-0.038	(0.040)	-0.015	(0.050)		0.705
Tax	5.766	(4.728)	-1.734	(5.282)	-2.432	(6.281)		0.285
No heterogeneity test		0.000		0.000		0.000		0.000
IIA test		1.000		1.000		1.000		
PANEL B:		MBO		PE-backed		Other		Wald test
MULTINOMIAL PROBIT	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE	
Constant	-6.133	(0.260) ^a	-4.920	(0.497) ^a	-7.047	(0.808) ^a		
Rumors	1.838	(0.349) ^a	2.378	(0.288) ^a	2.561	(0.431) ^a		0.224
Market to book	-1.326	(0.232) ^a	-0.333	(0.149) ^b	-0.605	(0.247) ^c		0.000
Sales growth	-0.003	(0.003)	0.002	(0.003)	-0.003	(0.007)		0.238
ROA	0.433	(0.811)	3.441	(2.166)	0.556	(0.860)		0.194
Ln total assets	-0.233	(0.111) ^b	-0.059	(0.083)	0.078	(0.159)		0.205
Cash	0.801	(0.739)	-2.343	(1.105) ^b	1.240	(1.093)		0.017
Payout ratio	0.044	(0.293)	0.322	(0.302)	-0.651	(0.462)		0.499
Leverage	0.103	(1.078)	-0.866	(0.798)	-1.811	(1.709)		0.466
Executive ownership	3.271	(0.598) ^a	-0.032	(0.809)	-0.825	(2.356)		0.001
Analysts following	-0.065	(0.066)	-0.041	(0.032)	-0.024	(0.050)		0.744
Tax	6.346	(4.008)	-1.619	(5.774)	-3.492	(5.586)		0.250
No heterogeneity test		0.000		0.000		0.000		0.000

Table A3: Analysis of factors influencing the likelihood of going private transactions (Cash)

The table reports in Panel A estimation results for the multinomial logistic regression model given in (2) and in Panel B estimation results for the multinomial probit model given in (4). The omitted reference category in both panels is the non-PtP firms. The models are estimated using 53 MBOs, 75 PE-backed deals and 42 other deals over the period 1997-2003. The total number of observations is 5713. All regressors are lagged by one year and are industry and time adjusted as they enter the models as deviations from the industry and year median. All variables are winsorized at the 1st and 99th percentiles, except for the executive ownership and thin trading variables. Standard errors are given in parentheses, with ^a, ^b, and ^c indicating significance at the 1%, 5% and 10% level, respectively. The last column in both panels reports *p*-values for the Wald test that the coefficients for MBO and PE-backed deals are equal. The line “No heterogeneity test” reports *p*-values for the Wald test that all parameters except the intercepts are equal for the groups. The first three numbers in this line compare the non-PtP group with the MBOs, PE-backed and other deals, respectively and the last compares MBOs versus PE-backed deals. The line “IIA test” reports *p*-values for the Hausman and McFadden (1984) LR test for the validity of the independence of irrelevant alternatives (IIA) assumption of the multinomial logistic model, omitting the indicated group from the model. Variable definitions are provided in Table 1 in the paper.

<u>PANEL A:</u>		MBO		PE-backed		Other		Wald test
MULTINOMIAL LOGIT		coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE
Constant		-6.031	(0.322) ^a	-4.605	(0.303) ^a	-5.764	(0.333) ^a	
Rumors		1.642	(0.380) ^a	2.192	(0.264) ^a	2.123	(0.358) ^a	0.226
Market to book		-0.985	(0.311) ^a	-0.325	(0.194) ^c	-0.335	(0.271)	0.070
Sales growth		-0.003	(0.004)	0.003	(0.004)	-0.001	(0.006)	0.361
ROA		0.037	(0.789)	3.017	(1.343) ^b	-0.250	(1.021)	0.054
Ln total assets		0.164	(0.185)	-0.041	(0.172)	0.331	(0.202)	0.414
Excess cash		0.672	(1.403)	-3.025	(1.562) ^c	1.465	(1.631)	0.076
Normal cash		1.182	(1.239)	-2.210	(2.059)	1.910	(1.385)	0.156
Free cash flow		0.023	(0.148)	-0.037	(0.247)	0.623	(0.640)	0.832
Payout ratio		0.384	(0.384)	0.428	(0.321)	-0.410	(0.360)	0.930
Leverage		-0.387	(1.077)	-0.239	(0.901)	-1.291	(1.267)	0.915
Executive ownership		3.201	(0.634) ^a	-0.180	(0.960)	-0.946	(1.533)	0.003
Analysts following		-0.042	(0.077)	-0.032	(0.042)	0.006	(0.053)	0.912
Thin trading		3.336	(1.086) ^a	0.099	(0.848)	2.815	(1.093) ^a	0.018
Tax		8.488	(4.795) ^c	3.066	(5.140)	-0.485	(6.782)	0.435
No heterogeneity test		0.000		0.000		0.000		0.000
IIA test		1.000		1.000		1.000		
<u>PANEL B:</u>		MBO		PE-backed		Other		Wald test
MULTINOMIAL PROBIT		coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE
Constant		-6.586	(0.285) ^a	-4.631	(0.285) ^a	-6.677	(5.963)	
Rumors		1.750	(0.400) ^a	2.193	(0.270) ^a	2.277	(1.556)	0.351
Market to book		-1.042	(0.241) ^a	-0.326	(0.145) ^b	-0.355	(0.174) ^b	0.011
Sales growth		-0.003	(0.004)	0.003	(0.003)	-0.000	(0.013)	0.244
ROA		0.045	(0.870)	3.024	(2.261)	-0.338	(1.275)	0.218
Ln total assets		0.181	(0.165)	-0.044	(0.138)	0.378	(0.233)	0.291
Excess cash		0.690	(1.527)	-3.013	(1.238) ^b	1.520	(2.739)	0.056
Normal cash		1.274	(1.016)	-2.228	(1.367)	2.053	(2.622)	0.037
Free cash flow		0.028	(0.075)	-0.037	(0.096)	0.635	(1.317)	0.541
Payout ratio		0.416	(0.338)	0.428	(0.306)	-0.442	(1.315)	0.980
Leverage		0.440	(1.314)	-0.238	(0.759)	-1.437	(5.268)	0.892
Executive ownership		-3.397	(0.660) ^a	-0.189	(0.908)	-0.906	(4.217)	0.001
Analysts following		0.044	(0.068)	-0.032	(0.032)	0.001	(0.065)	0.871
Thin trading		-3.561	(1.061) ^a	0.086	(0.813)	3.057	(1.333) ^b	0.008
Tax		9.273	(3.836) ^b	3.004	(4.949)	-0.450	(11.91)	0.304
No heterogeneity test		0.000		0.000		0.000		0.000

Table A4: Analysis of factors influencing the likelihood of going private transactions (Interest coverage)

The table reports in Panel A estimation results for the multinomial logistic regression model given in (2) and in Panel B estimation results for the multinomial probit model given in (4). The omitted reference category in both panels is the non-PtP firms. The models are estimated using 53 MBOs, 75 PE-backed deals and 42 other deals over the period 1997-2003. The total number of observations is 5685. All regressors are lagged by one year and are industry and time adjusted as they enter the models as deviations from the industry and year median. All variables are winsorized at the 1st and 99th percentiles, except for the executive ownership and thin trading variables. Standard errors are given in parentheses, with ^a, ^b, and ^c indicating significance at the 1%, 5% and 10% level, respectively. The last column in both panels reports *p*-values for the Wald test that the coefficients for MBO and PE-backed deals are equal. The line “No heterogeneity test” reports *p*-values for the Wald test that all parameters except the intercepts are equal for the groups. The first three numbers in this line compare the non-PtP group with the MBOs, PE-backed and other deals, respectively and the last compares MBOs versus PE-backed deals. The line “IIA test” reports *p*-values for the Hausman and McFadden (1984) LR test for the validity of the independence of irrelevant alternatives (IIA) assumption of the multinomial logistic model, omitting the indicated group from the model. Variable definitions are provided in Table 1 in the paper.

PANEL A:		MBO		PE-backed		Other		Wald test
MULTINOMIAL LOGIT	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE	
Constant	-5.777	(0.274) ^a	-4.435	(0.202) ^a	-5.555	(0.281) ^a		
Rumors	1.819	(0.332) ^a	2.284	(0.245) ^a	2.235	(0.328) ^a		0.250
Market to book	-0.926	(0.282) ^a	-0.333	(0.182) ^c	-0.331	(0.247)		0.075
Sales growth	-0.002	(0.004)	0.002	(0.004)	-0.003	(0.005)		0.409
ROA	0.535	(0.742)	3.477	(1.254) ^a	0.482	(0.891)		0.042
Ln total assets	0.101	(0.148)	-0.052	(0.127)	0.280	(0.161) ^c		0.430
Cash	0.820	(0.742)	-2.329	(1.155) ^b	1.113	(0.878)		0.021
Interest coverage	-0.681	(0.442)	-0.424	(0.455)	0.264	(0.428)		0.681
Payout ratio	0.177	(0.392)	0.370	(0.326)	-0.519	(0.328)		0.701
Leverage	-0.156	(0.949)	-0.688	(0.874)	-2.047	(1.279)		0.677
Executive ownership	2.874	(0.597) ^a	0.045	(0.875)	-0.842	(1.436)		0.007
Analysts following	-0.028	(0.069)	-0.040	(0.040)	0.004	(0.050)		0.880
Thin trading	3.552	(1.006) ^a	-0.008	(0.781)	2.486	(1.023) ^b		0.005
Tax	4.334	(4.781)	-2.054	(5.327)	-2.983	(6.378)		0.367
No heterogeneity test		0.000		0.000		0.000		0.000
IIA test		1.000		1.000		1.000		

PANEL B:		MBO		PE-backed		Other		Wald test
MULTINOMIAL PROBIT	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE	
Constant	-6.307	(0.262) ^a	-5.898	(1.113) ^a	-9.731	(1.610) ^a		
Rumors	1.990	(0.350) ^a	2.684	(0.478) ^a	3.371	(0.474) ^a		0.232
Market to book	-0.998	(0.214) ^a	-0.374	(0.171) ^b	-0.481	(0.296)		0.021
Sales growth	-0.002	(0.003)	0.002	(0.003)	-0.001	(0.010)		0.325
ROA	0.595	(0.971)	3.598	(2.266)	0.758	(1.015)		0.220
Ln total assets	0.102	(0.120)	-0.056	(0.139)	0.421	(0.344)		0.376
Cash	0.863	(0.780)	-2.496	(1.227) ^b	1.991	(1.555)		0.018
Interest coverage	-0.722	(0.428) ^c	-0.533	(0.239) ^b	0.381	(0.632)		0.690
Payout ratio	0.189	(0.345)	0.376	(0.389)	-0.910	(0.557)		0.710
Leverage	-0.196	(1.073)	-0.690	(0.932)	-2.819	(4.125)		0.725
Executive ownership	3.045	(0.596) ^a	0.077	(1.048)	-0.836	(5.254)		0.011
Analysts following	-0.026	(0.065)	-0.048	(0.038)	0.010	(0.068)		0.770
Thin trading	3.780	(0.947) ^a	0.110	(0.914)	3.704	(1.837) ^b		0.004
Tax	4.989	(4.279)	-0.620	(6.386)	-4.437	(9.275)		0.452
No heterogeneity test		0.000		0.000		0.000		0.000

Table A5: Nested logistic regression analysis (Robustness checks)

The table reports full estimation results for the specifications in Table 4 in the main text using the nested logistic regression model. The first column reports the coefficient estimates in the first stage and the reference category are the non-PtP firms. The other two columns report coefficient estimates of the second stage with the reference category of pure MBOs. These coefficients indicate probabilities conditional on going private. The model is estimated using 53 MBOs, 75 PE-backed deals and 42 other deals over the period 1997–2003. The total number of observations is 5713. All regressors are lagged by one year and are industry and time adjusted as they enter the model as deviations from the industry and year median. All variables are winsorized at the 1st and 99th percentiles, except for the executive ownership and thin trading variables. Standard errors are given in parentheses, with ^a, ^b, and ^c indicating significance at the 1%, 5% and 10% level, respectively. Variable definitions are provided in Table 1 in the paper.

SENSITIVITY CHECK I	Private		PE-backed		Other	
	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.
Constant	-0.545	(0.504)	1.551	(0.367) ^a	0.418	(0.447)
Rumors	2.315	(0.497) ^a	-0.101	(0.391)	0.686	(0.501)
Firm-specific error	0.324	(0.633)	0.830	(0.528)	0.724	(0.608)
Sector error	3.530	(1.475) ^b	5.680	(1.337) ^a	1.295	(1.696) ^c
Long-run value to book	-1.732	(0.950) ^c	-0.016	(0.835)	-1.066	(0.567) ^c
Sales growth	0.000	(0.000)	0.000	(0.000)	0.000	(0.000)
ROA	0.051	(1.333)	-0.716	(1.119)	-0.500	(1.333)
Ln total assets	0.667	(0.216) ^a	0.334	(0.178) ^c	0.806	(0.255) ^a
Cash	1.287	(0.955)	-0.502	(0.858)	2.092	(1.011) ^b
Payout ratio	-0.205	(0.561)	0.025	(0.346)	-0.576	(0.887)
Leverage	0.356	(1.323)	1.371	(1.056)	-0.723	(1.746)
Executive ownership	-1.354	(0.882)	-2.560	(0.801) ^a	-5.600	(1.619) ^a
Analysts following	0.263	(0.137) ^c	0.212	(0.093) ^b	-0.065	(0.124)
Thin trading	-1.549	(2.237)	-4.143	(1.735) ^b	-1.047	(1.825)
Tax	-10.556	(8.265)	-8.472	(7.322)	-19.957	(10.27) ^c
Theta	-1.578	(0.000)				
SENSITIVITY CHECK II	Private		PE-backed		Other	
	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.
Constant	-0.578	(0.458)	1.582	(0.348) ^a	0.547	(0.466)
Rumors	2.092	(0.501) ^a	-0.382	(0.383)	0.467	(0.577)
Market to book	1.481	(0.571) ^a	2.098	(0.411) ^a	1.592	(0.717) ^b
Sales growth	-0.007	(0.007)	-0.004	(0.008)	-0.005	(0.014)
ROA	-0.063	(1.582)	-0.697	(1.197)	-1.026	(1.412)
Ln total assets	0.874	(0.216) ^a	0.824	(0.191) ^a	0.979	(0.222) ^a
Cash	-0.520	(1.004)	-2.408	(1.355) ^c	1.358	(0.993)
Payout ratio	0.007	(0.463)	0.083	(0.293)	-0.128	(0.749)
Leverage	-1.180	(1.124)	-0.017	(1.051)	-1.276	(1.462)
Executive ownership	-1.122	(0.804)	-2.413	(0.734) ^a	-5.427	(1.918) ^a
Analysts following	0.145	(0.120)	0.161	(0.087) ^c	-0.060	(0.118)
Tax	-23.047	(8.828) ^a	-22.069	(8.588) ^a	-29.777	(12.52) ^b
Theta	-1.578	(0.000)				

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SENSITIVITY CHECK III	Private		PE-backed		Other	
	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.
Constant	-1.438	(0.538) ^a	4.023	(0.870) ^a	2.063	(0.881) ^b
Rumors	1.926	(0.410) ^a	-0.512	(0.619)	-0.006	(0.849)
Market to book	0.575	(0.431)	1.435	(0.810) ^c	2.983	(0.884) ^a
Sales growth	0.000	(0.000)	0.000	(0.000)	0.000	(0.000)
ROA	0.500	(1.377)	1.162	(2.138)	-1.802	(2.606)
Ln total assets	0.331	(0.305)	-0.180	(0.483)	0.966	(0.708)
Excess cash	2.681	(1.899)	4.004	(3.376)	7.538	(5.123)
Normal cash	-2.285	(2.758)	-13.174	(4.396) ^a	-0.147	(5.979)
Free cash flow	-0.067	(0.720)	-0.729	(1.307)	1.590	(1.644)
Payout ratio	0.282	(0.336)	0.454	(0.421)	-0.233	(0.712)
Leverage	-1.009	(0.916)	-0.824	(1.745)	-1.884	(2.121)
Executive ownership	-0.252	(0.694)	-3.518	(1.196) ^a	-6.991	(1.897) ^a
Analysts following	0.187	(0.097) ^c	0.291	(0.142) ^b	0.072	(0.182)
Thin trading	-0.476	(1.672)	-6.459	(2.558) ^b	-1.900	(3.295)
Tax	-14.792	(6.006) ^b	-32.244	(13.39) ^b	-67.750	(17.74) ^a
Theta	-1.759	(0.000)				

Table A6: Cox model for all specifications

The table reports estimation results for the specifications of Tables 3 and 4 from the main text using a survivor model of competing risk. “Alpha” is the shape parameter of Weibull distribution and the tested hypothesis is that of constant failure rate ($\alpha = 1$). The last column reports p -values for the Wald test that the coefficients for MBO and PE-backed deals are equal. The line “No heterogeneity test” reports p -values for the Wald test that all parameters except the intercepts are equal for the MBO and PE groups. The model is estimated using 53 MBOs, 75 PE-backed deals and 42 other deals over the period 1997-2003. The total number of observations is 170. All regressors are lagged by one year and are industry and time adjusted as they enter the models as deviations from the industry and year median. All variables are winsorized at the 1st and 99th percentiles, except for the executive ownership and thin trading variables. Standard errors are given in parentheses, with ^a, ^b, and ^c indicating significance at the 1%, 5% and 10% level, respectively. Variable definitions are provided in Table 1 in the paper.

PANEL A	MBO		PE-backed		Other		Wald test
	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE
Constant	-6.849	(0.260) ^a	-5.305	(0.286) ^a	-6.265	(0.254) ^a	
Rumors	-0.434	(0.272)	-0.340	(0.340)	-0.305	(0.309)	0.214
Market to book	-1.002	(0.241) ^a	0.292	(0.430)	0.758	(0.311) ^b	0.009
Sales growth	0.000	(0.005)	0.000	(0.005)	-0.006	(0.005)	0.990
ROA	0.760	(0.482)	0.755	(1.077)	-0.129	(0.535)	0.996
Ln total assets	-0.111	(0.137)	-0.206	(0.193)	0.297	(0.157) ^c	0.662
Cash	-0.035	(0.497)	-1.923	(1.121) ^c	0.976	(0.733)	0.122
Payout ratio	-0.220	(0.289)	0.294	(0.539)	-1.419	(0.466) ^a	0.429
Leverage	-1.135	(0.731)	-0.498	(0.940)	-1.479	(1.073)	0.595
Executive ownership	3.165	(0.644) ^a	-0.425	(0.940)	-1.670	(1.509)	0.001
Analysts following	-0.186	(0.108) ^c	-0.121	(0.075)	-0.127	(0.061) ^b	0.631
Thin trading	1.177	(0.970)	-2.731	(1.226) ^b	0.245	(0.910)	0.010
Tax	-3.373	(9.465)	-15.078	(8.103) ^c	-29.565	(12.75) ^b	0.368
Alpha	3.162	(0.001) ^a					
No heterogeneity test							0.000
PANEL B	MBO		PE-backed		Other		Wald test
	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE
Constant	-7.547	(0.318) ^a	-5.705	(0.251) ^a	-6.835	(0.327) ^a	
Rumors	-0.529	(0.268) ^b	-0.319	(0.281)	-0.423	(0.359)	0.580
Firm-specific error	-0.621	(0.301) ^b	0.990	(0.418) ^b	0.987	(0.354) ^a	0.001
Sector error	2.807	(1.030) ^a	5.667	(1.317) ^a	1.399	(1.099)	0.083
Long-run value to book	-0.126	(0.709)	0.155	(1.076)	-0.930	(0.577)	0.816
Sales Growth	0.004	(0.004)	-0.000	(0.000) ^a	-0.000	(0.000)	0.306
ROA	0.107	(0.531)	-0.653	(1.365)	-0.626	(0.721)	0.602
Ln total assets	0.055	(0.138)	0.054	(0.145)	0.329	(0.160) ^b	0.996
Cash	0.288	(0.622)	-1.669	(1.167)	1.357	(0.886)	0.126
Payout ratio	-0.378	(0.251)	0.108	(0.377)	-1.512	(0.626) ^b	0.259
Leverage	-0.883	(0.805)	-0.065	(0.885)	-1.543	(1.176)	0.496
Executive Ownership	3.049	(0.571) ^a	-0.738	(0.879)	-1.803	(1.555)	0.000
Analysts following	-0.252	(0.108) ^b	-0.135	(0.068) ^b	-0.126	(0.067) ^c	0.363
Thin trading	1.633	(1.005)	-2.326	(0.952) ^b	0.347	(0.866)	0.003
Tax	-12.592	(9.289)	-18.352	(8.387) ^b	-34.474	(13.85) ^b	0.654
Alpha	3.674	(0.001) ^a					
No heterogeneity test							0.000

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PANEL C	MBO		PE-backed		Other		Wald test
	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE
Constant	-6.727	(0.243) ^a	-5.415	(0.322) ^a	-6.229	(0.586) ^a	
Rumors	-0.439	(0.270)	-0.243	(0.421)	-0.313	(0.597)	0.373
Market to book	-1.126	(0.259) ^a	0.651	(0.473)	0.724	(0.304) ^b	0.001
Sales growth	0.000	(0.005)	0.001	(0.005)	-0.006	(0.005)	0.958
ROA	0.802	(0.480) ^c	0.787	(1.175)	-0.121	(0.666)	0.991
Ln total assets	-0.218	(0.121) ^c	0.078	(0.125)	0.269	(0.111) ^b	0.066
Cash	0.016	(0.496)	-2.195	(1.298) ^c	0.988	(1.218)	0.109
Payout ratio	-0.206	(0.309)	0.029	(0.564)	-1.416	(0.464) ^a	0.736
Leverage	-0.909	(0.715)	-0.872	(0.911)	-1.428	(1.080)	0.975
Executive ownership	3.037	(0.604) ^a	-0.321	(0.893)	-1.690	(1.693)	0.001
Analysts following	-0.216	(0.101) ^b	-0.084	(0.070)	-0.128	(0.059) ^b	0.291
Tax	-1.377	(9.071)	-16.164	(10.09)	-29.033	(12.89) ^b	0.300
Alpha	3.151	(0.003) ^a					
No heterogeneity test							0.000

PANEL D	MBO		PE-backed		Other		Wald test
	coeff.	s.e.	coeff.	s.e.	coeff.	s.e.	MBO-PE
Constant	-7.517	(0.310) ^a	-5.002	(0.444) ^a	-6.128	(0.332) ^a	
Rumors	-0.426	(0.316)	-0.333	(0.389)	-0.542	(0.359)	0.856
Market to book	-1.342	(0.227) ^a	-0.013	(0.533)	0.896	(0.445) ^b	0.022
Sales Growth	0.001	(0.006)	0.001	(0.005)	-0.006	(0.004)	0.923
ROA	-0.210	(0.831)	0.999	(1.427)	-0.665	(0.974)	0.476
Ln total assets	0.124	(0.188)	-0.498	(0.247) ^b	0.158	(0.192)	0.038
Excess cash	-1.741	(1.558)	-0.832	(1.922)	2.970	(1.506) ^b	0.708
Normal cash	2.698	(1.625) ^c	-5.525	(2.414) ^b	0.926	(1.098)	0.004
Free cash flow	0.616	(0.291) ^b	-0.306	(0.519)	0.919	(1.023)	0.137
Payout ratio	0.195	(0.284)	0.523	(0.594)	-1.289	(0.511) ^b	0.620
Leverage	-1.302	(0.931)	-0.487	(1.030)	-1.087	(1.025)	0.569
Executive Ownership	3.539	(0.742) ^a	-0.115	(1.020)	-1.523	(1.374)	0.005
Analysts following	-0.283	(0.173)	-0.070	(0.077)	-0.105	(0.070)	0.267
Thin trading	0.425	(1.169)	-3.088	(1.406) ^b	-0.080	(0.945)	0.054
Tax	13.756	(8.478)	-9.871	(9.924)	-32.711	(15.67) ^b	0.085
Alpha	3.163	(0.001) ^a					
No heterogeneity test							0.000

Table A7: Post-going private propensity peer-adjusted performance

This table reports propensity peer-adjusted performance of going private firms during the period from one year before up to five years after going private. The propensity score of being taken private is computed based on the model in Table 3. The performance adjustment is computed using median performance of 5 companies (in the same 3-digit SIC code and year as the deal) with the closest propensity score. If less than 5 public firms are available, we switch to using 2-digit SIC codes. We winsorize all variables at 10% at each extreme. Number of observations is reported in parentheses. We test for median industry-adjusted performance using a Wilcoxon signed-rank test. ^a, ^b and ^c means significance at one-, five-, and ten-percent level, respectively. We compare the median values of the three PTP types using the two-sample Wilcoxon ranked-sum (Mann-Whitney) test. We report *p*-values for these tests in the table. For variable definitions see Table 1 in the paper.

Event year	<i>year</i> ₋₁	<i>year</i> ₀	<i>year</i> ₁	<i>year</i> ₂	<i>year</i> ₃	<i>year</i> ₄	<i>year</i> ₅
ROA							
PE	0.026,(37)	-0.012,(32)	-0.015,(37)	0.018,(37)	-0.001,(32)	0.021,(30)	0.034,(26) ^c
MBO	-0.021,(33)	-0.009,(33)	0.012,(34)	0.024,(32) ^b	0.001,(28)	0.017,(27)	0.040,(22)
Other	-0.046,(17)	-0.031,(17)	-0.035,(16) b	-0.064,(13) ^a	-0.031,(12) ^c	-0.049,(12) ^b	-0.005,(12)
PE-MBO	0.231	0.448	0.263	0.205	0.442	0.915	0.906
MBO-Other	0.399	0.670	0.012	0.000	0.037	0.006	0.072
PE-Other	0.082	0.921	0.055	0.009	0.143	0.004	0.084
Sales margin							
PE	0.010,(37) ^c	0.028,(32)	0.019,(37) ^c	0.015,(37) ^c	0.024,(32) ^b	0.018,(30) ^c	0.015,(26)
MBO	-0.015,(33)	0.012,(33)	0.036,(34) ^c	0.033,(32) ^b	0.013,(28) ^c	0.016,(27) ^c	0.030,(22) ^c
Other	-0.009,(17)	0.003,(17)	-0.031,(16)	-0.035,(13) ^c	-0.020,(12)	-0.021,(12)	0.033,(12)
PE-MBO	0.489	0.773	0.724	0.571	0.721	0.941	0.585
MBO-Other	0.991	0.939	0.068	0.049	0.074	0.083	0.722
PE-Other	0.542	0.991	0.041	0.086	0.045	0.093	0.937
Profit growth							
PE	-0.158,(36) ^c	-0.351,(30) ^c	0.354,(31)	-0.083,(36)	0.061,(32)	0.154,(29) ^c	0.243,(26)
MBO	-0.094,(33)	0.165,(31)	0.324,(32) ^c	-0.023,(32)	-0.114,(28)	0.251,(27) ^c	-0.055,(22)
Other	-0.253,(17) ^c	-0.226,(17) ^b	-0.294,(16)	-0.675,(12) ^b	-0.209,(12)	-0.444,(12) ^b	0.663,(12) ^c
PE-MBO	0.754	0.087	0.988	0.865	0.357	0.780	0.645
MBO-Other	0.158	0.032	0.189	0.068	0.493	0.013	0.111
PE-Other	0.187	0.686	0.511	0.082	0.452	0.045	0.264

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Event year	year ₋₁	year ₀	year ₁	year ₂	year ₃	year ₄	year ₅
<u>Sales growth</u>							
PE	-0.047,(39)	-0.096,(32) ^b	0.226,(31) ^b	-0.024,(36)	-0.026,(33)	-0.030,(30)	-0.002,(26)
MBO	-0.025,(33)	-0.107,(31) ^b	0.089,(33) ^b	-0.055,(33) ^b	-0.046,(29) ^b	-0.020,(28)	-0.114,(24) ^b
Other	-0.105,(17)	-0.118,(17) ^b	-0.048,(17)	0.021,(13)	-0.041,(12)	-0.067,(12)	-0.062,(12)
PE-MBO	0.995	0.871	0.635	0.341	0.421	0.507	0.12
MBO-Other	0.319	0.704	0.309	0.052	0.779	0.207	0.322
PE-Other	0.254	0.685	0.296	0.243	0.847	0.444	0.672
<u>Leverage</u>							
PE	-0.020,(38)	0.402,(32) ^a	0.395,(37) ^a	0.438,(37) ^a	0.494,(33) ^a	0.423,(30) ^a	0.375,(27) ^a
MBO	-0.029,(33)	0.228,(33) ^a	0.169,(35) ^a	0.111,(33) ^b	0.138,(29) ^b	0.108,(28)	0.093,(24)
Other	-0.082,(17)	0.101,(17)	0.133,(17)	0.205,(13)	0.105,(12)	0.246,(12)	0.045,(12)
PE-MBO	0.367	0.043	0.045	0.001	0.001	0.010	0.003
MBO-Other	0.904	0.078	0.388	0.363	0.364	0.369	0.476
PE-Other	0.244	0.001	0.006	0.007	0.005	0.043	0.003
<u>Quick ratio</u>							
PE	-0.050,(36)	-0.159,(30)	-0.139,(36) ^b	-0.117,(36) ^b	-0.154,(31) ^b	-0.184,(30) ^b	-0.165,(25) ^c
MBO	0.013,(33)	-0.153,(31) ^b	-0.089,(33) ^c	-0.213,(30) ^b	-0.247,(29) ^b	-0.324,(28) ^b	-0.211,(24) ^a
Other	-0.046,(16)	-0.100,(15)	-0.029,(15)	-0.112,(12)	-0.158,(12)	-0.050,(10)	0.047,(10)
PE-MBO	0.330	0.511	0.568	0.256	0.400	0.240	0.431
MBO-Other	0.663	0.554	0.642	0.337	0.488	0.383	0.217
PE-Other	0.748	0.677	0.567	0.972	0.756	0.839	0.571
<u>Inventory turnover</u>							
PE	-0.499,(33)	0.496,(24)	1.902,(28) ^b	2.852,(27) ^b	2.679,(24) ^c	1.956,(23) ^c	0.898,(21)
MBO	0.181,(30)	0.511,(27)	2.654,(26) ^b	2.076,(21) ^b	2.667,(19) ^c	6.781,(15) ^c	3.365,(17) ^c
Other	1.664,(16)	-4.441,(12)	0.039,(13)	-0.701,(10)	-0.494,(10)	-0.587,(9)	-0.955,(8)
PE-MBO	0.421	0.902	0.815	0.819	0.835	0.248	0.363
MBO-Other	0.366	0.095	0.073	0.098	0.086	0.077	0.099
PE-Other	0.205	0.088	0.097	0.065	0.076	0.193	0.511

Table A8: Comparing post- to pre-going private propensity peer-adjusted performance

This table reports results from panel data regressions using propensity peer-adjusted performance as the dependent variable. The propensity score of going private is computed based on the model in Table 3. The performance adjustment is computed using median performance of 5 companies (in the same 3-digit SIC code and year as the deal) with the closest propensity score. If less than five public firms are available, we use public firms with the same 2-digit SIC code. We winsorize all performance variables at 10% at each extreme. A positive (negative) event year dummy coefficient indicates that industry adjusted performance has improved (deteriorated) compared to the period before going private. N is the number of firm-year observations in the regression. We report p -values in parentheses. The lower part of the table for each performance variable reports p -values of interaction terms between the event year dummies and a PE dummy (PE-MBO and PE-Other) or a MBO dummy (MBO-Other). For variable definitions see Table 1 in the paper.

Event year	T_0	T_1	T_2	T_3	T_4	T_5	N	R^2	F -test
ROA									
PE	-0.029 (0.135)	0.001 (0.962)	-0.002 (0.911)	0.003 (0.927)	0.034 (0.348)	0.045 (0.273)	386	0.024	0.11 (0.747)
MBO	0.008 (0.662)	0.036 (0.074)	0.060 (0.034)	0.049 (0.098)	0.058 (0.075)	0.092 (0.046)	347	0.077	3.21 (0.074)
Other	0.005 (0.861)	0.011 (0.724)	-0.024 (0.537)	0.040 (0.371)	0.005 (0.922)	0.082 (0.168)	165	0.106	0.30 (0.587)
PE-MBO	0.124	0.097	0.009	0.093	0.124	0.112	733	0.018	6.38 (0.012)
MBO-Other	0.890	0.135	0.001	0.174	0.006	0.471	512	0.102	8.81 (0.003)
PE-Other	0.222	0.615	0.072	0.799	0.019	0.733	551	0.050	1.64 (0.201)
Sales margin									
PE	0.005 (0.784)	0.020 (0.348)	0.014 (0.594)	0.035 (0.251)	0.037 (0.294)	0.065 (0.107)	386	0.003	1.34 (0.248)
MBO	0.020 (0.260)	0.041 (0.056)	0.052 (0.045)	0.049 (0.099)	0.060 (0.092)	0.127 (0.003)	347	0.028	4.99 (0.026)
Other	0.021 (0.392)	-0.005 (0.870)	-0.010 (0.781)	0.035 (0.407)	-0.016 (0.750)	0.090 (0.106)	165	0.066	0.32 (0.574)
PE-MBO	0.480	0.314	0.074	0.409	0.777	0.111	733	0.001	3.35 (0.067)
MBO-Other	0.943	0.039	0.032	0.148	0.056	0.299	512	0.033	6.99 (0.009)
PE-Other	0.519	0.196	0.144	0.590	0.070	0.803	551	0.015	1.65 (0.199)
Profit growth									
PE	-0.219 (0.371)	0.256 (0.366)	-0.010 (0.975)	0.484 (0.210)	0.505 (0.265)	0.851 (0.100)	367	0.038	0.92 (0.339)
MBO	0.282 (0.184)	0.498 (0.051)	0.241 (0.428)	0.595 (0.106)	0.992 (0.022)	1.040 (0.038)	337	0.102	3.92 (0.049)
Other	0.481 (0.155)	0.654 (0.102)	0.179 (0.713)	0.910 (0.110)	0.966 (0.154)	1.698 (0.025)	161	0.093	3.11 (0.080)
PE-MBO	0.017	0.282	0.229	0.822	0.285	0.818	704	0.041	3.01 (0.083)
MBO-Other	0.657	0.592	0.119	0.702	0.024	0.176	498	0.095	1.31 (0.253)
PE-Other	0.267	0.802	0.317	0.839	0.164	0.309	528	0.046	0.05 (0.820)

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Event year	T_0	T_1	T_2	T_3	T_4	T_5	N	R^2	F -test
<u>Sales growth</u>									
PE	-0.127 (0.012)	0.228 (0.000)	0.035 (0.607)	0.123 (0.128)	0.174 (0.067)	0.174 (0.107)	376	0.110	2.22 (0.137)
MBO	-0.156 (0.002)	0.179 (0.003)	-0.065 (0.364)	-0.046 (0.594)	0.030 (0.764)	-0.009 (0.940)	343	0.216	0.02 (0.879)
Other	-0.133 (0.081)	0.081 (0.365)	0.016 (0.882)	-0.076 (0.550)	-0.104 (0.496)	-0.156 (0.358)	164	0.144	0.35 (0.554)
PE-MBO	0.345	0.616	0.955	0.822	0.346	0.962	719	0.147	0.49 (0.483)
MBO-Other	0.810	0.209	0.023	0.326	0.892	0.264	507	0.168	1.07 (0.302)
PE-Other	0.166	0.540	0.008	0.332	0.458	0.427	540	0.114	3.32 (0.069)
<u>Leverage</u>									
PE	0.252 (0.000)	0.268 (0.000)	0.353 (0.000)	0.376 (0.000)	0.421 (0.000)	0.377 (0.000)	389	0.398	31.14 (0.000)
MBO	0.252 (0.000)	0.244 (0.000)	0.212 (0.001)	0.192 (0.012)	0.146 (0.098)	0.118 (0.245)	353	0.168	9.53 (0.002)
Other	0.121 (0.044)	0.123 (0.081)	0.150 (0.083)	0.035 (0.725)	0.128 (0.281)	-0.006 (0.967)	166	0.179	1.28 (0.261)
PE-MBO	0.395	0.110	0.000	0.000	0.000	0.000	742	0.314	36.82 (0.000)
MBO-Other	0.031	0.280	0.963	0.351	0.402	0.641	519	0.172	1.23 (0.268)
PE-Other	0.005	0.075	0.015	0.000	0.020	0.002	555	0.368	24.44 (0.000)
<u>Quick ratio</u>									
PE	-0.105 (0.157)	-0.146 (0.078)	-0.067 (0.498)	-0.201 (0.088)	0.189 (0.166)	-0.265 (0.092)	376	0.084	2.72 (0.100)
MBO	-0.254 (0.012)	-0.241 (0.044)	-0.404 (0.006)	-0.384 (0.028)	-0.605 (0.003)	-0.638 (0.007)	345	0.135	8.35 (0.004)
Other	-0.255 (0.033)	-0.302 (0.029)	-0.185 (0.259)	-0.313 (0.095)	-0.469 (0.043)	-0.511 (0.045)	152	0.031	4.89 (0.029)
PE-MBO	0.224	0.746	0.009	0.494	0.048	0.131	721	0.113	6.76 (0.009)
MBO-Other	0.536	0.930	0.156	0.315	0.608	0.403	497	0.095	1.81 (0.179)
PE-Other	0.879	0.722	0.901	0.493	0.747	0.754	528	0.068	0.04 (0.850)
<u>Inventory turnover</u>									
PE	-0.141 (0.935)	0.225 (0.906)	-0.054 (0.981)	-1.769 (0.516)	-2.183 (0.491)	-5.335 (0.144)	318	0.032	0.47 (0.495)
MBO	0.242 (0.898)	0.672 (0.769)	-0.413 (0.883)	-0.149 (0.965)	0.539 (0.896)	-0.271 (0.953)	284	0.055	0.00 (0.970)
Other	-2.657 (0.070)	-1.057 (0.535)	1.395 (0.516)	0.600 (0.799)	-0.267 (0.925)	-2.780 (0.382)	143	0.102	0.18 (0.670)
PE-MBO	0.296	0.927	0.263	0.495	0.959	0.596	602	0.032	0.13 (0.719)
MBO-Other	0.034	0.044	0.342	0.277	0.034	0.032	427	0.044	10.70 (0.001)
PE-Other	0.005	0.008	0.010	0.041	0.019	0.093	461	0.017	18.67 (0.000)

Table A9: Pre-going private propensity peer-adjusted performance

This table reports propensity peer-adjusted performance of going private firms during the period from five years before up to one year before going private. The propensity score of going private is computed based on the model in Table 3. The performance adjustment is computed using median performance of 5 companies (in the same 3-digit SIC code and year as the deal) with the closest propensity score. If less than five public firms are available, we use public firms with the same 2-digit SIC code. We winsorize all performance variables at 10% at each extreme. We test whether median industry-adjusted performance is significantly different from zero using a Wilcoxon signed-rank test. ^a, ^b, and ^c means significant at one-, five-, and ten-percent level, respectively. We compare the median values of the three PtP types using the two-sample Wilcoxon ranked-sum test (Mann-Whitney). We report *p*-values for these tests in the table. For variable definitions see Table 1 in the paper.

Event year	<i>year</i> ₋₅	<i>year</i> ₋₄	<i>year</i> ₋₃	<i>year</i> ₋₂	<i>year</i> ₋₁
<u>ROA</u>					
PE	0.036,(39) ^b	0.023,(39)	0.039,(39) ^b	0.032,(38) ^a	0.026,(37)
MBO	0.018,(34)	0.017,(35)	-0.011,(34)	0.011,(35)	-0.021,(33)
Other	-0.001,(16)	-0.016,(16)	-0.019,(17)	-0.007,(17)	-0.046,(17)
PE-MBO	0.491	0.942	0.030	0.044	0.231
MBO-Other	0.296	0.334	0.616	0.795	0.399
PE-Other	0.113	0.629	0.167	0.194	0.082
<u>Sales margin</u>					
PE	0.034,(39) ^c	0.008,(39)	0.020,(39) ^c	0.024,(38) ^b	0.010,(37) ^c
MBO	0.022,(34)	0.030,(35)	-0.011,(34)	-0.006,(35)	-0.015,(33)
Other	0.022,(16) ^c	0.001,(16)	0.028,(17) ^b	0.037,(17) ^b	-0.009,(17)
PE-MBO	0.752	0.728	0.218	0.189	0.489
MBO-Other	0.772	0.812	0.112	0.103	0.991
PE-Other	0.907	0.984	0.636	0.656	0.542

Table A10: Correlation between announcement returns and subsequent performance

This table reports correlation coefficients between the median industry-adjusted performance of going private firms during the period from one year before up to five years after going private and the announcement return measured as the cumulative abnormal return during the window of 63 trading days before the deal announcement until deal completion. We adjust performance for industry using the industry median that is calculated using firms that remain public and operate in the same 3-digit SIC code at the time the company went private. If less than 5 public firms are available, we switch to using public firms that operate in the same 2-digit SIC code. We winsorize all performance variables at 10% at each extreme. For variable definitions see Table 1 in the paper.

Event year	<i>year</i> ₀	<i>year</i> ₁	<i>year</i> ₂	<i>year</i> ₃	<i>year</i> ₄	<i>year</i> ₅
<u>ROA</u>						
PE	-0.003	-0.043	-0.200	-0.211	-0.039	-0.294
MBO	0.240	0.056	-0.283	-0.067	0.046	0.293
Other	-0.026	-0.200	-0.075	0.104	-0.323	-0.443
<u>Sales margin</u>						
PE	0.144	0.154	-0.030	0.154	0.145	-0.274
MBO	0.134	0.032	-0.188	-0.014	-0.004	0.089
Other	0.050	-0.242	-0.097	0.047	-0.079	-0.074
<u>Profit growth</u>						
PE	-0.114	0.214	0.069	-0.037	0.033	-0.156
MBO	0.242	0.040	-0.047	0.216	0.165	0.259
Other	0.030	0.121	-0.049	0.272	0.061	0.182
<u>Sales growth</u>						
PE	0.109	-0.110	0.148	-0.061	0.190	0.250
MBO	-0.215	0.021	-0.228	0.163	0.243	0.260
Other	-0.365	0.180	0.187	0.086	0.334	-0.149
<u>Leverage</u>						
PE	0.021	-0.042	-0.033	0.029	-0.001	0.141
MBO	-0.085	0.019	0.246	0.285	0.217	0.221
Other	0.373	0.121	-0.172	-0.378	-0.196	-0.366
<u>Quick ratio</u>						
PE	0.310	-0.042	-0.033	0.029	-0.001	0.141
MBO	0.282	-0.065	-0.159	-0.185	-0.052	0.253
Other	-0.056	0.082	0.407	0.429	0.558	0.648
<u>Inventory turnover</u>						
PE	-0.022	0.050	0.043	-0.227	-0.149	-0.276
MBO	0.238	0.135	0.242	0.211	0.338	0.343
Other	0.077	0.334	0.387	0.441	0.423	0.499