

Examining the Impact of Financing Channels on the Acceleration of Performance Recovery: A Comparative Analysis

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Abstract

This study examines the impact of alternative financing channels on the speed of operating performance recovery during and post the subprime crisis, using a dataset of 2,780 nonfinancial firms in France. We identify the most effective financing channels in accelerating recovery. Results indicate a consistent hierarchy for both listed and unlisted firms. Equity issuance emerges as the foremost contributor, followed by retained earnings. Cash reserves and debt issuance hold the third and fourth positions, respectively. This empirical insight sheds light on the dynamics of recovery strategies, offering valuable implications for financial decisionmaking in the aftermath of economic crises.

Keywords: financial crisis, operating performance, financing policies, speed of recovery, listed firms, unlisted firms, panel approach