



# **SEASONED EQUITY OFFERING OBJECTIVES AND OPERATING PERFORMANCE: THE CASE OF THAILAND**

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## **ABSTRACT**

This paper studies operating performance of Thai listed companies which conducted seasoned equity offering during 2000 – 2009. The study found that post-operating performance of Thai SEO firms tend to decline after they issued new equity. The finding results provide the evidence to support Agency theory and Overinvestment (Fu, 2006). Moreover, companies, which listed in Stock Exchange of Thailand (SET), are required to disclose the objective of conducting SEO. This paper further investigates the relationship between post-operating performance and objective of conducting SEO. The result shows that Investment objective of SEO firms tend to have better post-operating performance than debt objective. Size of firms and debt ratio can be used as the indicator for post-operating performance.

Key word: Seasoned equity offering, SEO, Operating performance