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Shareholder agreements in capital markets. Can they really increase firms' corporate value?

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Abstract

Purpose – Shareholder agreements (SAs) are instruments that can stabilize ownership structures and the resulting decisions taken at shareholder meetings. The stability resulting from the use of such agreements can increase the corporate value of listed companies in contexts characterized by low levels of investors protection. The purpose of this study is, therefore, to analyze the impact that one or more SAs can have on the value of Italian listed companies.

Design/methodology/approach – The analysis was carried out by collecting information on SAs from Italian listed companies. The Italian context is peculiar, as corporate dynamics are comparable to other European countries, yet Italian listed companies widely use these instruments. The information collected was then analyzed using a panel regression model.

Findings – The results of this study show that both the presence of a voting syndicate and the presence of multiple SAs are positively associated with the market value of Italian listed companies. The authors interpret these results as the consequence of greater stability in the corporate structure alongside a lower level of agency costs.

Originality/value – The findings of this study confirm a positive association between voting syndicates and corporate value. Furthermore, to the best of the authors' knowledge, this study is the first to examine the relationship between the presence of multiple SAs and the corporate value of listed firms.

Keywords Corporate governance, Agency theory, Firm value, Ownership structure, Market value, Agency costs, Shareholder agreements

Paper type Research paper

1. Introduction

Shareholder agreements (hereafter SAs) are contracts drew up by shareholders outside a company's Articles of Association. They regulate the behavior of the contracting parties in

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different areas of corporate life (e.g. voting at shareholder meetings, circulation of shares and so on). These agreements, as well as representing a meeting point between contractual and corporate law (Bejček, 2018), are an excellent element of analysis that can be used to understand the strategic and power relationships between the shareholders (Baglioni, 2011; Sitdikova *et al.*, 2018). Indeed, SAs make it possible to specifically manage many aspects of corporate life (Brush and Van Staden, 2016).

Within the European Union (EU), there is no legislation directly regulating SAs, although such agreements exist in many member states (Miliauskas, 2013). The direct consequence of the lack of a common regulation is the presence of different typologies of provisions in the various countries and companies (Carvalhal, 2012). However, the diffusion of such agreements within the various national contexts is not influenced by specific laws regulating their adoption but by the economic-legal context within which the companies operate (Carvalhal, 2012).

In Italy, SAs are governed by Articles 2341-*bis* and 2341-*ter* of the Italian Civil Code and Articles 122 and 123 of the Italian Consolidated Law on Finance ("Testo Unico della Finanza," the first version contained in Italian Legislative Decree no. 58 / 1998). The main types of clauses included in the agreements signed by Italian listed companies can be classified into four macro-categories (Baglioni, 2011): voting clauses, consulting clauses, board composition clauses and transfer restriction clauses. The importance of analyzing this type of agreement within the Italian context derives both from the different types of agreements adopted and from the high use that Italian listed companies make of them. According to the "Report on corporate governance of Italian listed companies" (CONSOB, 2021, p. 13), 24 of a total of 228 companies (corresponding to approximately 5.9% by market capitalization) were controlled through the use of SAs in 2020 [1]. One possible explanation for the wide use of SAs by listed companies is the low level of legal protection afforded investors (Carvalhal, 2012). In fact, civil law countries, such as Italy, tend to offer less legal protection for investors than typical common law countries (La Porta *et al.*, 1998). Moreover, it is important to note that, globally, the trend related to ownership concentration is changing. An Organization for Economic Co-operation and Development working paper of 2022 (Medina *et al.*, 2022) analyzed the ownership concentration of listed companies globally. One of the specific elements that the study highlights is the sharp increase in shareholdings held by institutional investors, which has led to a rise in average ownership concentration. These changes generate renewed interest in SAs, particularly in relation to their value as corporate monitoring tools (Crespi and Renneboog, 2010). Indeed, a greater percentage of shares held by institutional investors may not coincide with better control over management (Medina *et al.*, 2022) and the uncertainty inevitably generated by these new trends renews scientific and professional interest in these instruments.

Starting with this peculiar context, this study will analyze the link between SAs and corporate value. To the best of our knowledge, this is the first attempt to analyze the effect of multiple SAs on the firm value of listed companies. Indeed, the coexistence of multiple agreements could increase cohesion in the corporate structure, consequently increasing, from the perspective of agency theory, the firm value.

This paper is structured as follows. The next section reviews the literature on the topic and explains how we developed our hypotheses. Section 3 describes the research method adopted, Section 4 reports the results and Section 5 discusses the findings and concludes the paper.

2. Literature review and hypothesis development

2.1 Background and literature review

Research on SAs provides important insights into how ownership, control and decision-making are structured within firms. Based on agency theory (Jensen and Meckling, 1976),

much of the existing literature emphasizes the separation between ownership and control as a source of potential conflicts among stakeholders. Within this framework, SAs are interpreted as governance tools that help mitigate agency problems by aligning shareholder interests and improving monitoring structures. However, prior studies have often examined these agreements without exploring how different types of SAs may coexist and interact.

Focusing on this stream of literature, a considerable body of research has examined the impact of SAs on corporate governance and firm performance. The analysis conducted by Volpin (2002) represents some of the best evidence of the effect of SAs within corporate governance mechanisms. Specifically, the study shows how the presence of better governance, measured in terms of firm value and sensitivity of turnover to performance, is associated with widespread control among major shareholders, as is the case in companies whose shareholders have signed a SA.

Gianfrate (2007), on the other hand, highlighted the advantages of the largest shareholder within SAs by showing how the latter is able to control the majority of board rights while controlling only a minority of the company's cash-flow rights. This is probably one of the most distinctive features of SAs. In fact, as we will see in the next section, such agreements allow the ownership structure to be reshaped indirectly, with consequent effects on corporate governance dynamics.

Mancinelli and Ozkan (2006) studied the link between the presence of SAs among the majority shareholders and the dividend policies implemented by the company, highlighting the existence of a relationship between these elements. The presence of SAs also appears to be associated with greater shareholder activism and, therefore, greater control over company managers (Crespi and Renneboog, 2010). However, Merendino and Melville (2019) highlight the lack of a relationship between the presence of SAs and company performance, measured in terms of return on assets.

The research conducted by Roosenboom and Schramade (2006) highlights the positive effect on the Initial Public Offering firm value resulting from the presence of SAs between pre-Initial Public Offering shareholders and owner-managers, underlining the ability of such agreements to reduce the private benefits of the owner-manager. Within the context of Italian listed companies, the study conducted by Barontini and Bozzi (2011) shows that board compensation is higher in firms with SAs because, the authors claim, such arrangements allow for the strengthening of control and a consequent higher extraction of private benefits.

Within the literature on SAs, numerous studies have focused on companies operating in Brazil, a civil law country that shares several institutional characteristics with Italy. Among these studies, one of the main contribution is the research done by Carvalhal (2012), who highlighted how the presence of SAs has a positive impact on the valuation of the company (price-to-book ratio). The study also highlighted the positive effect on the firm value of SAs aimed at providing a higher level of protection for minority investors. Similar results were also reported by Pruner da Silva *et al.* (2018). Sternberg *et al.* (2011), instead, analyzed the characteristics in terms of control, ownership percentages and participation in SAs of the three largest shareholders of Brazilian listed companies. The authors pointed out that SAs are more frequently found in companies with more widespread ownership, a symptom of the attempt by the largest shareholders to centralize decision-making power despite the low level of cash flow rights held. Other authors have, instead, focused on the effects of SAs on board practices. In their study, Crisóstomo and de Freitas Brandão (2019) state how the presence of a controlling blockholder or SAs among a few large shareholders leads to negative effects on corporate governance, while Leal and De Oliveira (2002) show that the majority of listed companies in Brazil are controlled by family groups or through the use of SAs, a comparable scenario to that of Italian listed companies (CONSOB, 2021). Following similar themes,

Maranho *et al.* (2020) analyzed the activism of institutional investors within Brazilian companies, highlighting how worse corporate governance practices are associated with the presence of SAs signed by board members.

A further stream of research has focused on the effects of SAs in the context of family firms. Sacristán-Navarro *et al.* (2015), in a study conducted in Spain on a sample of listed family firms, showed that the presence of SAs does not affect business performance. However, SAs can be used to achieve some important objectives in this type of business (Binz Astrachan *et al.*, 2021), such as protecting family control over the company and preserving family ownership unity (Gomez-Mejia *et al.*, 2011). It is also necessary to underline that it is often complex to agree on the drafting of a SA within a family business because of the numerous business policies that such agreements usually contain (Aronoff *et al.*, 2011).

Despite these valuable contributions, prior studies have generally analyzed SAs without considering how these multiple governance mechanisms coexist and interact. This paper fills this gap by examining the interdependence of different SAs within firms. While traditional property rights theories assume that contracts are incomplete, leaving room for opportunism, by analyzing multiple SAs, this study investigates how shareholders may use different agreements to fill governance gaps and reduce agency costs. Our contribution is theoretically grounded in agency theory, and we interpret the empirical findings in light of both principal–agent conflicts (Jensen and Meckling, 1976), arising between shareholders and managers, and principal–principal conflicts (Kraakman *et al.*, 2017, pp. 29–30), occurring among shareholders themselves, especially in environments with high ownership concentration and weak investor protection.

2.2 Theoretical framework and hypothesis development

In line with the broader framework of agency theory, our analysis begins from the institutional characteristics of the Italian context, where listed companies are typically characterized by a high degree of ownership concentration (CONSOB, 2021, p.14; Volpin, 2002). This feature usually reflects a poor level of legal protection for investors (La Porta *et al.*, 1998; Shleifer and Vishny, 1997). Shareholders of Italian listed companies have a greater incentive to increase their shareholding in the company to balance an economic-legal system that tends to provide little protection for investors, in contrast with what typically happens in common law countries (La Porta *et al.*, 1998). Indeed, an increase in an investor's stake contributes to a higher level of protection for that investor (Shleifer and Vishny, 1997), as it makes greater control possible and a consequent limitation of agency costs arising in the relationship with company managers (Jensen and Meckling, 1976). In this perspective, SAs are seen as an appropriate tool to separate ownership and control (Bianchi *et al.*, 2001).

However, a high concentration of ownership could lead to the emergence of another well-established form of agency conflict, the so-called principal–principal conflict, which arises between controlling and non-controlling shareholders (Kraakman *et al.*, 2017, pp. 29–30). This tension is particularly relevant in civil law systems where minority shareholder protection tends to be weaker. Importantly, we frame both the classic principal–agent problem (between shareholders and managers) and the principal–principal conflict as distinct but complementary manifestations of agency theory. Within this theoretical framework, SAs represent governance tools that might mitigate both types of agency problems. On the one hand, they can enhance monitoring and reduce managerial discretion; on the other, they can serve as contractual mechanisms that rebalance power among shareholders and reduce the risk of expropriation by dominant blockholders (Carvalhal, 2012; Chemla *et al.*, 2007). This is consistent with the view of Baglioni (2011), who highlighted how SAs are generally used

to mitigate situations that can be defined as "extreme" in terms of ownership concentration: low levels of capital concentration, leading to insufficient control over managers or, conversely, high levels of concentration, allowing the majority shareholder to enjoy large benefits and power.

In addition to these observations, there is a need to consider that the introduction of an agreement between shareholders leads to a change in the distribution of voting rights. SAs produce a significant shuffling of voting rights among shareholders, weakening the link between voting rights and cash flow rights (Gianfrate, 2007). Thus, even when the distribution of cash flow rights satisfies the principle of proportionality, the allocation of voting rights may deviate significantly under such arrangements. This implies a modification of the ownership structure. However, as shown by various studies, different ownership structures have different effects on company performance in various areas (Barros *et al.*, 2021; Choi *et al.*, 2012; Kowalewski, 2016; Lee and Chen, 2011; Pareek and Sahu, 2022; Wang *et al.*, 2019). Many authors agree that a greater concentration of ownership is more desirable for greater monitoring, reduced free-rider problems and greater incentives to intervene in critical situations (Admati *et al.*, 1994; Bolton and Von Thadden, 1998; Edmans, 2009; Huddart, 1993; Maug, 1998). Other studies have, instead, stressed a different view, highlighting the possible negative effects of an excessive ownership concentration (Holderness, 2003; La Porta *et al.*, 2000; Morck *et al.*, 1988; Shleifer and Vishny, 1997). However, if owners aim to maximize the market value of the company, then concentrated ownership implies greater company value, because large blockholders have greater incentives to monitor the company, because of the greater alignment of incentives between owners and managers. In line with these considerations, Yeh (2005) highlights that a higher concentration of cash flow rights (ownership) held by a shareholder increases the shareholder's incentives to ensure that the company is managed appropriately, consequently leading to an increase in the corporate valuation. This relationship proves to be particularly relevant in institutional contexts characterized by weak investor protection, where ownership concentration serves as a protective mechanism capable to consequently influence the market valuation of the company (Lepore *et al.*, 2018). Furthermore, a higher concentration of ownership can facilitate the implementation of corporate strategies, as well as the speed and efficiency of such decisions. Indeed, Wang *et al.* (2021) findings show that an increased concentration of equity correlates with an improved efficiency in corporate investments. There is also evidence of a higher level of Return on Equity and higher profitability in companies characterized by a greater ownership concentration (Alipour, 2013; Kapopoulos and Lazaretou, 2007).

However, as described in the methodological section, SAs within the Italian legislative context can take various forms. Among them, those indirectly contributing to an increase in ownership concentration are the so-called voting syndicates [Article 122(5)(a), Decree No. 58 / 1998]. Indeed, these agreements establish a duty of consultation between shareholders before exercising their voting rights, effectively enhancing the decision-making power of the involved shareholders (Sternberg *et al.*, 2011). The other types of SAs contribute to the stabilization of corporate governance by, for example, imposing restrictions on share transfers [Article 122(5)(b)(c)] or aiming to jointly exercise dominant influence over the company [Article 122(5)(d)]. In general, all these agreements contribute to enhancing the stability of corporate governance by fostering a higher degree of cohesion and coordination among shareholders. When shareholders commit to collaborating and adhering to specific constraints, the likelihood of internal conflicts that could harm the company or destabilize its governance is reduced. These agreements foster a more predictable and harmonious environment within the company, promoting more effective alignment of management with

the long-term interests of both the company and its shareholders. In light of the classical theory of the firm (Baumol, 1959; Williamson, 1964), owner-based firms, that is, those situations in which shareholding is stable and concentrated, have more interest in maximizing market value. Indeed, long-term shareholders prioritize corporate management's focus on long-term value (Stein, 1989), while a short-term investor horizon may decrease the value of the company, for example, in the case of external acquisitions (Gaspar *et al.*, 2005). Thus, the presence of various SAs suggests a long-term orientation among shareholders, consequently reducing managerial myopia (Bushee, 1998).

Thus, these agreements have been interpreted as instruments that reduce agency problems between shareholders and managers, particularly in settings where legal protection for investors is weak and ownership structures are concentrated (Carvalhal, 2012). Moreover, in contexts like the Italian one, agency issues often take a more complex form, encompassing not only principal–agent but also principal–principal conflicts (Kraakman *et al.*, 2017, pp. 29–30), that is, tensions between controlling and minority shareholders. SAs may, thus, provide various functions: while some are designed to coordinate shareholder action and enhance control over managerial behavior, for instance, those that impose a duty of consultation before voting, others reflect more strategic efforts to secure control, as in the case of agreements that establish a dominant influence or restrict the circulation of shares. Rather than assuming a single governance function, SAs should be understood as adaptable instruments whose role depends on the specific configuration of shareholder relations and the underlying institutional environment. This perspective offers a more nuanced account of how SAs contribute to corporate governance and are linked to value creation, reinforcing the rationale behind our hypotheses and the relevance of our contribution within the literature. Therefore, taking all these elements into account and considering the link between governance and firm value (Claessens *et al.*, 2002; La Porta *et al.*, 2002), we believe that the presence of SAs can lead to a more stable ownership structure, lower agency costs and, consequently, positive results in terms of firm value, especially within a civil law context like the Italian one. Thus, as they do not involve a real modification of cash flow rights, we believe that SAs do not lead to the possible negative effects resulting from excessive ownership concentration highlighted in the literature (Holderness, 2003; La Porta *et al.*, 2000; Morck *et al.*, 1988; Shleifer and Vishny, 1997). To the best of our knowledge, our study differs from previous ones, as it is the first to investigate also the effect produced by the presence of multiple SAs on the firm's value.

Thus, the hypotheses that guided our analysis were:

H1. The presence of a voting syndicate is associated with an increase in the firm value.

H2. The presence of more than one shareholder agreement is associated with an increase in the firm value.

3. Method

3.1 Sample design

We analyzed companies listed on the main segment of the Milan Stock Exchange (formerly MTA, now Euronext Milan) during the period 2010–2018. Firms operating in the financial sector (banks and insurance companies) were excluded because of their specific governance structures and regulatory environments, which differ significantly from those of industrial and service firms (Arena *et al.*, 2006). Thus, we included all non-financial firms that were listed at any point during the observation period, regardless of whether they were continuously listed throughout the full-time span. As such, the data set also comprises firms

that entered the market after 2010 or were delisted before 2018. This filtering process is detailed in Table 1 and resulted in a reference population of 273 unique firms. Because of the unbalanced structure of the panel and the exclusion of observations with missing values for our dependent and independent variables, the final sample consists of 1,840 firm-year observations.

3.2 Data collection and methodology

To obtain the *SAs* and *Voting_S* variables, we queried the Italian Companies and Stock Exchange Commission (CONSOB) database and hand-collected information about the type and number of SAs using the SAs reports required by the Commission for each company.

From each shareholder report available for each company, we collected the following information:

(1) the type of SAs:
Relying on article 122(5)(a), (b), (c), (d) and (d-*bis*) of Italian Legislative Decree no. 58/1998, we identified the type of SA in place and classified each one as follows:

- SAs designed to establish a duty of consultation between shareholders before exercising their voting rights;
- SAs designed to limit the transfer of shares (and other financial instruments related to share buying and share subscription rights);
- SAs concerning share buying (or buying financial instruments) as explained above under letter b);
- SAs designed to create a dominant influence on the company;
- SAs designed to encourage or limit certain aims of a takeover bid or a public exchange offer (including the case of an agreement designed to "not join the offer"); and
- other relevant SAs.

Table 1. Number of firms included in the study

Sample	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of firms listed on MTA (now Euronext Milan)	277	268	260	254	249	246	244	244	244
Number of firms excluded	−52	−55	−51	−51	−51	−45	−47	−44	−52
Of which									
Financial firms	*−48*	*−46*	*−45*	*−45*	*−45*	*−45*	*−45*	*−43*	*−43*
Firms with missing data	*−4*	*−9*	*−6*	*−6*	*−6*	–	*−2*	*−1*	*−9*
Number of firms included in the analysis	225	213	209	203	198	201	197	200	194
Total firms included	273								
Total observations	1,840								

Note(s): The table reports the number of companies listed on the main segment of the Milan Stock Exchange (MTA, now Euronext Milan) as of December 31 of each year, based on official data from "Borsa Italiana". We excluded firms operating in the financial sector (banks, insurance companies and other financial institutions), which are subject to different governance logics and regulatory constraints (Arena *et al.*, 2006). Additionally, a small number of companies were excluded each year because of missing data on key variables. The final sample includes all non-financial firms for which complete data were available in each year, resulting in an unbalanced panel of 273 unique firms and 1,840 firm-year observations
Source(s): Table created by authors

(2) the effective date of the SA and its duration; and

(3) (any potential) interruption before the original expiration date of the SA.

Each company can have one or more SAs or no SAs. In other words, each company may have in place every single type of SA permitted by law, with a maximum level for this indicator of six.

The information gathered through this analysis, thus, enabled us to gain our main explanatory variables: *Voting_S* and *SAs*. The *Voting_S* variable is a dummy variable equal to 1 if the voting syndicate agreement is signed and 0 otherwise, while the *SAs* variable is built using a scale of 0–6, where 0 denotes no SA and 6 denotes six signed SAs. It is important to highlight that every company with a number of SAs greater than or equal to 1 had at least 1 voting syndicate signed by shareholders. This means that the companies in our sample that have a SA in place definitely have at least one voting syndicate (a specific type of SA). In addition, following the model proposed by Carvalhal (2012), we collected financial information using AIDA – Bureau van Dijk database.

To test our hypotheses, we adopt a panel data analysis. To identify the best model for our data, we used the Hausman test (Hausman, 1978). The results $\chi^2(5)\backslash = 48.15$ ($p < 0.00$) suggest that the fixed effect model is preferable for our data. Thus, we adopt the following regression model:

$$\mathrm{MtoB}_{it} = \beta_0 + \beta_1 \mathrm{X}_{it} + \beta_2 \mathrm{Size}_{it} + \beta_3 \mathrm{Leverage}_{it} + \beta_4 \mathrm{LargeSH}_{it} + \beta_5 \mathrm{ROA}_{it} + \alpha_i + \varepsilon_{it} \quad (1)$$

X_i is the *Voting_S*$_{it}$ variable in the case of *H1*, while it represents *SAs*$_{it}$ for *H2*. The *MtoB* variable is the equity market value divided by the equity book value and represents our dependent variable, while *Size*, *Leverage*, *LargeSH* and *ROA* are used as control variables. Size is the natural logarithm of total assets at the end of the fiscal year *t*; Leverage is the total debts scaled by total assets at the end of the fiscal year *t*; *LargeSH* is the percentage of total shares owned by the largest shareholder; and, finally, ROA is calculated as the ratio of earnings before interest and taxes to total assets. α_i represents firms fixed effect.

To perform robustness checks and additional analyses, we also consider the percentage of shares included in the voting syndicates (*IncludedShares*) and a set of dummy variables capturing the different types of SAs. Table 2 provides a description of all variables used in the empirical analysis, while Table 3 provides, for each year, the number of firms with at least one SA, by type.

4. Findings

4.1 Descriptive statistics and correlation results

Table 4 shows the main descriptive statistics for our sample of 1,840 firm-year observations, while Table 5 reports the distribution of firms by sector. The dependent variable ranges from −527.500 to 503.920, indicating the presence of firms with negative equity. The variable *SAs* has a mean of 0.778 and a median equal to 0 (distribution range 0–6). The dummy variable, *Voting_S*, has a mean of 0.273, underlying the prevalence of firms without SAs related to voting syndicates within our sample. Regarding control variables, it is relevant to highlight the data for the *LargeSH* variable as this shows the presence of numerous firms under the influence of a single controlling shareholder. As shown in Table 5, the sample covers firms from a wide range of sectors, with the majority belonging to Industrials (553 observations), Consumer Services (472 observations) and Consumer Goods (410 observations). The least represented sector is Health Care, with only 19 observations over the entire time frame.

Table 2. Variable definitions

Variable definitions	
Dependent variables	
MtoB	Equity market value divided by the equity book value
Independent variables	
Voting_S	Equal to 1 if the Voting Syndicates Agreement is signed; 0 otherwise
IncludedShares	Percentage of shares involved in the voting syndicates agreement
Sas	A scale of 0–6 where 0 denotes no SAs and 6 denotes six signed SAs
SA_NoV	A scale of 0–5 where 0 denotes no SAs and 5 denotes five signed SAs (Voting_S are excluded)
Consultation_S	Equal to 1 if an agreement establishing obligations of prior consultation before exercising voting rights is signed; 0 otherwise
Block_S	Equal to 1 if an agreement limiting the transfer of shares or related financial instruments is signed; 0 otherwise
Purchase_S	Equal to 1 if an agreement concerning the purchase of shares or related financial instruments is signed; 0 otherwise
Control_S	Equal to 1 if an agreement intended to exercise dominant influence, including joint control, is signed; 0 otherwise
Opa_S	Equal to 1 if an agreement aiming to support or oppose a takeover bid, including commitments not to tender shares, is signed; 0 otherwise
Size	The natural logarithm of total assets at the end of the fiscal year
Leverage	Total debts scaled by total assets at the end of the fiscal year
LargeSH	The percentage of total shares owned by the largest (first) shareholder
ROA	Ratio of earnings before interest and taxes to total assets

Note(s): The table reports the definition of the variables used in the study
Source(s): Table created by authors

Table 6 presents detailed statistics on the number, total duration and average consecutive duration of each type of SA. *Voting_S*, *Consultation_S* and *Block_S* agreements are the most recurrent and long-lasting, with average consecutive durations around 3.2–3.5 years. Conversely, *Purchase_S*, *Control_S* and *Opa_S* agreements tend to be shorter and less frequent. Moreover, to offer a more dynamic view of SAs, Table 7 presents annual counts of interruptions across different types of agreements. An interruption occurs when a specific agreement is present in year t–1 but not in year t, capturing its discontinuation.

Table 8 summarizes the results of the correlation analysis. The data shown for the control variables suggest that collinearity is unlikely to pose a concern in our analysis. To further verify this, we conducted a variance inflation factor test, the results of which are reported in Table 9 and confirm the absence of multicollinearity issues.

4.2 Regression results

The results of our analyses are presented in Table 10. To test our first hypothesis, we estimated equation (1), using *Voting_S* as the main explanatory variable. The results, shown in Column (1), indicate that the coefficient of *Voting_S* is positive and statistically significant at the 5% level. This suggests that the presence of a SA aimed at coordinating voting intentions is associated with a higher market-to-book value, thereby supporting *H1*. This finding is in line with the previous literature on the topic (Carvalhal, 2012; Pruner da Silva *et al.*, 2018; Volpin, 2002). With regards to the control variables, *Size*, *ROA* and *LargeSH* are significant at 1% and have a positive coefficient, in line with the previous literature that has

Table 3. Firms with at least one shareholder agreement (by type and year)

Agreement type	Year								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of firms with at least 1 Voting_S	62 (27.6%)	66 (31%)	57 (27.3%)	52 (25.6%)	47 (23.7%)	59 (29.4%)	50 (25.4%)	53 (26.5%)	56 (28.9%)
Number of firms with at least 1 Consultation_S	32 (14.2%)	33 (15.5%)	27 (12.9%)	28 (13.8%)	25 (12.6%)	28 (13.9%)	29 (14.7%)	27 (13.5%)	26 (13.4%)
Number of firms with at least 1 Block_S	54 (24%)	53 (24.9%)	47 (22.5%)	46 (22.7%)	43 (21.7%)	51 (25.4%)	46 (23.4%)	42 (21%)	48 (24.7%)
Number of firms with at least 1 Purchase_S	15 (6.7%)	17 (8%)	17 (8.1%)	12 (5.9%)	5 (2.5%)	7 (3.5%)	7 (3.6%)	7 (3.5%)	10 (5.2%)
Number of firms with at least 1 Control_S	21 (9.3%)	19 (8.9%)	15 (7.2%)	13 (6.4%)	12 (6.1%)	11 (5.5%)	11 (5.6%)	12 (6%)	13 (6.7%)
Number of firms with at least 1 Opa_S	2 (0.9%)	3 (1.4%)	2 (1%)	1 (0.5%)	0 (0%)	3 (1.5%)	3 (1.5%)	3 (1.5%)	4 (2.1%)
Number of firms with at least 1 SA	62 (27.6%)	66 (31%)	57 (27.3%)	52 (25.6%)	47 (23.7%)	59 (29.4%)	50 (25.4%)	53 (26.5%)	56 (28.9%)

Note(s): The table presents the annual number of firms that have at least one shareholder agreement (SA), broken down by agreement type. As specified in the main text, the variable Voting_S captures the presence of a voting syndicate agreement. As all firms with SAs greater than or equal to 1 have at least one Voting_S in place, the number of firms with SAs corresponds exactly to those with Voting_S. Other agreement types may coexist but are not necessarily present in all cases. Percentages in parentheses refer to the share of firms with at least one agreement relative to the total number of listed firms considered in the sample in that year
Source(s): Table created by authors

Table 4. Descriptive statistics

Variables	*N*	Mean	Median	SD	Minimum	Maximum
MtoB	1,840	2.243	1.288	17.586	−527.5	503.92
Included shares	1,838	0.149	0.000	0.275	0	1
Voting S	1,840	0.273	0.000	0.446	0	1
Consultation S	1,840	0.139	0.000	0.346	0	1
Block S	1,840	0.234	0.000	0.423	0	1
Purchase S	1,840	0.053	0.000	0.224	0	1
Control S	1,840	0.069	0.000	0.254	0	1
Opa S	1,840	0.011	0.000	0.106	0	1
SAs	1,840	0.778	0.000	1.335	0	6
SA_NoV	1,840	0.541	0.000	0.942	0	5
Size	1,840	12.716	12.603	1.821	3.829	18.302
Leverage	1,840	0.523	0.507	0.380	0.001	5.892
LargeSH	1,840	0.461	0.500	0.190	0.039	0.995
ROA	1,840	0.055	−0.003	3.391	−50.031	64.795

Note(s): See Table 2 for variable definitions
Source(s): Table created by authors

Table 5. Firms distribution by sector

	Year									
Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Basic materials	7	5	5	4	4	4	3	2	2	36
Consumer goods	47	45	46	46	45	44	46	46	45	410
Consumer services	57	54	52	52	51	54	53	52	47	472
Food and beverage	9	9	8	8	8	9	8	8	8	75
Health care	2	2	2	2	2	2	2	2	3	19
Industrials	68	64	63	61	61	60	57	61	58	553
Oil and gas	5	5	5	5	5	5	6	6	6	48
Technology	14	13	13	11	10	10	10	11	12	104
Utilities	16	16	15	14	12	13	12	12	13	123
Total	225	213	209	203	198	201	197	200	194	1,840

Note(s): The table reports the distribution of firms by sector
Source(s): Table created by authors

conducted comparable analyses (Carvalhal, 2012; Chakroun *et al.*, 2019; Gordini and Rancati, 2017; Pruner da Silva *et al.*, 2018).

To conduct a robustness check on the main findings, we considered the percentage of shares included in the voting syndicate. As shown in Column (2), the results indicate that a higher proportion of shares involved in the agreement is associated with an increase in the firm's market-to-book ratio, suggesting that the market rewards greater governance stability. This result provides additional support for our first hypothesis. Moreover, Figure 1 illustrates the predicted relationship between *IncludedShares* and *MtoB*, offering a visual confirmation of the baseline regression outcomes.

Column (3) of Table 10 shows the results of the regression performed to test *H2*. In this case, *SAs* served as the main explanatory variable within equation (1). The results indicate a

Table 6. Duration of shareholder agreements

SAs	*N*	Average non-consecutive duration	Average consecutive duration	Maximum duration	Minimum duration
Voting_S	502	5.566	3.218	9	1
Consultation_S	255	5.706	3.446	9	1
Block_S	430	5.912	3.468	9	1
Purchase_S	97	4.814	2.771	9	1
Control_S	127	5.472	3.024	9	1
Opa_S	21	2.429	1.750	4	1

Note(s): This table provides descriptive statistics for each type of SA, including the total number of observations (N), the average consecutive and non-consecutive duration (in years) and the maximum and minimum observed durations
Source(s): Table created by authors

Table 7. Annual interruptions of shareholder agreements by type

Year	Voting_S	Consultation_S	Block_S	Purchase_S	Control_S	Opa_S
2010	/	/	/	/	/	/
2011	4	3	4	1	2	0
2012	13	7	8	2	3	0
2013	8	3	7	4	1	1
2014	10	7	8	5	3	1
2015	5	4	6	1	2	0
2016	13	4	10	0	2	1
2017	9	6	7	2	2	2
2018	2	3	1	1	2	0

Note(s): This table reports the number of interruptions for each type of SA observed annually from 2010 to 2018. An interruption occurs when a firm had a given type of agreement in year t–1 but no longer has it in year t
Source(s): Table created by authors

positive and significant relationship between the presence of multiple SAs and the MtoB value. Therefore, the increase in the number of signed SAs is related to a higher market valuation. Regarding the control variables, the coefficient estimates and the significance appear to be in line with the results obtained in the previous analyses.

Column (4) presents the results of an additional test performed to isolate the specific effect of *Voting_S* from that of the other types of SAs. To this end, we operationalized a new variable, *SA_NoV*, defined as the total count of SAs excluding voting syndicates. This allowed us to disentangle the impact of voting agreements from the potential effect of using multiple SAs jointly. The results show substantial consistency with previous findings and further support the notion that the combined use of multiple SAs is also positively associated with MtoB value.

These findings support our second hypothesis. As previous studies have not addressed the analysis of multiple SAs, our results contribute to expanding the scope of research in this area and offer a meaningful addition to the existing literature.

Table 8. Correlation analysis

Variables	(MtoB)	(Voting_S)	(IncludedShares)	(Consultation_S)	(Block_S)	(Purchase_S)	(Control_S)	(Opa_S)	(SAs)	(SA_NoV)	(Size)	(Leverage)	(LargeSH)	(ROA)
MtoB	1.000													
Voting_S	0.072*	1.000												
IncludedShares	0.077*	0.838*	1.000											
Consultation_S	0.108*	0.629*	0.574*	1.000										
Block_S	0.038	0.845*	0.754*	0.511*	1.000									
Purchase_S	0.004	0.342*	0.327*	0.157*	0.312*	1.000								
Control_S	0.098*	0.406*	0.388*	0.435*	0.327*	0.139*	1.000							
Opa_S	0.005	0.173*	0.152*	0.023	0.049*	0.089*	−0.014	1.000						
Sas	0.074*	0.903*	0.800*	0.716*	0.855*	0.448*	0.506*	0.164*	1.000					
SA_NoV	0.089*	0.845*	0.772*	0.786*	0.824*	0.490*	0.642*	0.161*	0.937*	1.000				
Size	0.057*	−0.029	−0.050*	−0.013	−0.007	−0.027	−0.002	−0.031	−0.008	−0.019	1.000			
Leverage	0.006	−0.021	−0.009	0.013	−0.026	0.066*	0.032	0.007	−0.005	0.019	−0.127*	1.000		
LargeSH	0.013	−0.159*	−0.075*	−0.155*	−0.168*	0.034	−0.090*	0.082*	−0.158*	−0.145*	−0.001	−0.068*	1.000	
ROA	0.144*	0.012	0.007	−0.002	0.024	−0.001	−0.022	−0.051*	−0.002	−0.003	0.108*	−0.063*	0.040*	1.000

Note(s): See Table 2 for variable definitions; *$p < 0.1$
Source(s): Table created by authors

Table 9. Variance inflation factor analysis

Variables	VIF	1/VIF
LargeSH	1.030	0.968
Voting_S	1.030	0.972
Size	1.030	0.972
Leverage	1.020	0.976
ROA	1.020	0.984
Mean VIF	1.030	

Note(s): The reported VIF estimates refer to the regression used to test *H1*. Comparable results were obtained for the other regression models, confirming the overall absence of multicollinearity
Source(s): Table created by authors

Table 10. Multivariate regression analyses

Variables	(1)	(2)	(3)	(4)
Voting_S	2.868** (1.295)			
IncludedShares		4.830** (2.156)		
Sas			1.131** (0.443)	
SA_NoV				1.480** (0.659)
Size	7.394*** (1.001)	7.502*** (1.003)	7.390*** (1.001)	7.401*** (1.001)
Leverage	−1.038 (1.481)	−1.038 (1.482)	−1.076 (1.478)	−1.145 (1.478)
LargeSH	0.108*** (0.0417)	0.107** (0.0418)	0.106** (0.0417)	0.104** (0.042)
ROA	0.518*** (0.121)	0.518*** (0.121)	0.527*** (0.121)	0.526*** (0.122)
_cons	−97.06*** (13.37)	−98.31*** (13.41)	−97.03*** (13.37)	−96.892 (13.37)
N	1,840	1,838	1,840	1,840
R^2	0.0636	0.0638	0.0646	0.0637
F	21.23***	21.26***	21.57***	21.26***

Note(s): *, ** and *** indicate, respectively, a significance level at 10, 5 and 1%. All the F-values reported are statistically significant at 1%. In the regression reported in Column (2), the number of observations is 1,838 (two fewer than in the other analyses) because of the unavailability of data on the percentage of shares included in the voting syndicate for two cases. All models are estimated using a fixed effects specification
Source(s): Table created by authors

Although both of our main explanatory variables (*Voting_S* and *SAs*) are statistically significant at a high level, it is worth commenting on the relative magnitude of their estimated effects. The coefficient associated with *Voting_S* indicates a stronger association between the presence of a voting syndicate and the firm's market-to-book ratio than the one observed for the presence of multiple SAs.

This finding appears somewhat counterintuitive, as it contrasts with our initial expectation that multiple agreements, interpreted as a proxy for greater ownership coordination and stability, would exert a stronger effect on firm value. Nevertheless, both hypotheses are supported with high levels of statistical significance.

We interpret the slightly weaker effect of SAs as an indication that while the existence of multiple SAs is positively perceived by the market, it is not regarded as essential to ownership stabilization. In other words, the market may already attribute sufficient credibility and governance assurance to the presence of a voting syndicate and does not perceive substantial additional value from the existence of multiple overlapping agreements.

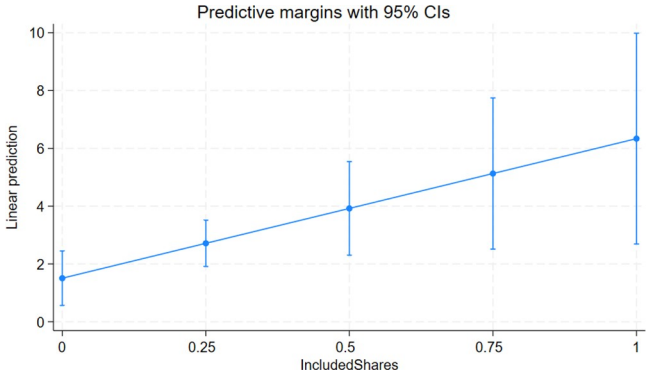

Figure 1. Predicted relationship between IncludedShares and MtoB
Note(s): The figure shows that as the percentage of shares included in the agreement increases, the expected MtoB value rises accordingly
Source: Figure created by authors

One possible explanation is that the presence of multiple SAs may not necessarily translate into greater clarity or transparency in the firm's ownership structure. In some cases, the coexistence of several agreements, potentially involving overlapping sets of investors, including both members of the voting syndicate and additional parties, might reflect coordination efforts that do not materially increase ownership perceived stability. As such, while multiple agreements may signal active governance arrangements, they may not provide a clear incremental benefit beyond the presence of a voting syndicate alone.

To address potential endogeneity and autocorrelation, we re-estimate the model using the difference GMM estimator. The results, reported in Table 11, are consistent with our baseline estimates, confirming the robustness of our findings. The Arellano–Bond tests indicate the expected first-order autocorrelation and no evidence of second-order autocorrelation, supporting the validity of the model specification. Moreover, the Sargan test does not reject the null hypothesis of overidentifying restrictions, suggesting that the instruments are valid and not correlated with the error term.

As a further robustness test, to limit the potential confounding effects of outliers, we winsorize the dependent and control variables at the 5th and 95th percentiles. Table 12 presents the main descriptive statistics of the winsorized variables. The results, presented in Table 13, remain consistent with our main findings.

4.3 Additional analysis

To further investigate the relationship between SAs and firm value, we conduct an additional analysis that distinguishes among the various types of SAs. By disaggregating the effects of these different contractual arrangements, we aim to assess whether specific provisions, such as voting coordination, consultation obligations, transfer restrictions or takeover-related clauses, differentially influence the market-to-book ratio. Table 14 presents the results of the regression analyses, based on model specifications that consider each SA type individually, as well as a specification that includes all main explanatory variables jointly.

Consistent with our main findings, *Voting_S*, *Consultation_S* and *Control_S* exhibit a positive and statistically significant relationship with the Market-to-Book (MtoB) value. These types of agreements are primarily aimed at enhancing governance coordination and

Table 11. GMM test results

Variables	(1)	(2)
Voting_S	3.128** (1.379)	
Sas		0.988** (0.457)
Controls	Yes	Yes
N	1,840	1,840
Wald chi2	48.72***	47.35***
First-order serial correlation (Pr > Z)	0.038	0.047
Second-order serial correlation (Pr > Z)	0.982	0.747
Sargan test (Prob > Chi2)	0.979	0.985

Note(s): *, ** and *** indicate, respectively, a significance level at 10, 5 and 1%. Robust two-step standard errors are reported in parentheses. All models include a full set of control variables. The Arellano–Bond test for first-order autocorrelation [AR(1)] is significant in both specifications, as expected. The second-order autocorrelation test [AR(2)] is not significant, suggesting no residual autocorrelation in the differenced errors. The Sargan test fails to reject the null hypothesis of instrument validity, supporting the overall specification of the model
Source(s): Table created by authors

Table 12. Descriptive statistics of winsorized variables

Variables	*N*	Mean	Median	SD	Minimum	Maximum
MtoB 95	1,840	1.995	1.288	1.989	0.188	7.733
Size 95	1,840	12.707	12.603	1.602	9.992	15.859
Leverage 95	1,840	0.493	0.507	0.222	0.070	0.894
LargeSH 95	1,840	0.460	0.500	0.179	0.1421	0.7606
ROA 95	1,840	−0.013	−0.003	0.169	−0.546	0.366

Note(s): This table reports descriptive statistics for the main variables used in the analysis after winsorization at the 5th and 95th percentiles
Source(s): Table created by authors

Table 13. Regression results with winsorized variables (5th–95th percentiles)

Variables	(1)	(2)
Voting_S	0.294*** (0.101)	
Sas		0.137*** (0.046)
Winsorized controls	Yes	Yes
_cons	3.190** (1.251)	3.021* (1.647)
N	1,840	1,840
R^2	0.080	0.073
F	27.002***	24.539***

Note(s): *, ** and *** indicate significance at the 10, 5 and 1% levels, respectively. This table reports fixed effects panel regression estimates. The dependent and control variables are winsorized at the 5th and 95th percentiles to mitigate the influence of extreme values. Robust standard errors are in parentheses
Source(s): Table created by authors

decision-making efficiency through the alignment of shareholder interests. The market appears to interpret these forms of contractual alignment as a mechanism for reducing agency costs and fostering long-term strategic stability, particularly relevant in civil law contexts such as Italy, where external investor protection is comparatively weaker.

In contrast, Block Agreements, which impose restrictions on the transferability of shares or related financial instruments, are associated with a statistically significant *negative* effect on firm value. This result suggests that the market penalizes arrangements that reduce liquidity and impede the flexibility of capital movements. From an investor's perspective, restrictions on the free transfer of equity stakes may signal potential entrenchment or reduced marketability, both of which could undermine firm value. These findings align with theoretical expectations, as well as with prior literature highlighting how rigid structures may hinder firms market value (Fang *et al.*, 2009; Holderness, 2003).

The effects of *Purchase_S* and *Opa_S* are statistically not significant, suggesting that the market does not attribute a clear and consistent valuation premium to these types of agreements. This may reflect heterogeneity in the objectives of such agreements or a lesser perceived impact on the firm's long-term governance and performance dynamics.

Taken together, these results further refine our interpretation of how SAs affect firm value. These findings reinforce our argument that the market rewards shareholder stability when it enhances managerial oversight and strategic alignment, but not when it limits flexibility in ownership structures.

5. Discussion and conclusion

Our findings show that the presence of voting syndicates and multiple SAs have a positive impact on the market value of firms. Within the framework of the agency theory, we argue that this type of agreements can decrease emerging agency costs between managers and shareholders, consequently producing a positive impact on the firm value. In fact, in specific context concentrated ownership leads to a greater market value (Shleifer and Vishny, 1986), as large blockholders, that may emerge indirectly as a result of the stipulation of a SA (e.g. a voting syndicate), have a greater incentive to monitor the management of the company. At the same time, SAs could also positively affect agency conflicts related to the relationship between majority and minority shareholders (Kraakman *et al.*, 2017, pp. 29–30). In fact, SAs protect minority shareholders against value expropriations that may be carried out by majority shareholders (Chemla *et al.*, 2007).

The ability of such agreements to mitigate situations that can be defined as "extreme," in terms of ownership concentration (Baglioni, 2011), makes them useful tools for stabilizing the ownership structure. As highlighted in the literature (Stein, 1989), greater stability in ownership structure encourages corporate management's focus on long-term value creation, thereby mitigating the emergence of opportunistic behaviors from investors with differing time horizons. We posit that the presence of voting syndicates (a particular type of SA) and/or multiple SAs contributes to the concentration and stabilization of the ownership, thus leading to higher market value, particularly in contexts characterized by a low level of investor protection.

However, although our analysis shows an increase in MtoB value in the presence of both voting syndicates and multiple SAs, what needs to be highlighted is how the magnitude of these relationships differs. In fact, the coefficient estimates for the variable, *SAs*, within the second regression analysis, turns out to be lower than the coefficient estimate for the variable, *Voting Syndicates*. This suggests a smaller effect of SAs on the MtoB value as the number of SAs increases. Thus, the greatest effect on MtoB value comes from having at least one SA in place (a voting syndicate) that can regulate the governance of the companies

Table 14. Additional analysis results

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voting_S	2.868** (1.295)						4.263* (2.250)
Consultation_S		4.733*** (1.506)					3.107* (1.838)
Block_S			−0.286** (0.123)				−5.593** (2.274)
Purchase_S				−0.745 (2.723)			−1.815 (2.889)
Control_S					5.705*** (1.925)		4.456** (2.051)
Opa_S						1.085 (4.157)	−1.132 (4.344)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
_cons	−97.06*** (13.37)	−95.52*** (13.36)	6.676*** (1.082)	−96.77*** (13.40)	−95.94*** (13.36)	−96.88*** (13.40)	−93.49*** (13.35)
N	1,840	1,840	1,840	1,840	1,840	1,840	1,840
R^2	0.0636	0.0666	0.0208	0.0607	0.0659	0.0607	0.0737
F	21.23***	22.29***	6.636***	20.20***	22.05***	20.20***	12.38***

Note(s): *, ** and *** indicate, respectively, a significance level at 10, 5 and 1%. The F-value reported is statistically significant at 1%. The model is estimated using a fixed effects specification
Source(s): Table created by authors

involved, decreasing, as seen above, the issues arising from agency conflicts. Our analysis shows that increasing the number of SAs has a positive effect on MtoB value, but to a lower degree than that recorded by comparing the presence/absence of a voting syndicate.

Despite the lowest magnitude of the relationship between the number of agreements and firm value, we are able to confirm both our hypotheses.

Within the theoretical framework of agency theory, our study considers SAs as tools capable of decreasing agency conflicts, by fostering a higher degree of cohesion and coordination among shareholders. In fact, when shareholders commit to collaborating and adhering to specific constraints, the likelihood of internal conflicts that could harm the company or destabilize its governance is reduced. These agreements provide protection for shareholders (Chemla *et al.*, 2007; Shleifer and Vishny, 1997) and contribute to stabilize governance (Baglioni, 2011), increasing as a consequence shareholders' incentives to monitor the firm (Edmans, 2009). The presence of various SAs suggests a long-term orientation among shareholders, reducing managerial myopia (Bushee, 1998).

Last but not least, these agreements foster a more predictable and harmonious environment within the company, promoting more effective alignment of management with the long-term interests of both the company and its shareholders, and so, in light of the classical theory of the firm (Baumol, 1959; Williamson, 1964), this creates those situations in which shareholding is stable, concentrated and has more interest in maximizing market value.

The analysis carried out allowed us to confirm the positive effect played by such agreements on the MtoB value of the companies analyzed, highlighting how the market rewards companies where such agreements are in place. Specifically, our contribution differs from previous studies as, to the best of our knowledge, the effect produced by multiple SAs on the MtoB value of companies has not yet been studied.

This paper contributes to the literature on SAs and has non-negligible implications for investors and policymakers.

For the former, the study provides an insight into the role played by SAs within market dynamics. Specifically, we confirm the role of voting syndicates in the relationship between such agreements and company performance, as found in other studies focused on different countries (Carvalhal, 2012; Pruner da Silva *et al.*, 2018). Investors who sign voting syndicates have forms of protection that facilitate growth in the value of the shares they hold. The presence of several SAs in the same company also helps to stabilize corporate structures and increase the value of shares. This also paves the way for a new opportunity of stabilization, as voting syndicate is not the unique form to achieve it. Moreover, this helps to better target investment choices based on the vision of different types of investors (short and long term). From a practical standpoint, our findings suggest that SAs can be strategically used by shareholders and managers to strengthen the firm's internal governance architecture. By formalizing coordination mechanisms and fostering alignment among key shareholders, these agreements may reduce uncertainty and signal long-term strategic commitment, a characteristics usually linked with a greater market value (Flammer and Bansal, 2017). Managers may, therefore, benefit from encouraging the use of such agreements not as defensive tools, but as governance instruments aimed at increasing credibility and transparency in front of both investors and stakeholders. The strategic use of SAs, however, is not uniformly beneficial. Their effectiveness depends on the purpose for which they are designed and the governance context in which they operate. For instance, agreements that formalize a duty of consultation between shareholders before voting can enhance transparency and collective decision-making. Similarly, SAs that clarify voting behavior or establish long-term commitments among key shareholders are more likely to be perceived as credible signals of stability by investors. On the contrary, agreements that impose strict

transfer restrictions or serve defensive purposes, for example, to prevent participation in takeover bids, may be perceived by the market as mechanisms of entrenchment or barriers to capital flexibility. Thus, these differences suggest that it is important for managers and shareholders to reflect on the actual purpose of the agreements they adopt, considering how specific clauses align with the company's governance needs and long-term goals.

For policymakers, the results underscore the potential benefits of a regulatory framework that does not merely tolerate but actively supports shareholder coordination through well-defined and enforceable agreements. Particularly in jurisdictions with weaker external investor protections, such as civil law countries, enabling shareholders to formalize internal governance structures may serve as a substitute for external market mechanisms, thereby improving overall market confidence. Thus, the presence of SAs, if properly and duly regulated by a clear legislative framework, can bring undoubtedly positive consequences regarding the link between ownership structures and company performance in those companies where the influence of agency costs is significant.

The analysis performed is not without limitations. First, although Italy appears to be a suitable context to perform the analysis, it is difficult to generalize the results obtained, especially in common law contexts. To this end, future research should focus on the role played by such agreements in non-civil law environments. Furthermore, while our initial analysis focused on the aggregate number of SAs to assess their overall impact on firm value, the additional analysis performed allowed us to consider the different types of agreements, providing more nuanced insights into their qualitative characteristics. The results reveal that not all agreements are equally valued by the market. Specifically, SAs such as voting syndicates, consultation agreements and control agreements are associated with a positive and significant effect on the *MtoB*. In contrast, block agreements, which restrict the transferability of shares, show a significant negative association with firm value, suggesting that the market disfavors arrangements that limit capital mobility. These findings highlight the importance of distinguishing among the various forms of SAs and suggest that their intrinsic characteristics play a critical role in shaping investor perception and firm valuation. Future research may explore the interaction of these agreements with firm-specific governance practices and characteristics, to identify which agreement most effectively enhances firm value in a specific context. Finally, while our data set does not allow us to test clause-level effects directly, the consistent patterns observed across different types of agreements point to the importance of contractual intent. Future empirical studies incorporating detailed information on terms and enforceability could greatly enhance our understanding of how SAs operate as not only legal instruments but also governance mechanisms with differentiated strategic consequences.

Note

[1.] This figure refers specifically to cases in which control is formally exercised through such agreements, as officially disclosed.

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