

LIN FANG

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Toulouse School of Economics

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Date of Birth: June 6th, 1995 (Jilin, China)

Research Fields: Corporate finance (primary), Macroeconomics (secondary)

Personal website: <https://sites.google.com/view/lin-fang>

EDUCATION

Ph.D. in Economics, *Toulouse School of Economics*

2021 - 2027 (*expected*)

M.Sc. in Economic Theory and Econometrics, *Toulouse School of Economics*

2019 - 2021

with Merit

Bachelor's Degree, *Tsinghua University, China*

2013 - 2017

Double Major: Economics & English Literature

Visiting: George Mason University

TEACHING & WORKING EXPERIENCE

Teaching assistant, TSE

Topics in Macro (3rd year BA), *Prof. Philippe Alby*

2022 – 2024

Macroéconomie (2nd year BA), *Prof. Patrick Fève*

2024

Internship

UN ESCAP, Bangkok Office

2017

Macroeconomic Policy and Development Division

RESEARCH

Biopharma firms with negative enterprise value (Job Market Paper)

Abstract: “Enterprise Value” of a public company is the difference between its market capitalization and net cash. When a biopharma firm announces negative trial results, its stock price plummets, and its market cap can drop below its net cash balance, implying a negative enterprise value. While roughly 100 US biopharma firms went public in 2020, half of them ended up with negative enterprise value due to scientific failures. Motivated by this empirical observation, this paper investigates the cause of the negative enterprise value puzzle and further examines whether the biopharma boom during the pandemic was fundamentally justified. The first part of the paper uses manually collected data to document the performance of biopharma firms that went public. The descriptive analysis shows evidence of inefficient continuation due to agency conflicts and suggests that investors might have provided too much capital at the time of IPO. To study whether venture capital investors would have behaved differently with the possibility of staging capital injection over time, the second part of the paper uses the equilibrium model of VC financing developed by Parry (2025) to solve for the optimal contract (upfront or staged financing) that trades off the cost of inefficient continuation against the risk of early termination. Preliminary results show that upfront financing is indeed preferred, since the underlying project characteristics of biopharma firms imply large value loss from early termination.

Increased Corporate Cash Holdings and the Role of the Capital Supply

Abstract: This paper emphasizes the role of capital supply in driving higher cash holdings of R&D-intensive firms. By constructing a general equilibrium model, I distinguish the impact of an increase in households' supply of capital from firms' precautionary demand for capital. Preliminary results show that firms' precautionary demand for capital cannot always lead to higher average cash holdings, contrary to findings in the literature.

The role of the healthcare sector in the US corporate cash holdings puzzle

Abstract: This paper studies how the healthcare sector contributes to the US corporate cash holdings puzzle and approaches the problem from both intensive and extensive margins. By looking at the intensive margin, I explore the changes in the fundamentals of the healthcare sector that make healthcare firms hold more cash on average than firms in other sectors. As for the extensive margin, I first document the increased entry (going public) of healthcare firms and further examine if various performance metrics can rationalize the increased entry. Finally, I consider a simple counterfactual scenario assuming no changes in the healthcare sector (in terms of both margins) and show that roughly 50 percent of the observed positive trend in the average cash holdings of US non-financial public firms can be explained by the healthcare sector.

PRESENTATIONS

European Financial Management Association 2026 Doctoral Student Seminar (scheduled), TSE-TSM PhD finance workshop, TSE PhD workshop.

PUBLICATION

Branchoux, Candice; Fang, Lin; Tateno, Yusuke. 2018. “Estimating Infrastructure Financing Needs in the Asia-Pacific Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States.” *Economies* 6, no. 3: 43.

SOFTWARE SKILLS

Strong	R, Julia, Matlab, Stata
Intermediate	Python, Latex

LANGUAGES

Native	Chinese, Korean
Fluent	English
Intermediate	French