

Special Purpose Acquisition Company (SPAC) Market Study 2021

April 2021

Deal Point Data The logo for Deal Point Data, featuring a white circle with a stylized arrow pointing upwards and to the right, positioned to the right of the text.



Methodology

Deal Point Data researched every Special Purpose Acquisition Company (SPAC) that filed with the Securities and Exchange Commission from January 1, 2016 to March 31, 2021. We observed these deals throughout the SPAC lifecycle – from registration to IPO pricing to the announcement of a de-SPAC M&A transaction. We reviewed the relevant stock purchase agreements, asset purchase agreements or merger agreements to evaluate key negotiated M&A deal points.

This study was compiled using the Deal Point Data platform. Deal Point Data allows users to filter hundreds of deal factors in order to customize their analysis for their specific transaction fact pattern. Deal Point Data clients will be able to continuously update this study with the latest information by clicking through the View Updated Chart & Data links.



Key Findings

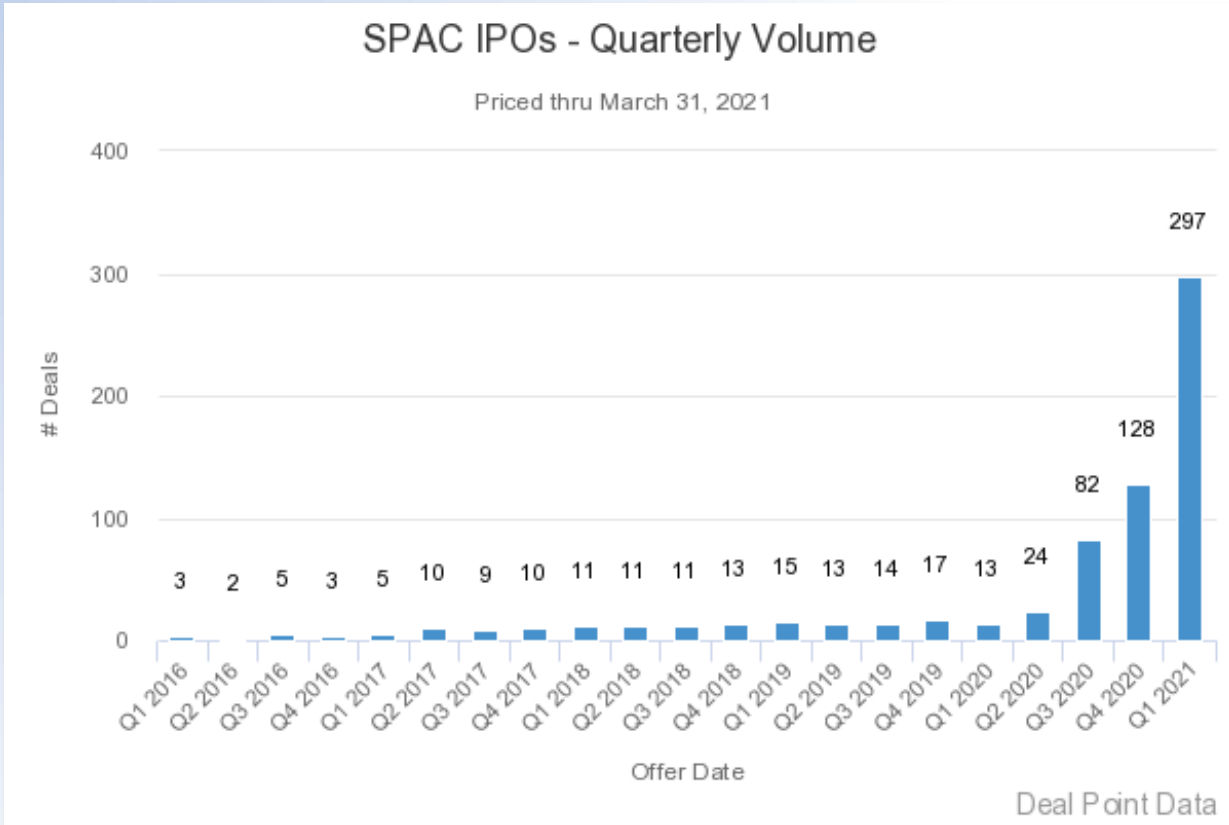
- The level of SPAC activity has accelerated to unprecedented levels in the IPO and M&A markets.
 - The amount of capital pursuing “public-ready” private targets is 2.33x larger than the total gross proceeds raised in traditional IPOs in all of 2020, and 3.74x 2019’s IPO proceeds.
 - The 688 SPACs seeking targets and in registration represent 1.80x the number of non-SPAC IPOs priced in 2019 and 2020 combined.
 - At the end of March the number of pending de-SPAC M&A deals soared to 125 pending deals with a total equity value of \$260.4 Billion, a 30% increase from the end of February (96 deals / \$200.6B)
- 2020 reversed the multi-year trend of more companies deciding to go private than go public.
- On average, the amount of time to get through every stage of the SPAC lifecycle has compressed.
- Recent de-SPAC M&A deals contained significantly less cash and more stock.
- On average, SPAC sponsors have accepted less board representation in the combined firm.
- De-SPAC M&A deals have seen a significant reduction in the prevalence of target indemnification provisions, target termination fees and escrows.
- There is evidence that acquirer financial advisers are charging lower fees than on non-SPAC deals.

Massive Amounts of SPAC dry powder currently available for acquisitions:

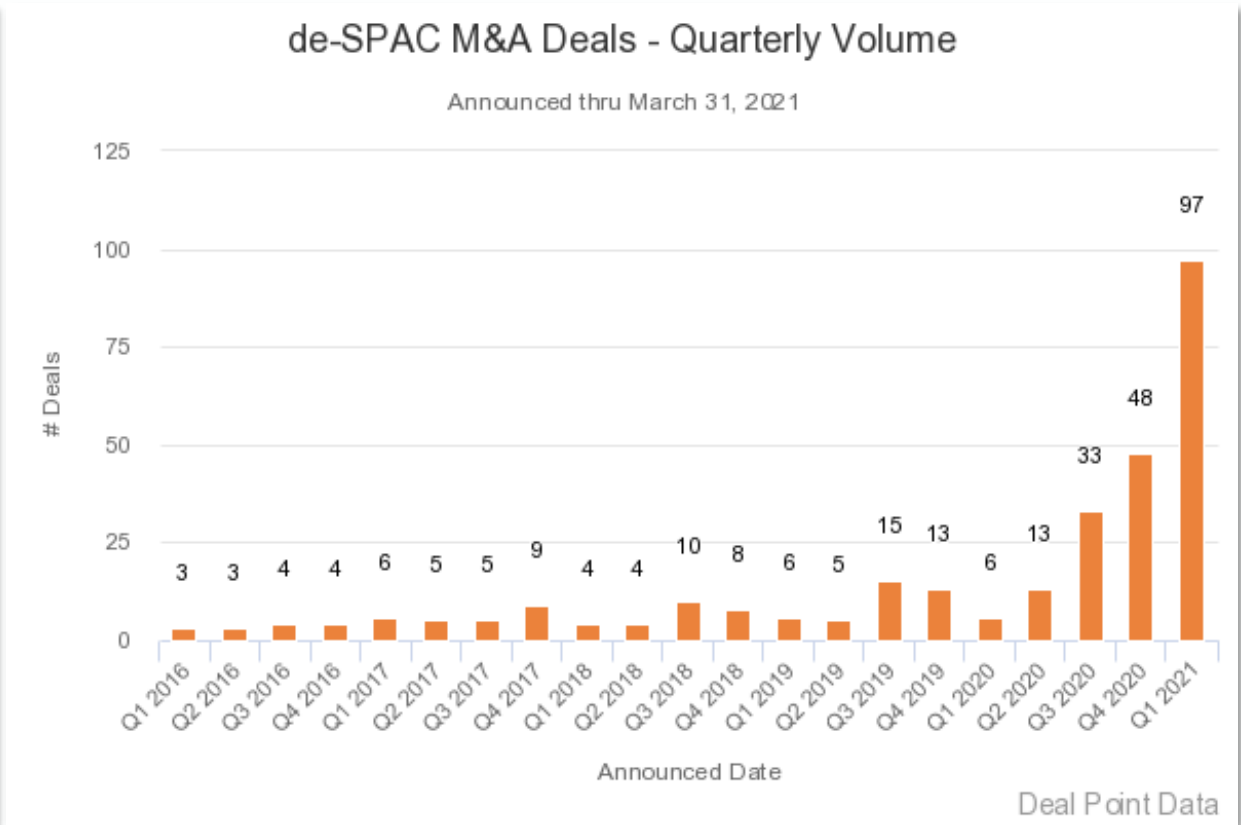
- As of March 31st over \$189 Billion in SPAC “Dry Powder” is poised to be invested in M&A transactions
 - 433 Priced SPAC IPOs are currently seeking an M&A target, representing \$126.1B in gross proceeds
 - Another 255 SPAC IPOs are still in registration, representing \$63.8B in potential gross proceeds

SPAC IPO Summary (as of February 28, 2021)	Number of SPACs	Total Gross Proceeds (\$B) / Equity Value (\$B)	
SPACs Seeking a Target:	433	\$126.1 (Total Gross Proceeds \$B)	View Live Data
SPAC IPOs in Registration:	255	\$63.8 (Total Gross Proceeds \$B)	View Live Data
SPACs Pending Acquisition: (as of 3/31/21)	125	\$260.4 (Total Equity Value \$B)	View Live Data
SPACs Completed Acquisition: (Completion Date: 1/1/16 – 3/31/21)	160	\$176.9 (Total Equity Value \$B)	View Live Data

Unprecedented Levels of SPAC Deal Activity never seen before in the IPO and M&A Markets:



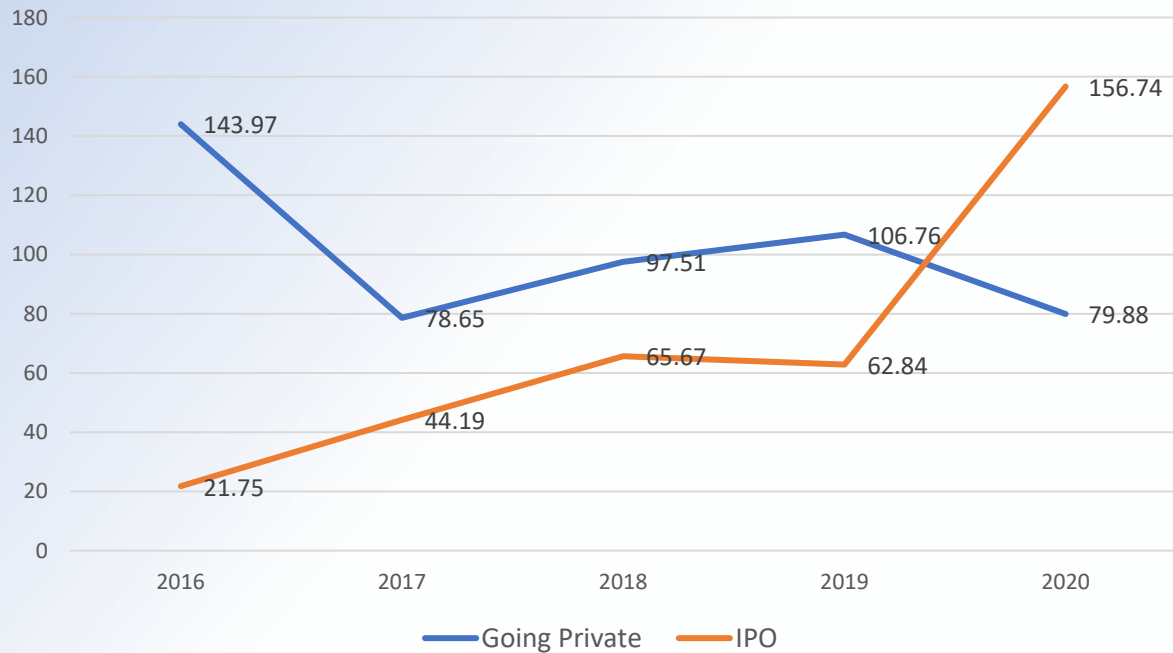
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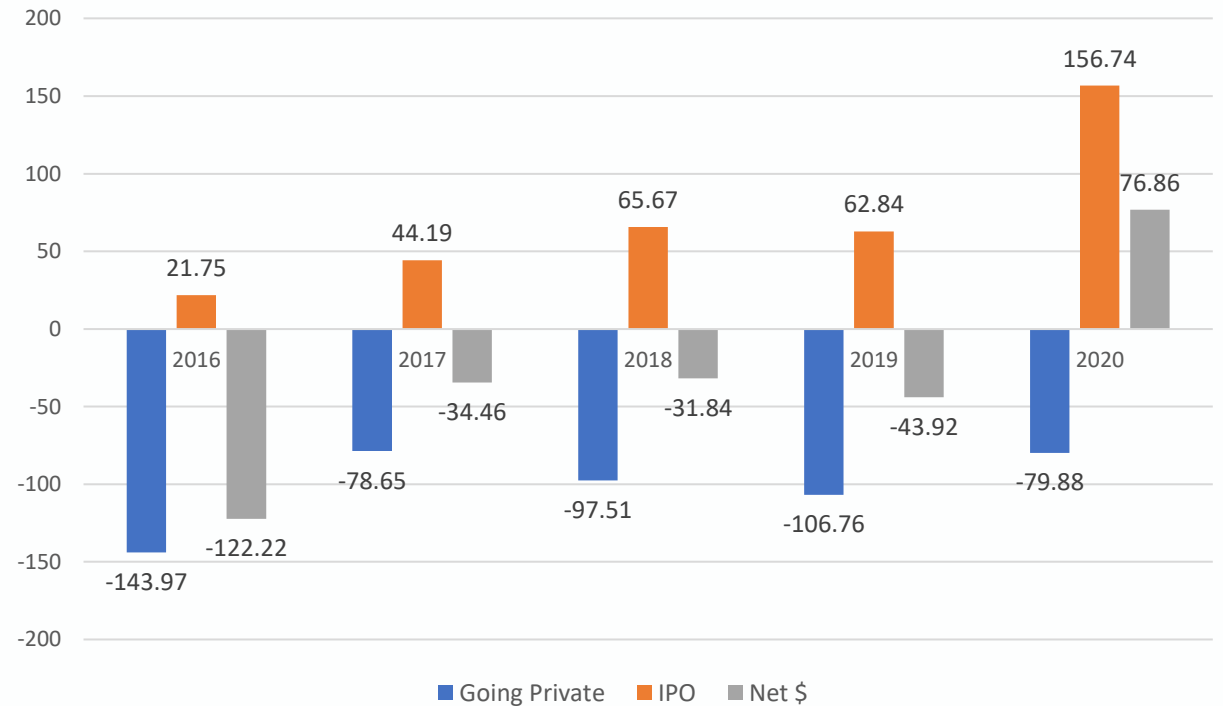
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A Reversal in the Balance of Take Private & Go Public Activity

Going Private vs. Going Public
(US \$ Billions)

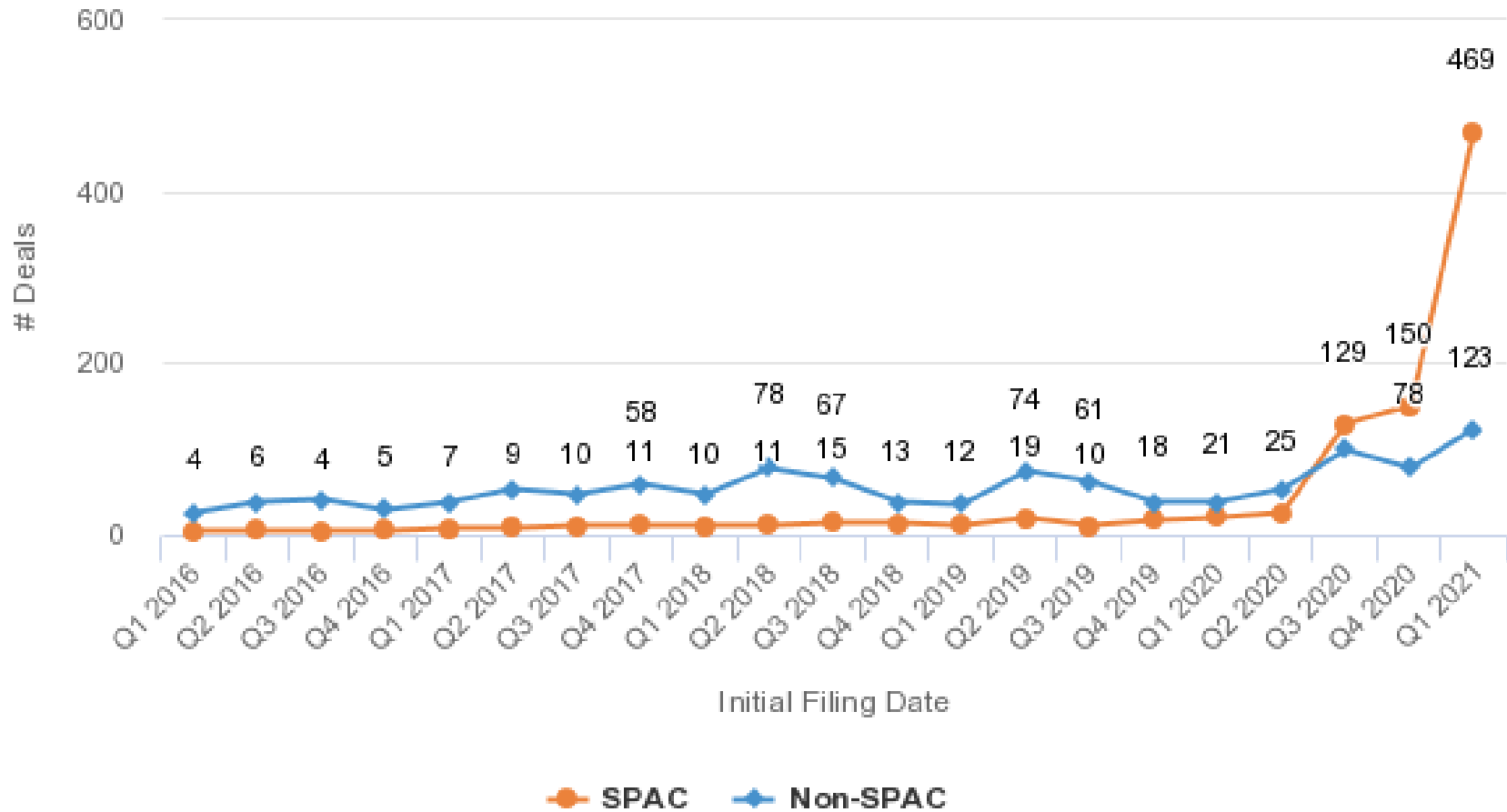


Going Private vs. Going Public
(US \$ Billions)



New IPO Filings Quarterly Volume - SPACs vs. Non-SPACs

Initial Filing Date: 1/1/16 thru 3/31/21

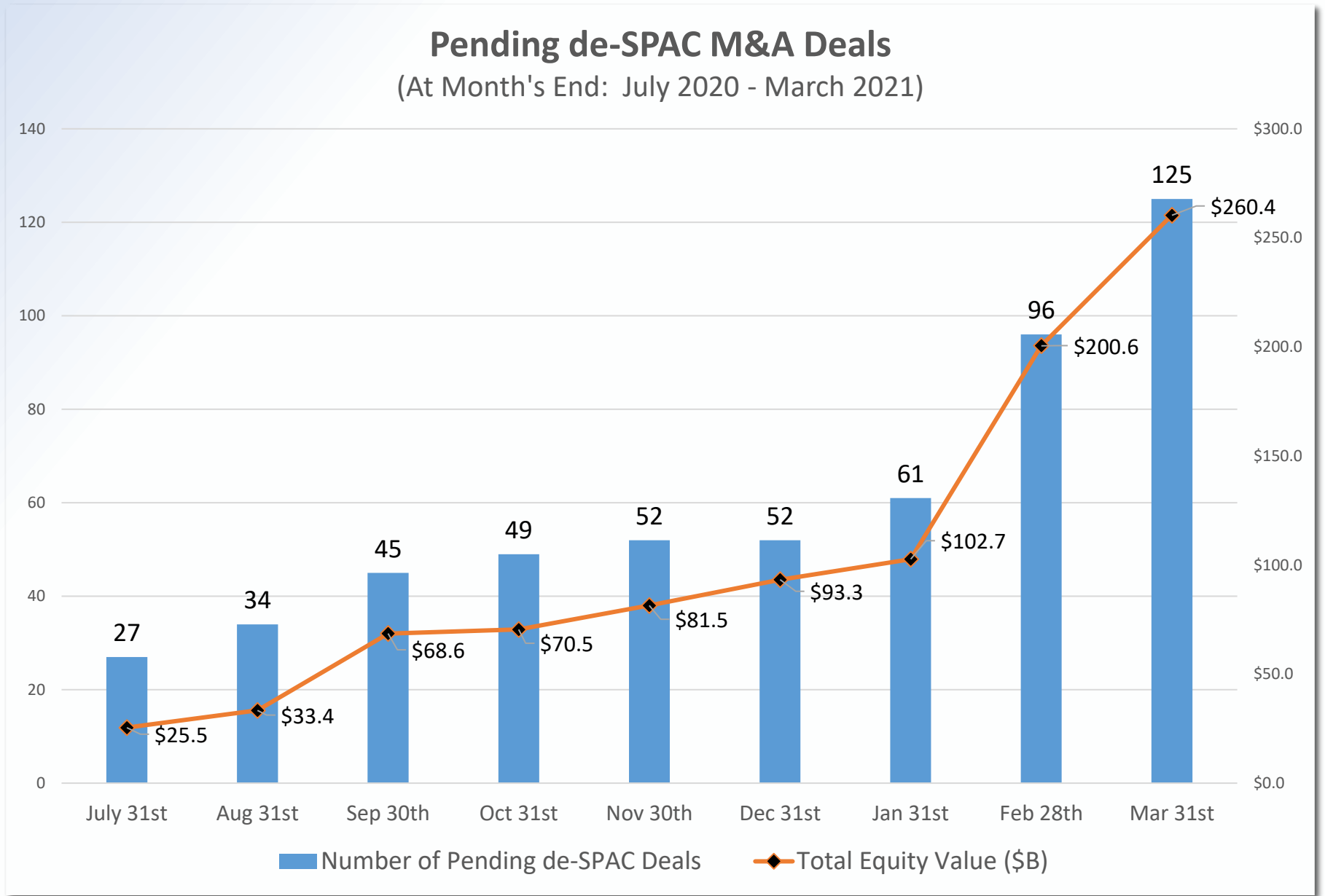


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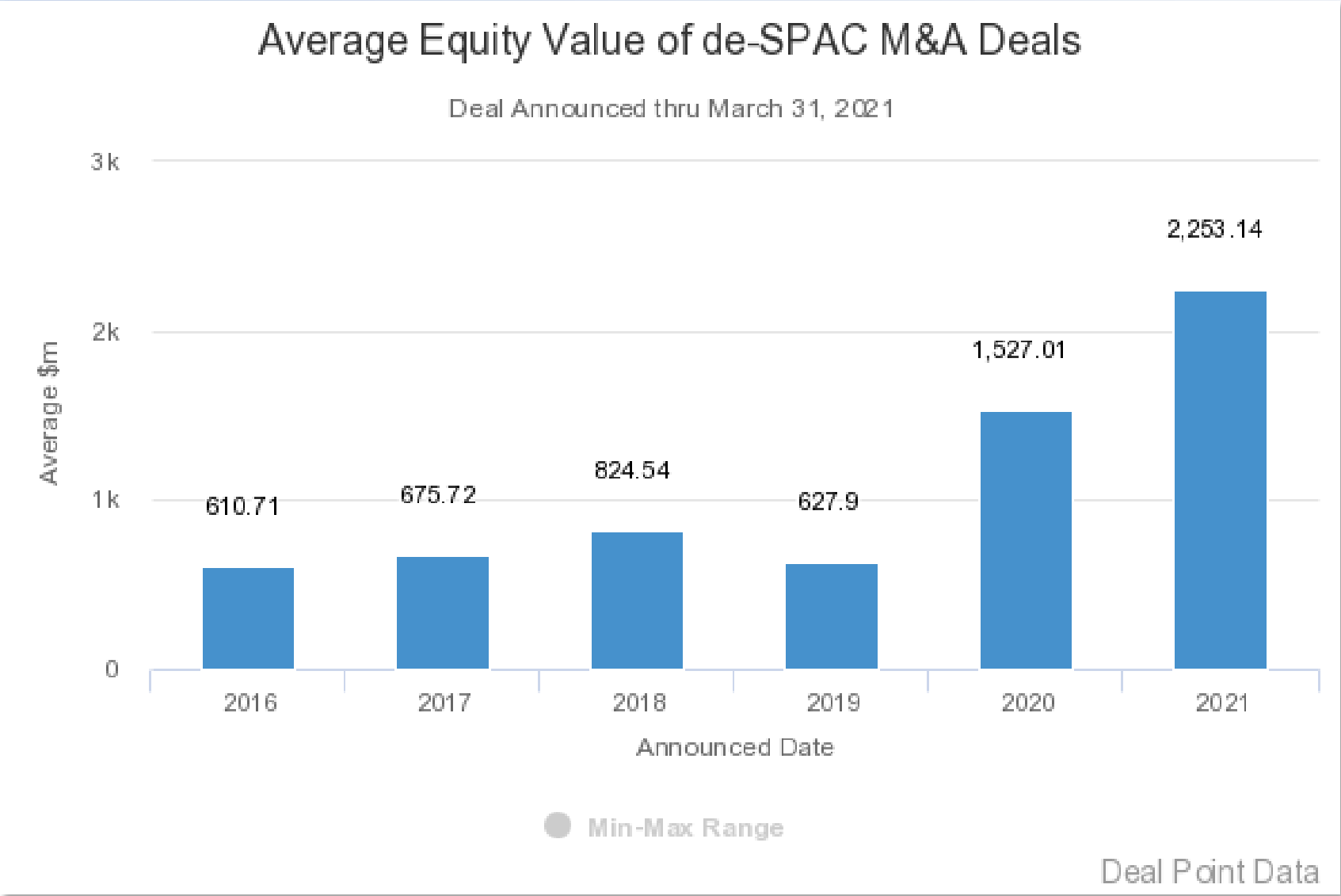
The volume of SPAC IPOs is now far outpacing traditional IPOs:

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At the end of March the number of pending de-SPAC M&A deals soared to 125 deals with a Total Equity Value of \$260.4B



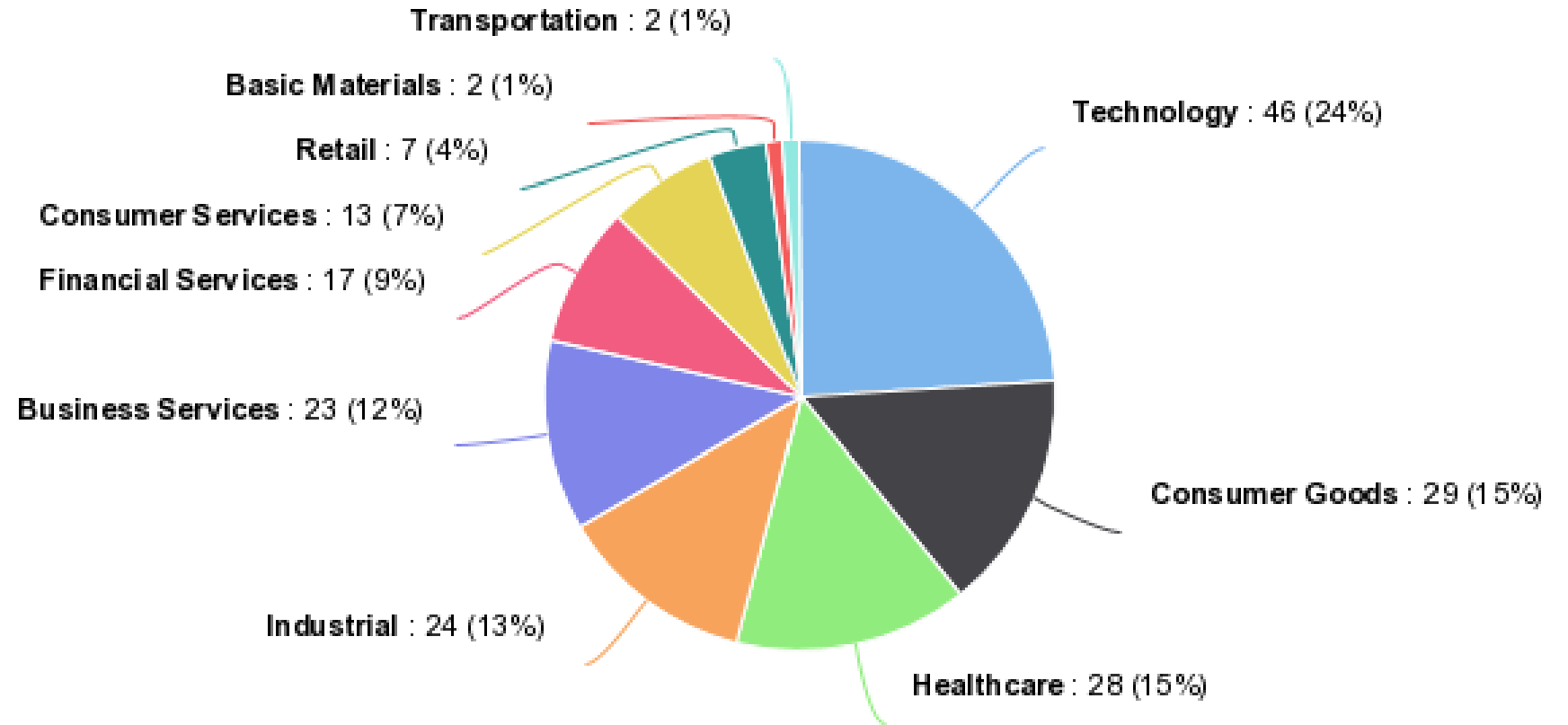
Average size of de-SPAC M&A Deals is increasing dramatically:



Technology,
Consumer Goods,
and Healthcare
sectors leading the
way in SPAC Frenzy:

de-SPAC M&A: Top Industry Sectors in 2020 & 2021(ytd)

Deals Announced 1/1/20 thru 3/31/21



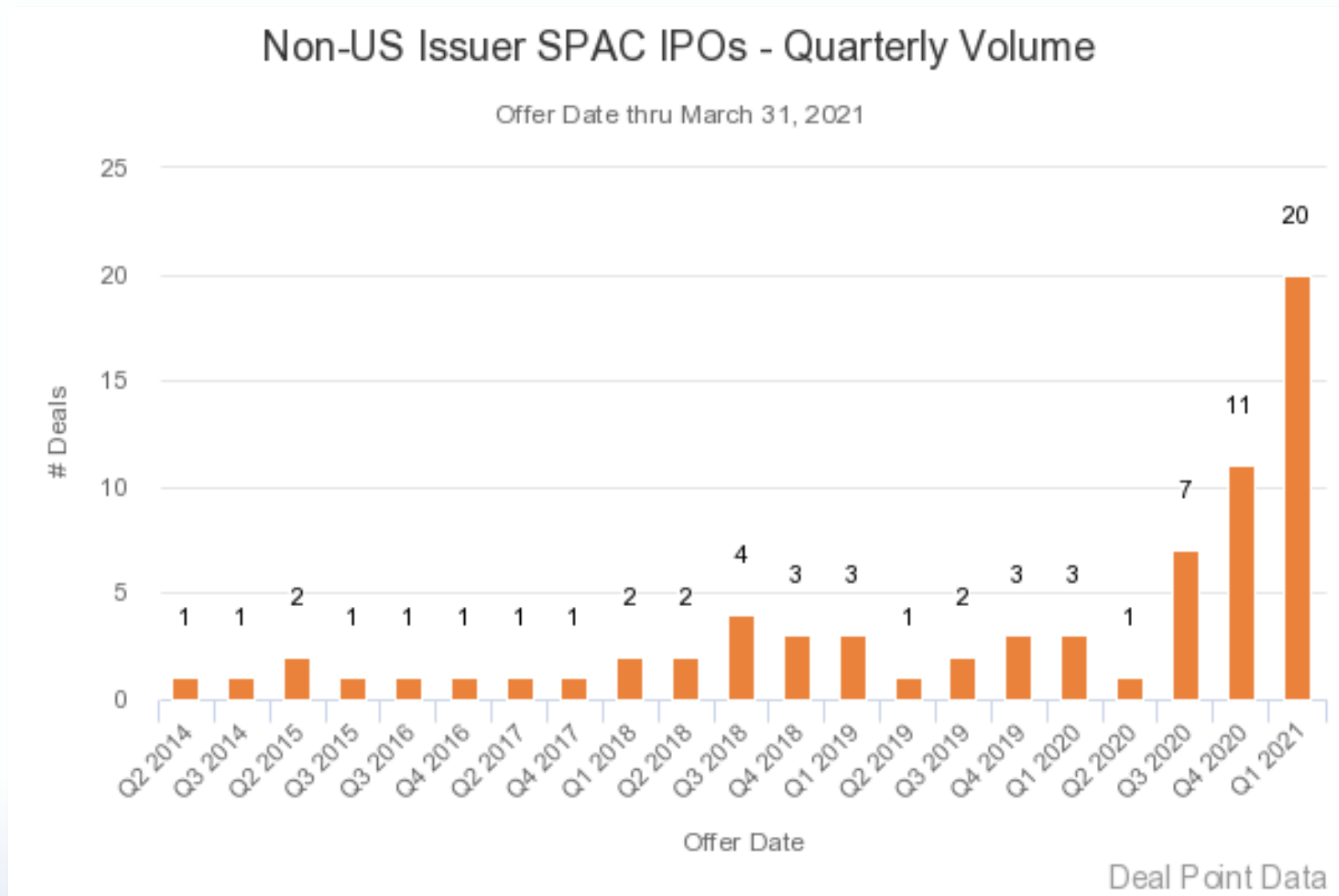
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Historically SPACs have been largely a US phenomenon but recently non-US Issuers are also getting in on the action:

➤ Of the 42 Non-US Issuer SPAC IPOs priced since 1/1/2020 the top 5 country issuers have been:

- 1) Hong Kong – 11
- 2) United Kingdom – 7
- 3) Cayman Islands – 7
- 4) China – 5
- 5) Singapore - 5



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Largest SPAC IPOs (Priced as of 3/31/21)

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Offer Date	Name	Ticker	Stock Exchange	Offer Price (\$)	Gross Proceeds (\$m)	Lead Left Underwriter	Tearsheet
07/21/2020	Pershing Square Tontine Holdings, Ltd.	PSTH	New York Stock Exchange	20.00	\$4,000	Citigroup Inc.	View
07/29/2020	Churchill Capital Corp IV	CCIV	New York Stock Exchange	10.00	\$1,800	Citigroup Inc.	View
02/23/2021	Soaring Eagle Acquisition Corp.	SRNG	NASDAQ Stock Market	10.00	\$1,500	Goldman, Sachs & Co.	View
08/18/2020	Foley Trasimene Acquisition Corp. II	BFT	New York Stock Exchange	10.00	\$1,300	Credit Suisse	View
03/16/2021	KKR Acquisition Holdings I Corp.	KAHC	New York Stock Exchange	10.00	\$1,200	Citigroup Inc.	View
02/25/2021	Austerlitz Acquisition Corporation II	ASZ	New York Stock Exchange	10.00	\$1,200	Credit Suisse	View
02/11/2021	Churchill Capital Corp VII	CVII	New York Stock Exchange	10.00	\$1,200	Citigroup Inc.	View
02/13/2020	Churchill Capital Corp III	CCXX	New York Stock Exchange	10.00	\$1,000	Citigroup Inc.	View
10/08/2020	Social Capital Hedosophia Holdings Corp. VI	IPOF	New York Stock Exchange	10.00	\$1,000	Credit Suisse	View
03/23/2017	Silver Run Acquisition Corporation II	SRUN	NASDAQ Stock Market	10.00	\$900	Citigroup Inc.	View
05/26/2020	Foley Trasimene Acquisition Corp.	WPF	New York Stock Exchange	10.00	\$900	Credit Suisse	View
02/01/2021	Jaws Mustang Acquisition Corporation	JWSM	New York Stock Exchange	10.00	\$900	Credit Suisse	View
01/14/2021	Thoma Bravo Advantage	TBA	New York Stock Exchange	10.00	\$900	Citigroup Inc.	View

Largest de-SPAC M&A Deals (Announced thru 3/31/21)

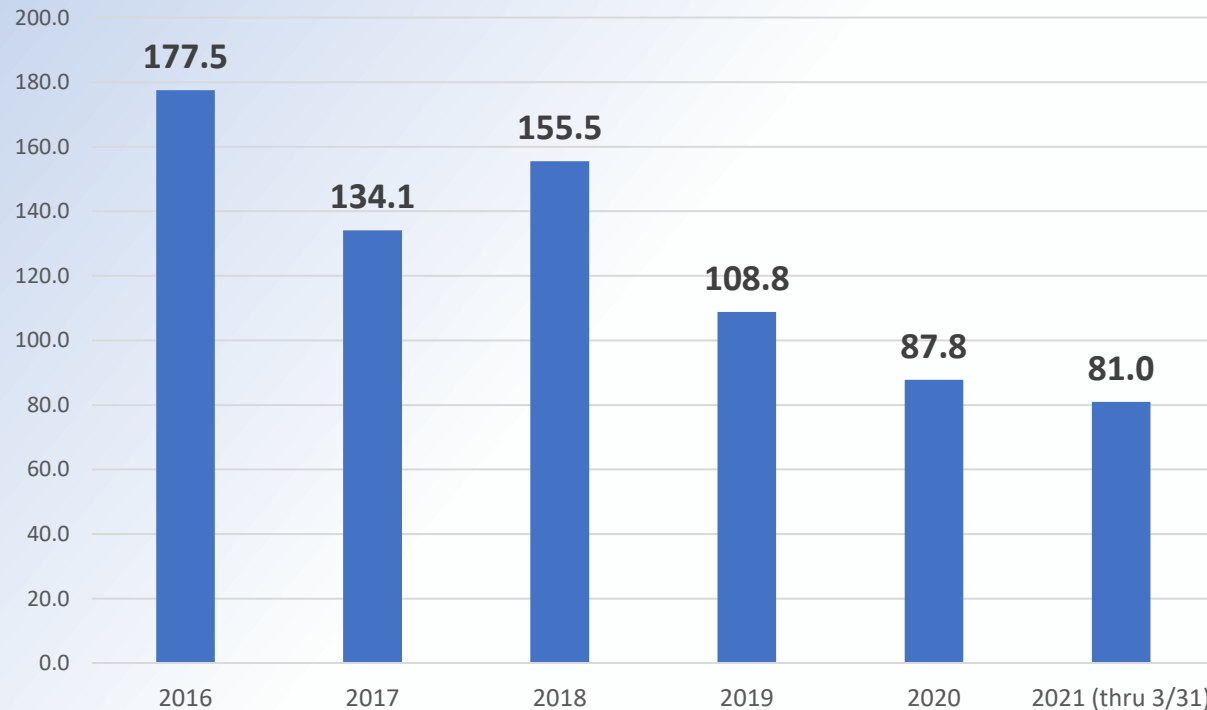
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Announced Date	Completion Date	Target Name	Acquirer Name	Equity Value (\$m)	SPAC Implied Enterprise Value (\$m)	Tearsheet
09/23/2020	01/21/2021	United Shore Financial Services, LLC	Gores Holdings IV, Inc.	\$16,879	\$16,100	View
12/23/2020		Owl Rock Capital Group LLC	Altimar Acquisition Corporation	\$13,170	\$12,702	View
02/22/2021		Atieva, Inc.	Churchill Capital Corp IV	\$11,750	Not Disclosed	View
03/21/2021		ironSource Ltd.	Thoma Bravo Advantage	\$10,000	\$10,334	View
03/16/2021		eToro Group Ltd.	Fintech Acquisition Corp. V	\$9,601	\$9,595	View
02/23/2021		Ardagh Metal Packaging S.A.	Gores Holdings V, Inc.	\$9,326	\$8,522	View
03/29/2021		Cazoo Holdings Limited	Ajax I	\$7,000	\$7,000	View
01/07/2021		Social Finance, Inc.	Social Capital Hedosophia Holdings Corp. V	\$6,570	Not Disclosed	View
03/26/2021		WeWork Inc.	BowX Acquisition Corp.	\$6,376	\$8,966	View
02/03/2021		CCC Information Services Inc.	Dragoneer Growth Opportunities Corp.	\$5,948	\$7,049	View
07/12/2020	10/08/2020	MultiPlan, Inc.	Churchill Capital Corp III	\$5,678	\$11,000	View
12/07/2020	03/30/2021	Paysafe Group Holdings Limited	Foley Trasimene Acquisition Corp. II	\$5,614	\$9,000	View
03/04/2021		Hippo Enterprises Inc.	Reinvent Technology Partners Z	\$5,522	\$5,000	View
11/18/2020	03/24/2021	Arrival Ltd	CIIG Merger Corp.	\$5,338	\$5,400	View

SPAC IPOs are going public much faster:

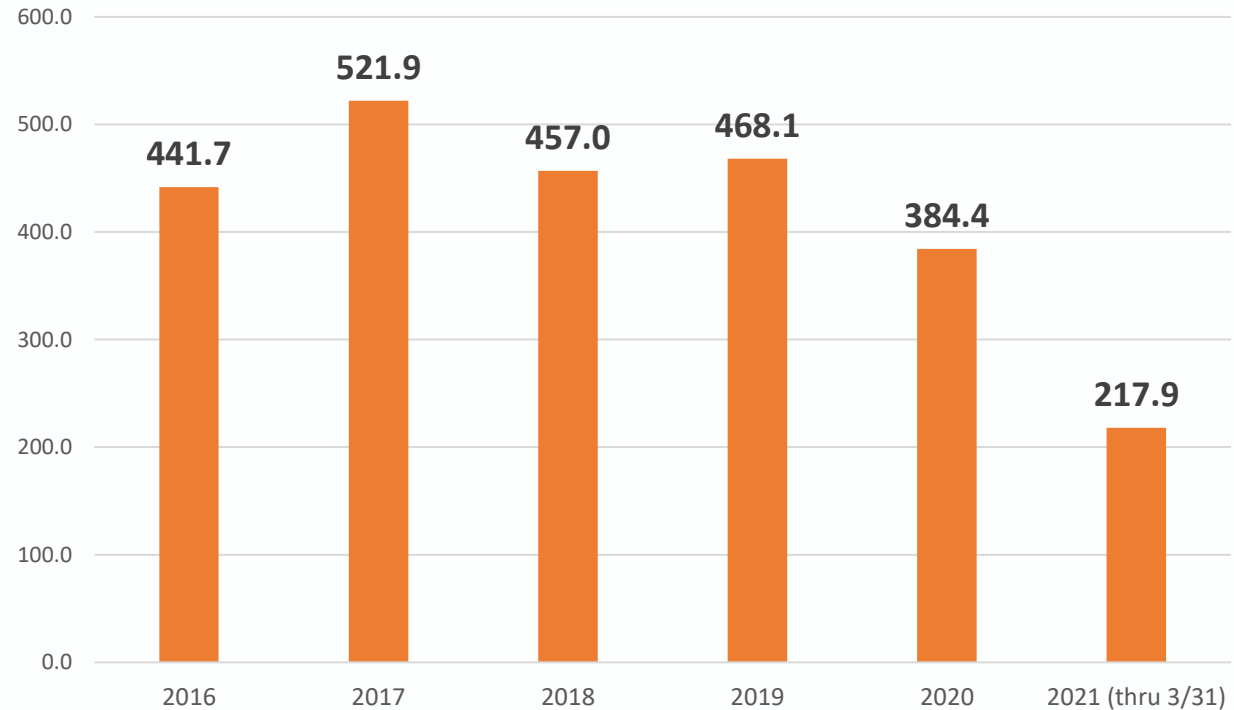
And the speed from IPO to M&A agreement is also quickening:

SPAC IPOs: Average Days from Initial Confidential Filing to Offer Date (thru 3/31/2021)



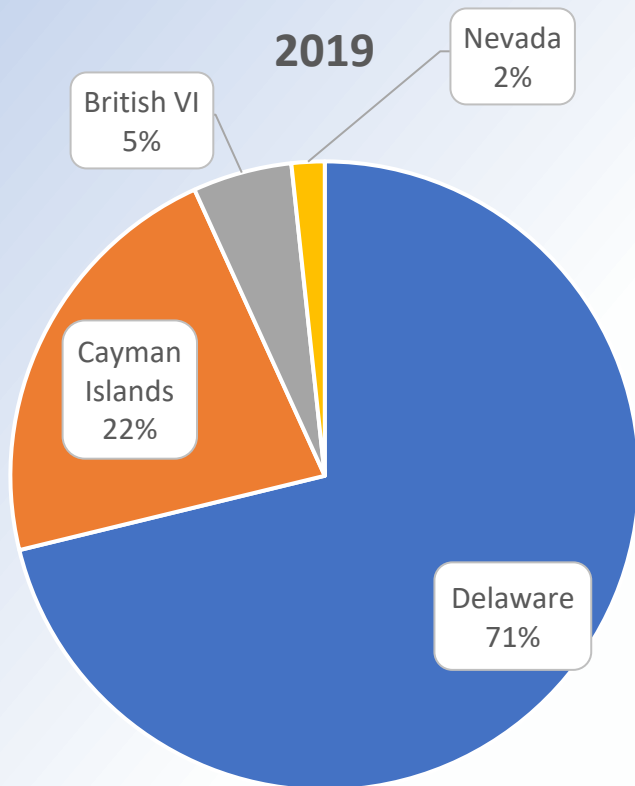
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Average Days from SPAC IPO Offer Date to de-SPAC M&A Announcement Date (thru 3/31/2021)

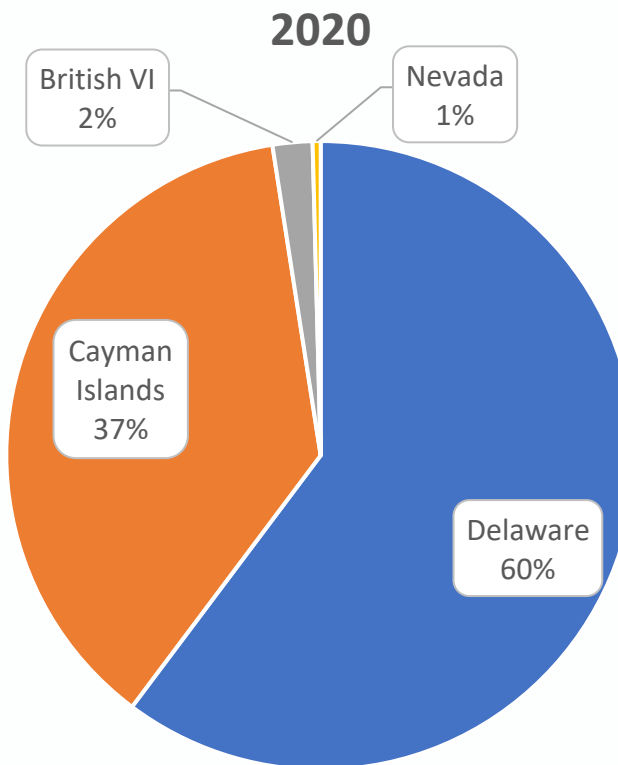


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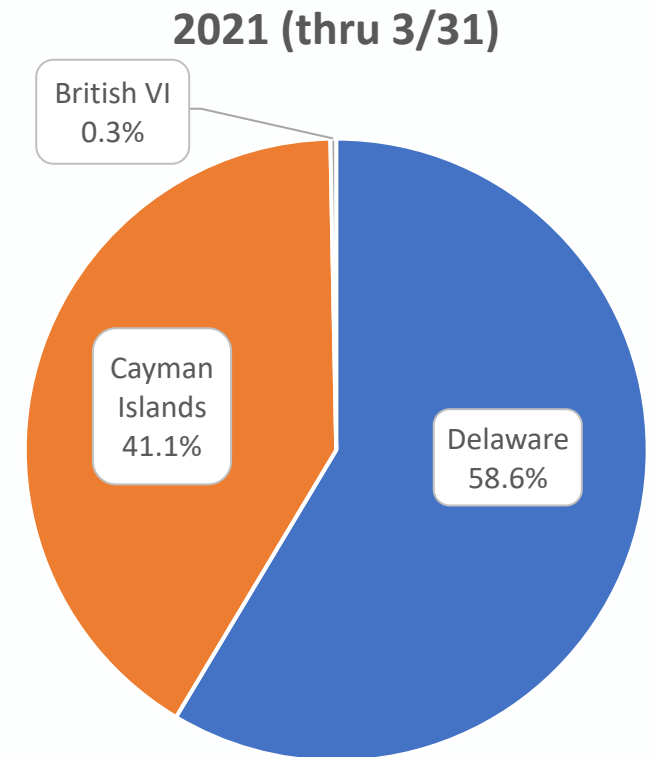
Most SPAC IPO Issuers are still incorporating in Delaware but Cayman Islands gaining significant share



■ Delaware ■ Cayman Islands ■ British VI ■ Nevada



■ Delaware ■ Cayman Islands ■ British VI ■ Nevada

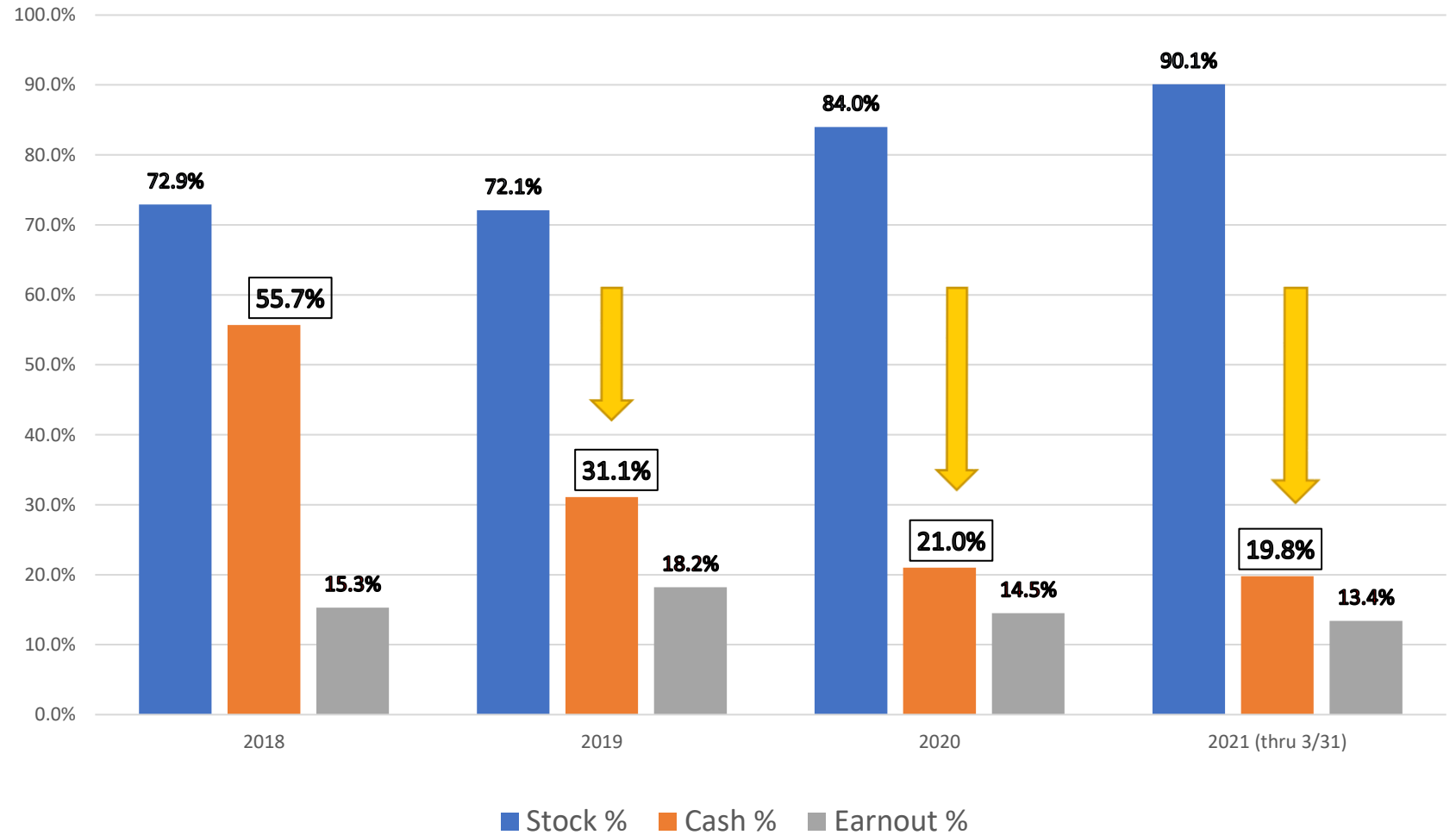


■ Delaware ■ Cayman Islands ■ British VI

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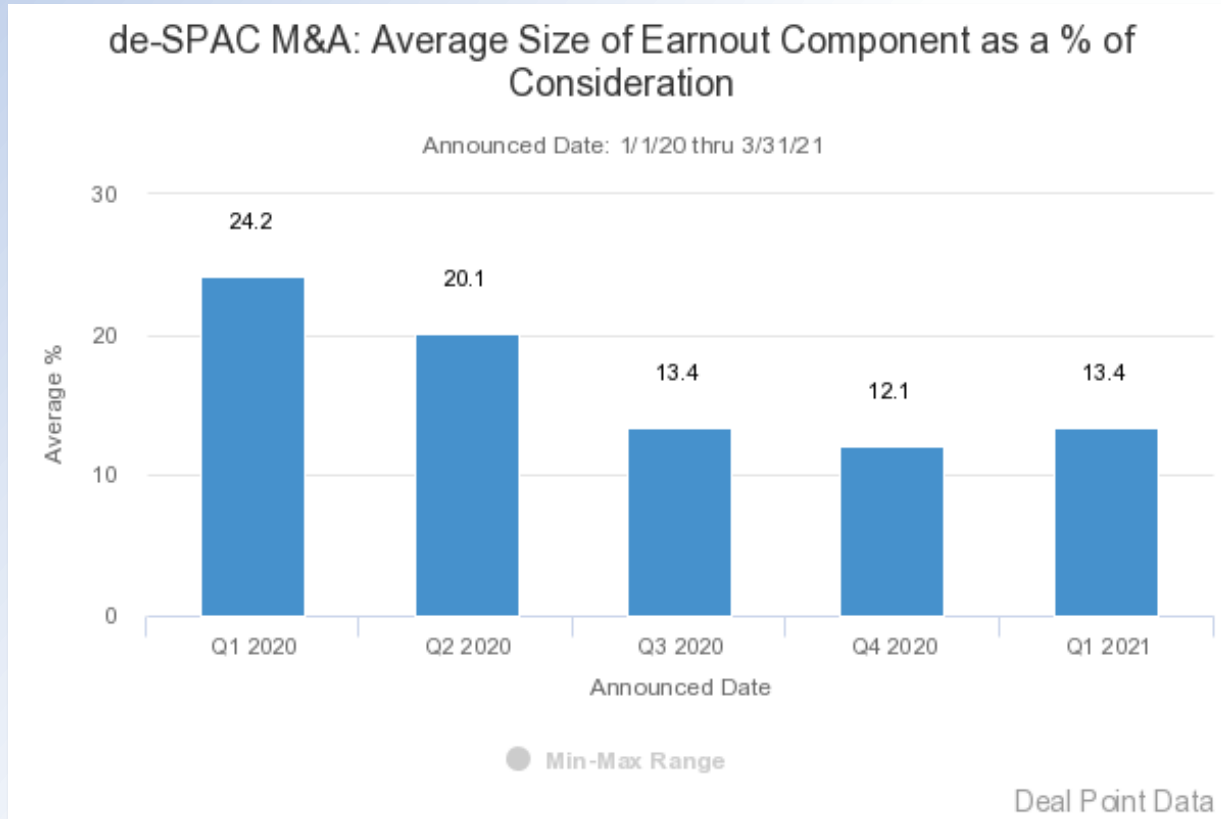
Cash is NOT King on recent de-SPAC M&A deals:

de-SPAC M&A: Average Size of Stock / Cash / Earnout Components
(thru March 31, 2021)

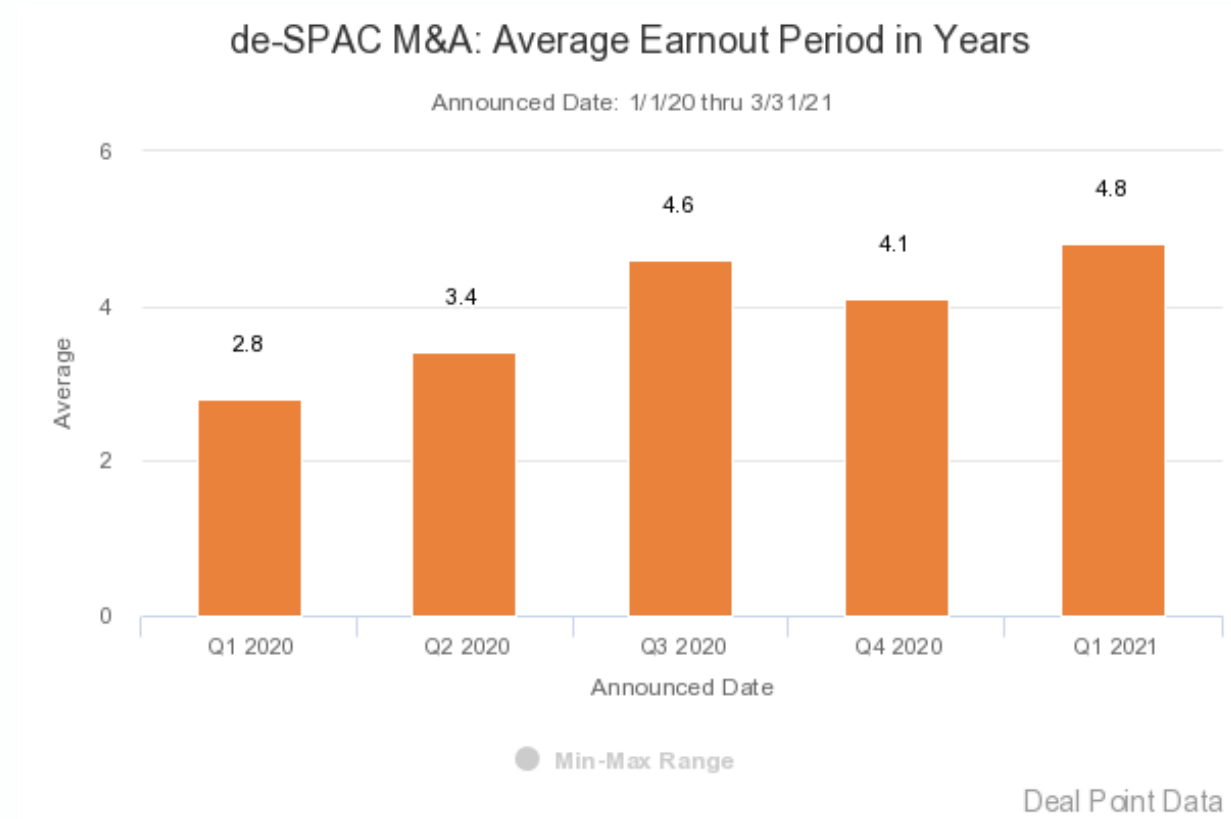


The average size of the Earnout component on de-SPAC M&A deals is declining...

But the average length of the Earnout period is on the rise:

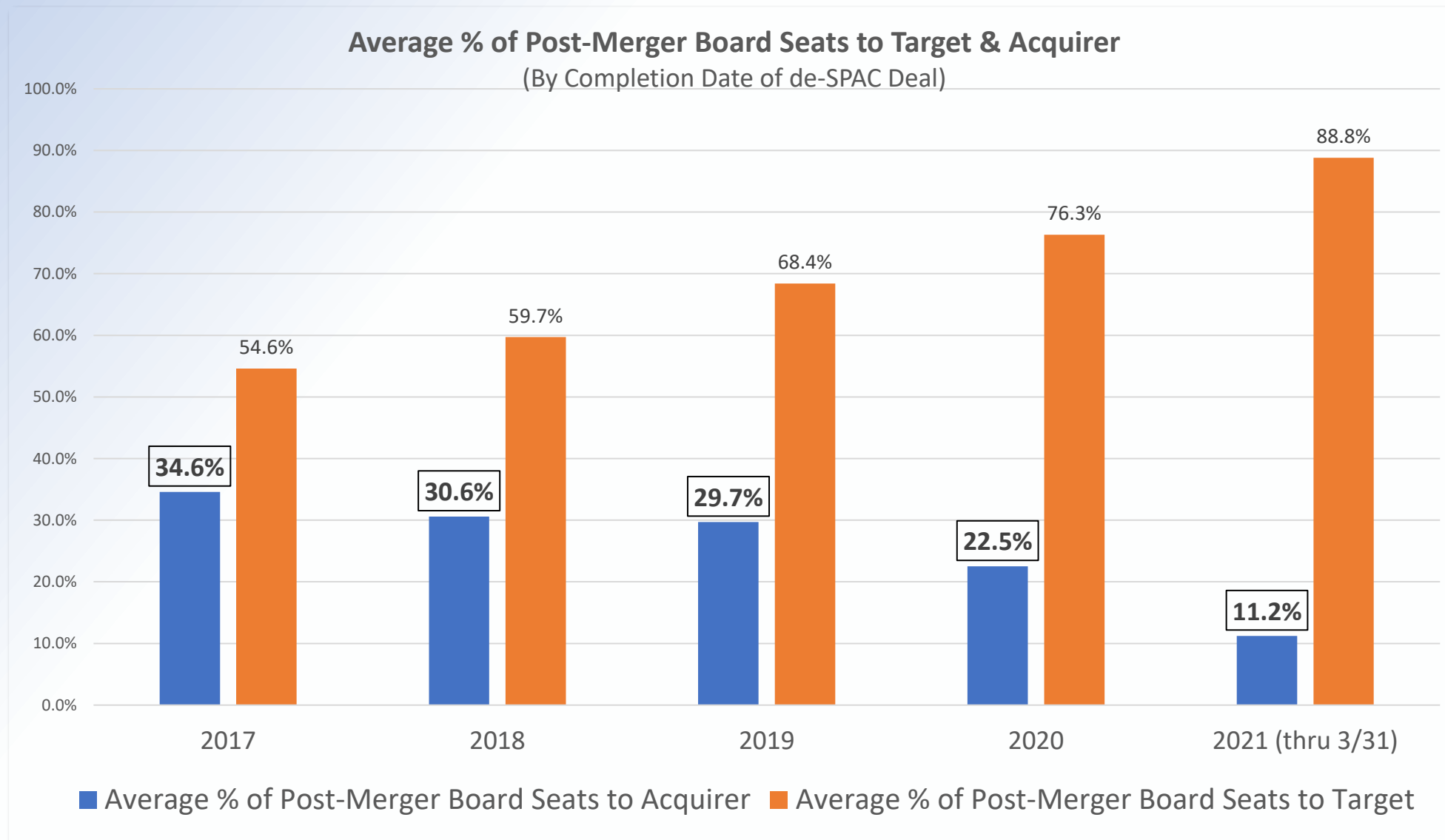


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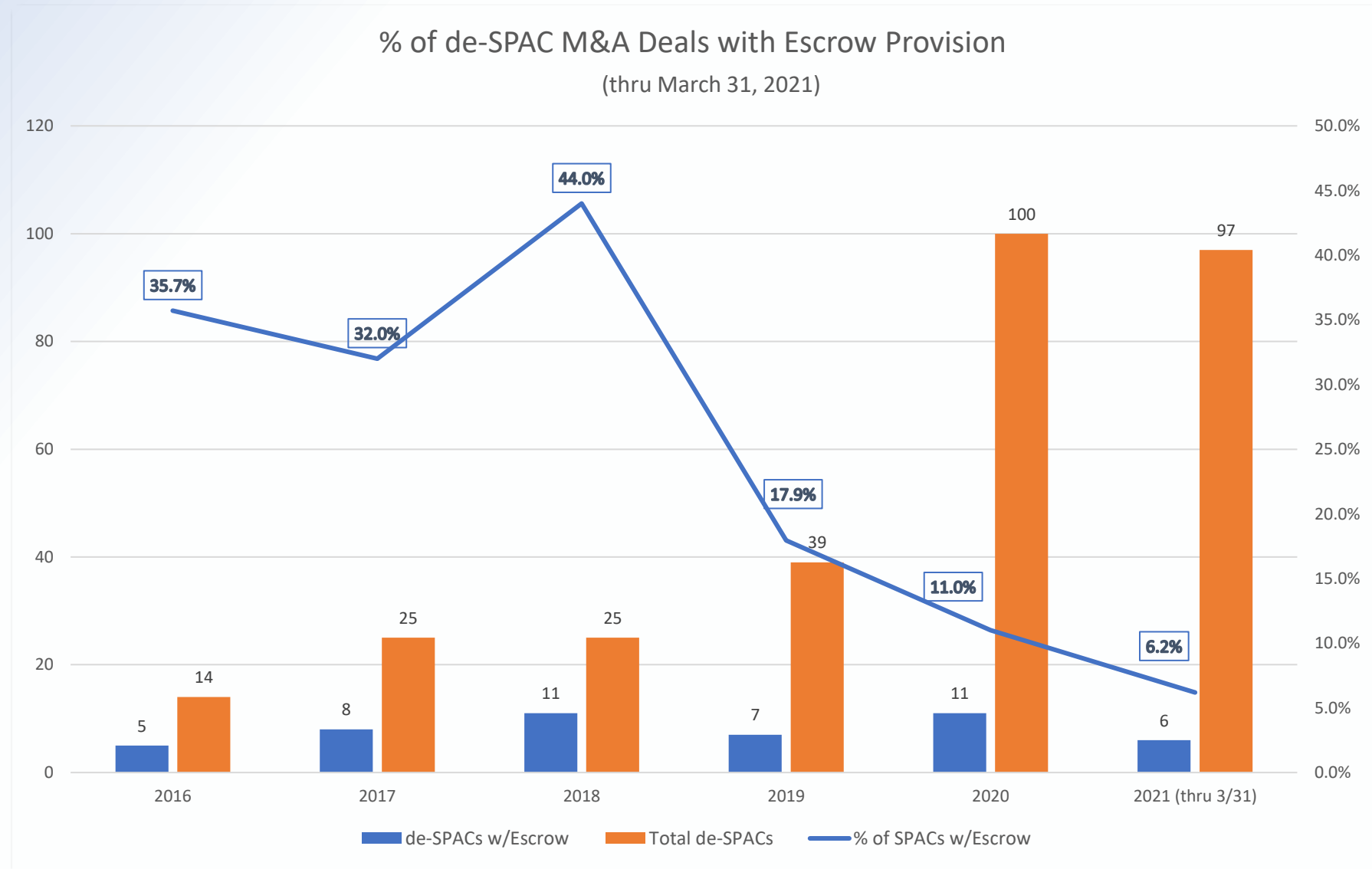
de-SPAC Sponsors are Accepting Fewer Post-Merger Board Seats



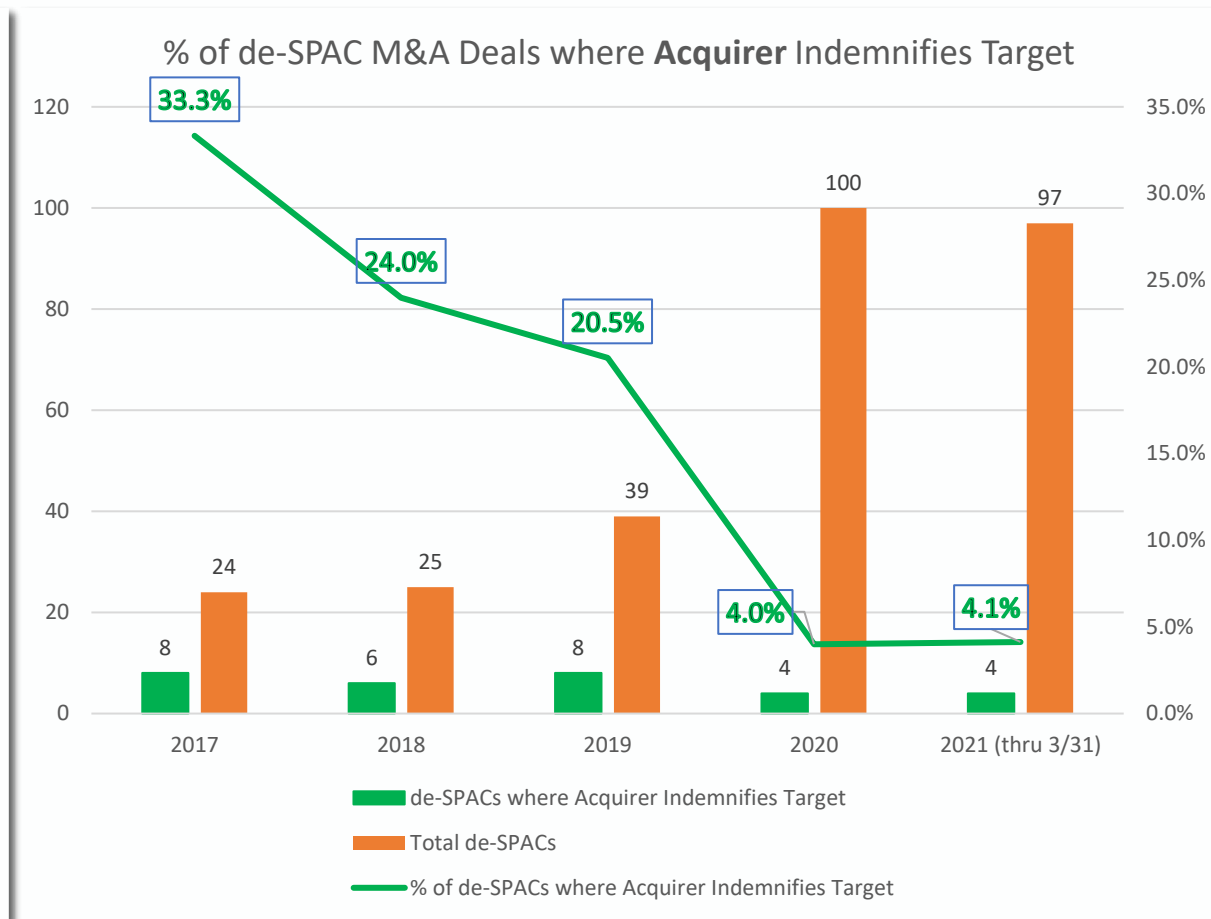
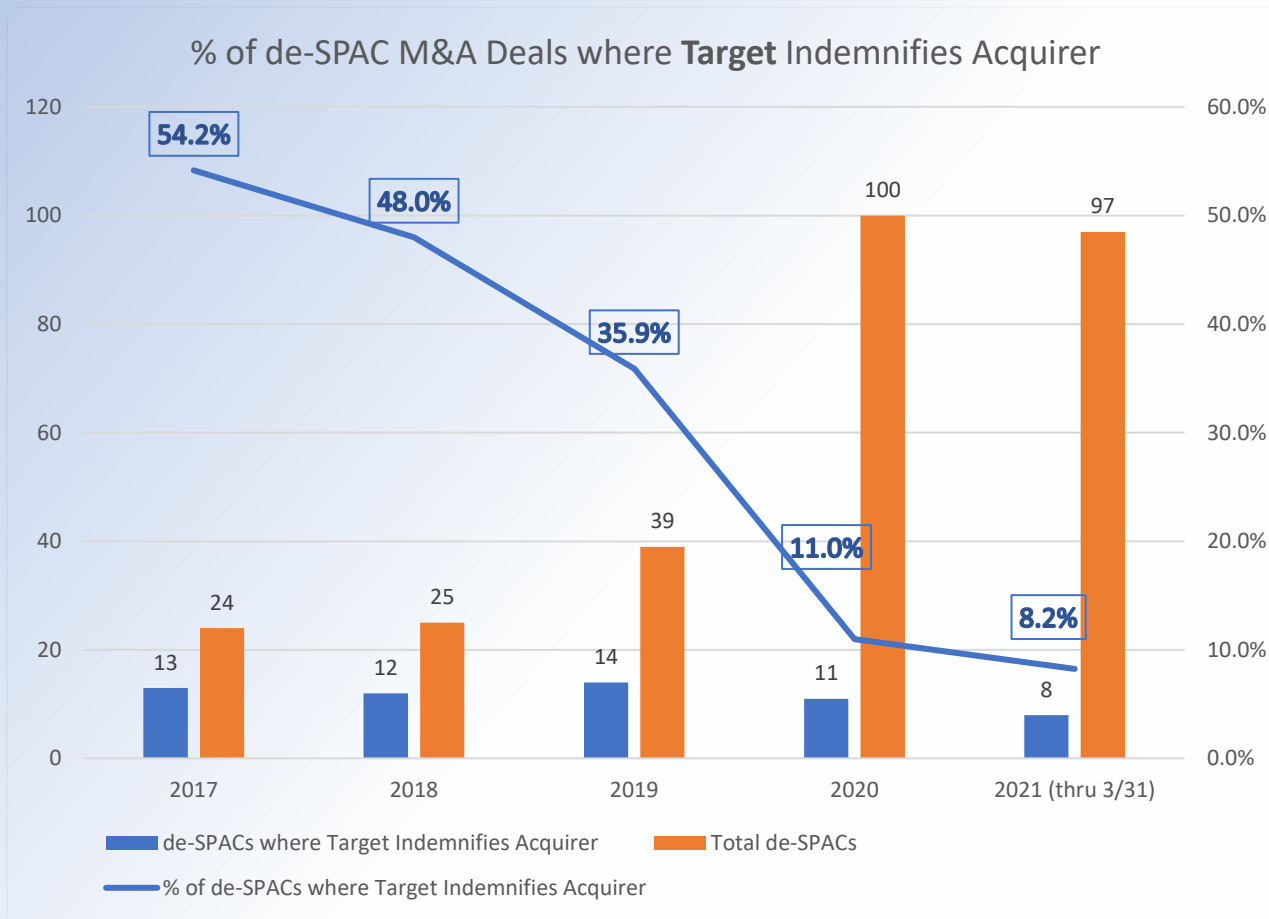
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Merger Consideration was held in Escrow on only 6.2% of de-SPAC M&A Deals announced in 2021 (as of March 31st)

- *Note: Of the 17 de-SPAC M&A deals with an Escrow Provision announced in 2020 and 2021 (ytd) 13 of the escrows were held 100% in stock*



Target & Acquirer Indemnification Provisions are getting negotiated much less frequently on de-SPAC M&A deals:



- For comparison 60.5% of the non-SPAC private deals tracked by Deal Point Data in 2020 had a Target Indemnification Provision

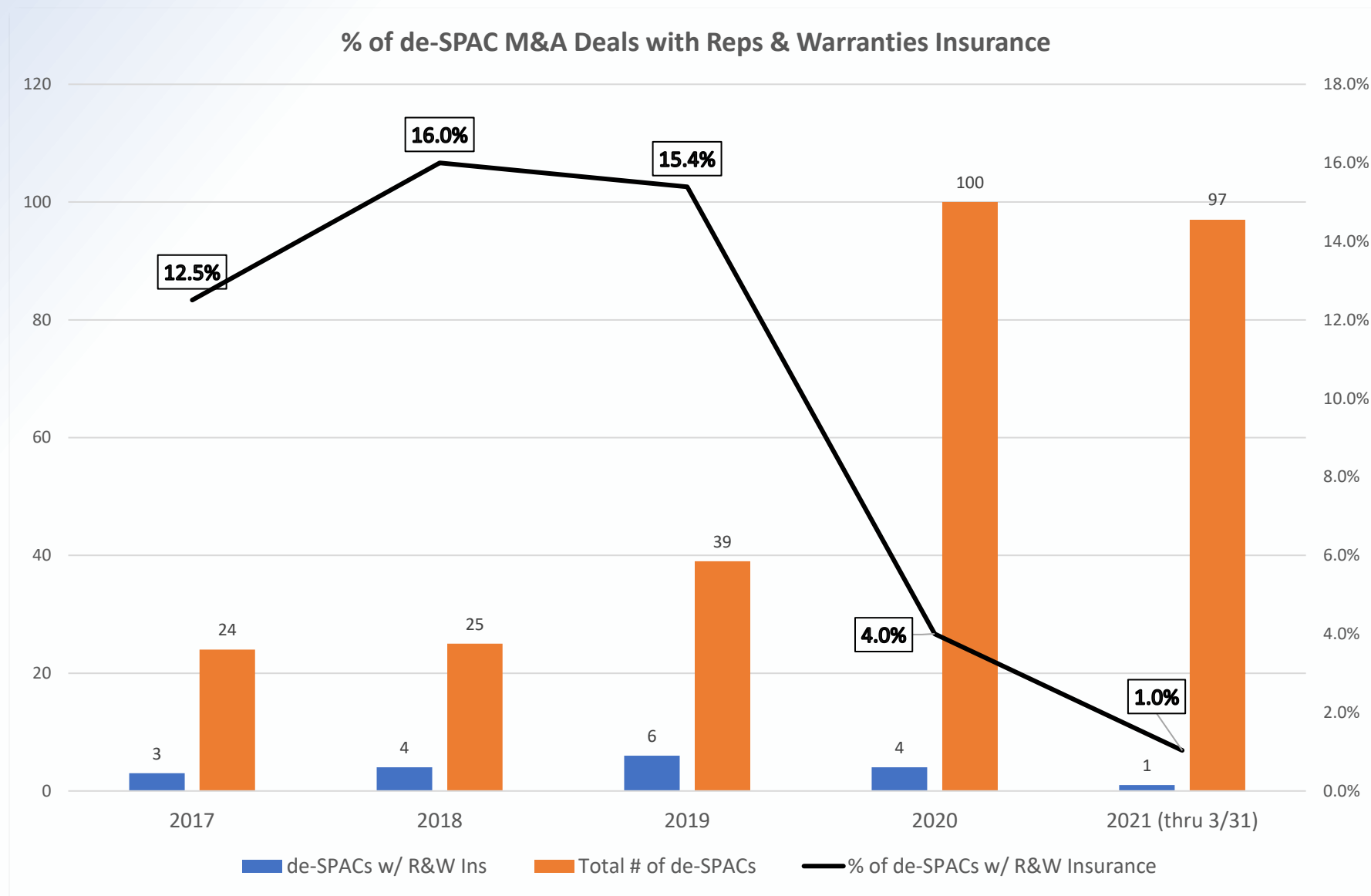
- 50.9% of the non-SPAC private deals tracked by Deal Point Data in 2020 had an Acquirer Indemnification Provision

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Reps & Warranties Insurance Policies are getting phased out on de-SPAC M&A deals

- Only 1 of the 97 de-SPAC M&A deals announced in 2021 (thru 3/31) referenced a R&W insurance policy
- For comparison 42.1% of Non-SPAC private deals tracked by DPD in 2020 referenced a R&W insurance policy

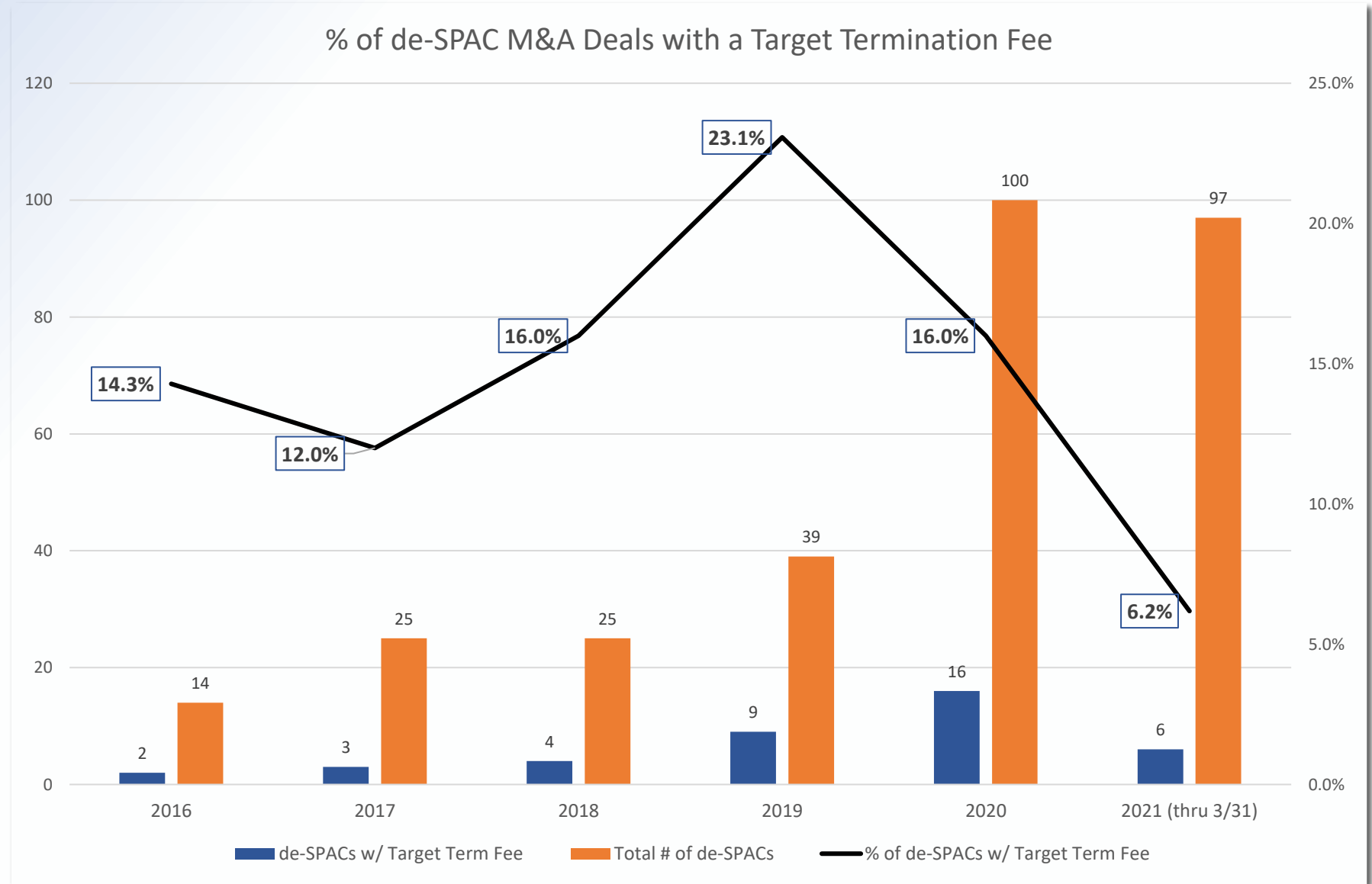


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Target Termination Fees were only negotiated on 6.2% of de-SPAC M&A deals announced in 2021 (thru March 31st)

➤ Note: The average size of the Target Termination Fee as a % of the Deal Equity Value for each year:

- 2021 – 2.6% (thru 3/31)
- 2020 - 2.4%
- 2019 - 0.9%
- 2018 - 2.1%
- 2017 - 1.7%
- 2016 – 3.3%



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An Acquirer Termination Fee was only negotiated on 2 out of the 97 de-SPAC M&A deals announced in 2021 (thru 3/31)

Year Announced	# of de-SPAC Deals with Acquirer Termination Fee	Total # of de-SPAC Deals	% of Deals with Fee	Acquirer Termination Fee as % of Equity Value (Average)
2021 (thru 3/31)	2	97	2.1%	1.4%
2020	3	100	3.0%	0.3%
2019	6	39	15.4%	1.0%
2018	2	25	8.0%	1.7%
2017	1	25	4.0%	0.2%
2016	1	14	7.1%	1.7%

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Acquirer Financial Adviser Fees on de-SPAC M&A deals have been lower than non-SPAC deals at nearly all deal size ranges

➤ *Note: Adviser Fees are not always disclosed on de-SPAC deals*

de-SPAC M&A Deals: Announced 1/1/2018 thru 3/31/2021

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Equity Value (\$m)	# Deals With Disclosed Total Fee	Acquirer Total Advisory Total Fee as % of Equity Value					
		Average	25th Percentile	Median	75th Percentile	Min	Max
0-199	6	1.45	0.14	0.80	2.52	0.11	4.00
200-499	10	0.87	0.17	1.08	1.42	0.02	1.72
500-999	9	0.63	0.18	0.48	0.79	0.02	2.38
1,000-1,999	7	0.29	0.07	0.24	0.42	0.04	0.77
2,000 and above	9	0.35	0.04	0.05	0.60	0.01	1.10
All Deals:	42	0.69	0.08	0.30	1.01	0.01	4.00

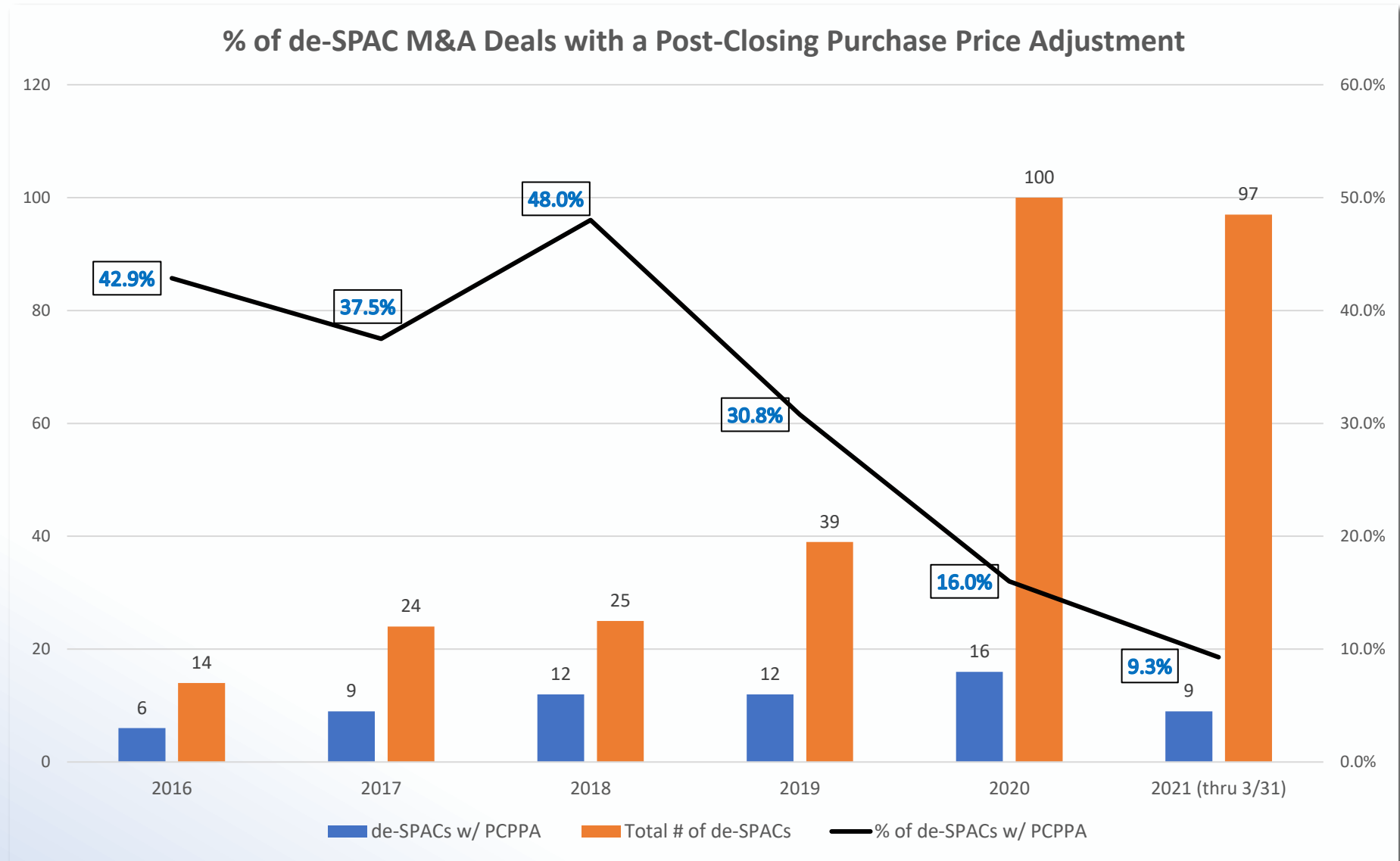
Non-SPAC M&A Deals: Announced 1/1/2018 thru 3/31/2021

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Equity Value (\$m)	# Deals With Disclosed Total Fee	Acquirer Total Advisory Total Fee as % of Equity Value					
		Average	25th Percentile	Median	75th Percentile	Min	Max
0-199	21	2.01	0.80	1.47	2.38	0.17	8.33
200-499	23	1.92	0.88	1.34	2.28	0.07	7.49
500-999	23	0.84	0.48	0.70	1.10	0.08	2.08
1,000-1,999	29	0.84	0.45	0.93	1.16	0.06	1.79
2,000 and above	70	0.37	0.19	0.31	0.49	0.07	1.14
All Deals:	166	0.94	0.27	0.58	1.15	0.06	8.33

Only 9.3% of de-SPAC M&A deals announced in 2021 (ytd) have a Post-Closing Purchase Price Adjustment Provision (as of March 31st)

- For comparison 75.4% of all non-SPAC private deals tracked by Deal Point Data in 2020 had a Post-Closing Purchase Price Adjustment



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De-SPAC M&A Legal Adviser Ranking (Deals announced 1/1/2018 – 3/31/2021)

Legal Adviser Ranking: de-SPAC M&A Deals (Announced 1/1/2018 - 3/31/2021)			
Rank	Legal Adviser to Target or Acquirer	Equity Value (\$m)	Deal Count
1	Kirkland & Ellis LLP	102,552	50
2	Latham & Watkins LLP	87,524	42
3	Skadden, Arps, Slate, Meagher & Flom LLP	80,411	29
4	Weil Gotshal & Manges LLP	72,383	19
5	Greenberg Traurig, LLP	43,687	19
6	White & Case LLP	41,596	25
7	Davis Polk & Wardwell LLP	34,589	11
8	Cooley LLP	29,529	19
9	Simpson Thacher & Bartlett, LLP	27,874	13
10	Goodwin Procter LLP	27,149	14
11	Morgan, Lewis & Bockius LLP	24,693	10
12	Meitar Liquornik Geva & Leshem Tal	22,467	4
13	Paul, Weiss, Rifkind, Wharton & Garrison LLP	21,565	8
14	Vinson & Elkins L.L.P.	19,625	12
15	Ellenoff Grossman & Schole LLP	18,760	28
16	Ropes & Gray, LLP	18,003	10
17	Shearman & Sterling LLP	17,804	4
18	Winston & Strawn LLP	16,849	17
19	Goldfarb Seligman & Co.,	16,668	4
20	Orrick, Herrington & Sutcliffe LLP	16,662	8

**Adviser to Target OR Acquirer*

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De-SPAC Financial Adviser Ranking (Deals Announced 1/1/2018 – 3/31/2021)

Financial Adviser Ranking: de-SPAC M&A Deals (Announced 1/1/2018 - 3/31/2021)			
Rank	Financial Adviser to Target or Acquirer (Advice or Opinion)	Equity Value (\$m)	Deal Count
1	Goldman, Sachs & Co.	141,061	53
2	Citigroup Inc.	132,038	44
3	Morgan Stanley	92,223	32
4	JPMorgan	88,420	35
5	Credit Suisse	81,612	37
6	Bank of America Merrill Lynch	73,796	26
7	Deutsche Bank AG	67,578	29
8	Jefferies LLC	50,523	30
9	Barclays	43,716	21
10	UBS	42,992	11
11	Moelis & Company LLC	37,378	12
12	Evercore Partners	26,839	8
13	Cowen and Company, LLC	25,528	19
14	Perella Weinberg Partners	19,626	6
15	PJT Partners	19,404	7
16	Stifel, Nicolaus & Company, Incorporated	18,284	14
17	Guggenheim Partners	17,751	5
18	Connaught (UK) Limited	17,050	4
19	Ardea Partners LLC	14,863	2
20	Nomura	14,211	14

**Adviser to Target OR Acquirer*

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SPAC IPO Legal Adviser Ranking (Deals announced 1/1/2018 – 3/31/2021)

Legal Adviser Ranking: SPAC IPOs (Offer Date: 1/1/2018 - 3/31/2021)			
Rank	Counsel to Company OR Underwriters	Gross Proceeds (\$m)	Deal Count
1	Ellenoff Grossman & Schole LLP	44,090	203
2	Kirkland & Ellis LLP	43,658	146
3	Skadden, Arps, Slate, Meagher & Flom LLP	42,366	126
4	Ropes & Gray, LLP	37,743	96
5	Davis Polk & Wardwell LLP	30,825	88
6	White & Case LLP	30,407	99
7	Weil Gotshal & Manges LLP	17,390	40
8	Graubard Miller	17,323	88
9	Greenberg Traurig, LLP	10,895	48
10	Latham & Watkins LLP	10,490	31
11	Paul, Weiss, Rifkind, Wharton & Garrison LLP	9,333	21
12	Winston & Strawn LLP	9,253	32
13	Shearman & Sterling LLP	8,795	30
14	Paul Hastings LLP	6,235	25
15	Cadwalader, Wickersham & Taft LLP	5,700	5
16	Vinson & Elkins L.L.P.	5,370	19
17	Loeb & Loeb LLP	5,369	51
18	Goodwin Procter LLP	4,538	19
19	Ledgewood, P.C.	3,985	13
20	Sullivan & Cromwell LLP	2,940	8

*Counsel to Company OR Underwriters

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SPAC IPO Lead Left Underwriter Ranking (Deals Announced 1/1/2018 – 3/31/2021)

Lead Left Underwriter Ranking: SPAC IPOs (Offer Date: 1/1/2018 - 3/31/2021)			
Rank	Lead Left Underwriter	Gross Proceeds (\$m)	Deal Count
1	Citigroup Inc.	39,945	98
2	Credit Suisse	26,695	71
3	Goldman, Sachs & Co.	17,645	48
4	Cantor Fitzgerald & Co.	15,479	62
5	Deutsche Bank AG	15,035	44
6	UBS	9,345	27
7	Jefferies LLC	9,180	42
8	Morgan Stanley	7,155	21
9	EarlyBirdCapital, Inc.	5,025	36
10	Barclays	4,580	19
11	JPMorgan	4,390	16
12	Cowen and Company, LLC	3,850	17
13	Bank of America Merrill Lynch	2,995	11
14	B. Riley & Co., LLC	2,812	15
15	BTIG, LLC	2,656	13
16	Chardan Capital Markets, LLC	2,414	25
17	Wells Fargo & Co.	1,545	5
18	Stifel, Nicolaus & Company, Incorporated	1,370	8
19	RBC Capital Markets	1,325	5
20	Oppenheimer & Co.	1,297	6

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