

# Special Purpose Acquisition Company (SPAC) Market Study 2021 – 2<sup>nd</sup> Quarter Update

July 2021

**Deal Point Data** The logo for Deal Point Data, featuring the text "Deal Point Data" in a bold, sans-serif font, followed by a circular icon containing a stylized white arrow pointing upwards and to the right.



## Methodology

Deal Point Data researched every Special Purpose Acquisition Company (SPAC) that filed with the Securities and Exchange Commission from January 1, 2016 to June 30, 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 IPO deal activity slowed down significantly in Q2:**
  - The number of SPAC IPOs priced dropped from 298 in Q1 to 64 in Q2
  - The number of SPAC IPO filings fell back to earth from 469 in Q1 to 105 in Q2
  - Traditional IPO filings are once again exceeding SPAC IPO filings. 149 traditional IPOs were filed in Q2 vs 105 SPAC IPOs
- **De-SPAC M&A deals also slowed in Q2 but activity is still robust, and a number of very large de-SPAC deals were announced in Q2:**
  - The number of de-SPAC M&A deals announced dropped from 97 in Q1 to 70 in Q2
  - 5 of the 12 largest de-SPAC M&A deals of all time were announced in Q2 (Grab Holdings, Ginkgo Bioworks, Giga Energy, Better HoldCo, and Roivant Sciences)
  - The average equity value of de-SPAC deals increased to a record of \$2.35B in Q2
- **There is still a lot of SPAC dry powder available for acquisitions:**
  - At the end of Q2 there were 428 SPACs seeking a target, representing \$116.3B in total gross proceeds raised
  - There were also 291 SPAC IPOs still in registration at the end of Q2 with \$70B in potential gross proceeds
- **Non-US SPAC Issuers are now representing a more significant percentage of SPAC IPO deal activity:**
  - 18.8% of all SPAC IPOs priced in Q2 were non-US issuers compared to 6.7% in Q1 and 8.9% in all of 2020
- **Healthcare was the most active sector for de-SPAC M&A deals in Q2, surpassing Technology deals**
- **The average amount of time for SPAC IPOs to go from initial filing to pricing took significantly longer for IPOs priced in Q2, reversing the recent trend of these deals getting done faster**
- **Q2 continued the trend of cash being used less frequently as consideration in de-SPAC M&A deals**
- **De-SPAC M&A deals continued to see very limited use of indemnification provisions, termination fees, escrow provisions, post-closing purchase price adjustments, and reps & warranties insurance policies**
- **Q2 continued to provide evidence that acquirer financial advisers are charging lower fees on de-SPAC M&A deals vs non-SPAC deals**

## Massive Amounts of SPAC dry powder still available for acquisitions:

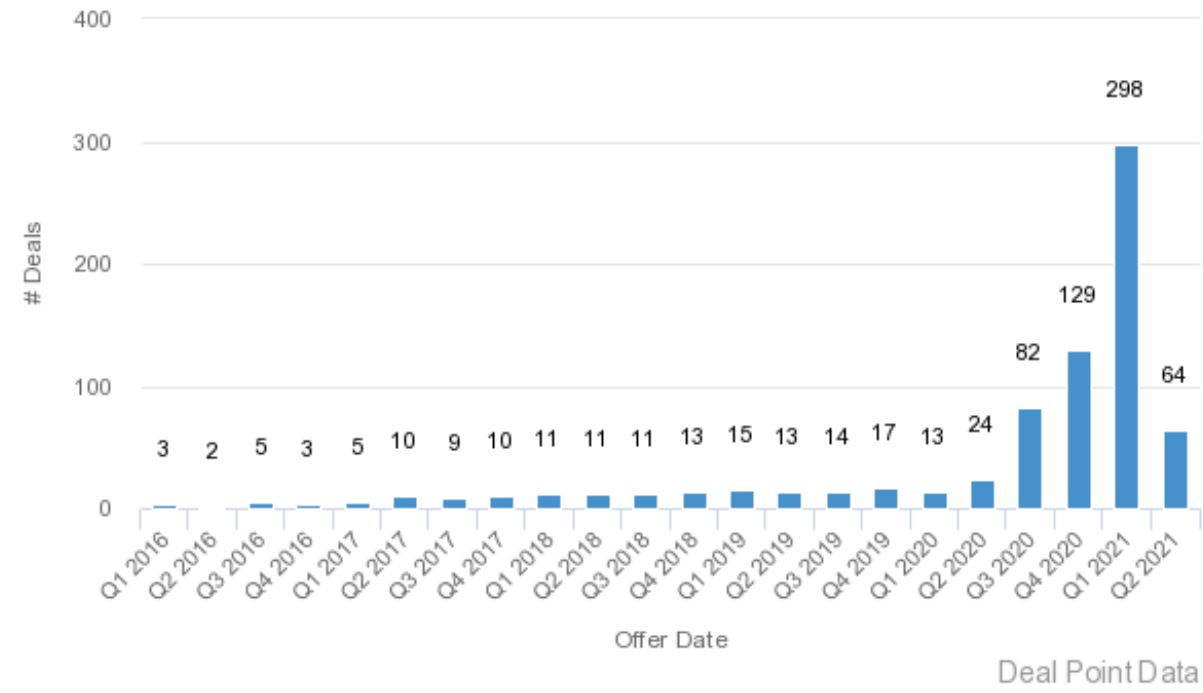
- As of June 30th over \$186 Billion in SPAC “Dry Powder” is poised to be invested in M&A transactions
  - 428 Priced SPAC IPOs are currently seeking an M&A target, representing \$116.3B in gross proceeds
  - Another 291 SPAC IPOs are still in registration, representing \$70.0B in potential gross proceeds

SPAC IPO Summary (as of June 30th, 2021)	Number of SPACs	Total Gross Proceeds (\$B) / Equity Value (\$B)	
<b>SPACs Seeking a Target:</b>	<b>428</b>	<b>\$116.3</b> (Total Gross Proceeds \$B)	<a href="#">View Live Data</a>
<b>SPAC IPOs in Registration:</b>	<b>291</b>	<b>\$70.0</b> (Total Gross Proceeds \$B)	<a href="#">View Live Data</a>
SPACs Pending Acquisition: (as of 6/30/21)	156	\$347.5 (Total Equity Value \$B)	<a href="#">View Live Data</a>
SPACs Completed Acquisition: (Completion Date: 1/1/16 – 6/30/21)	199	\$253.4 (Total Equity Value \$B)	<a href="#">View Live Data</a>

# SPAC Deals in Q2 have slowed in both the IPO and M&A markets, but deal activity is still robust in comparison to previous years:

SPAC IPOs - Quarterly Volume

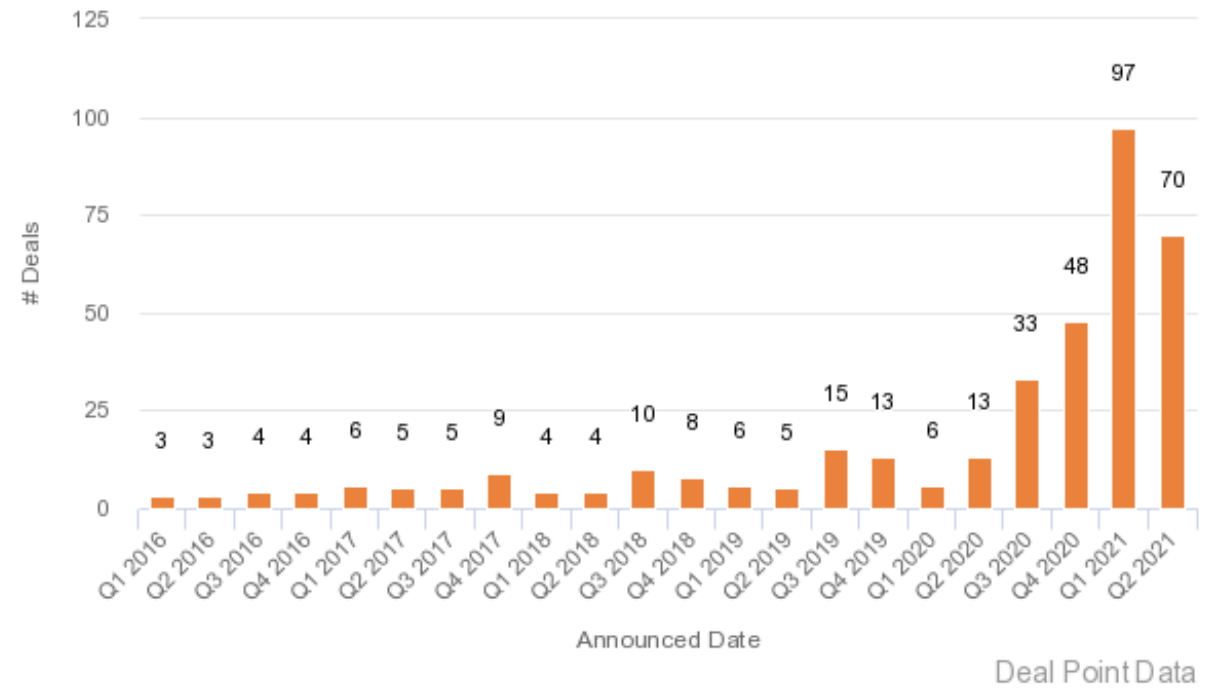
Priced thru June 30, 2021



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de-SPAC M&A Deals - Quarterly Volume

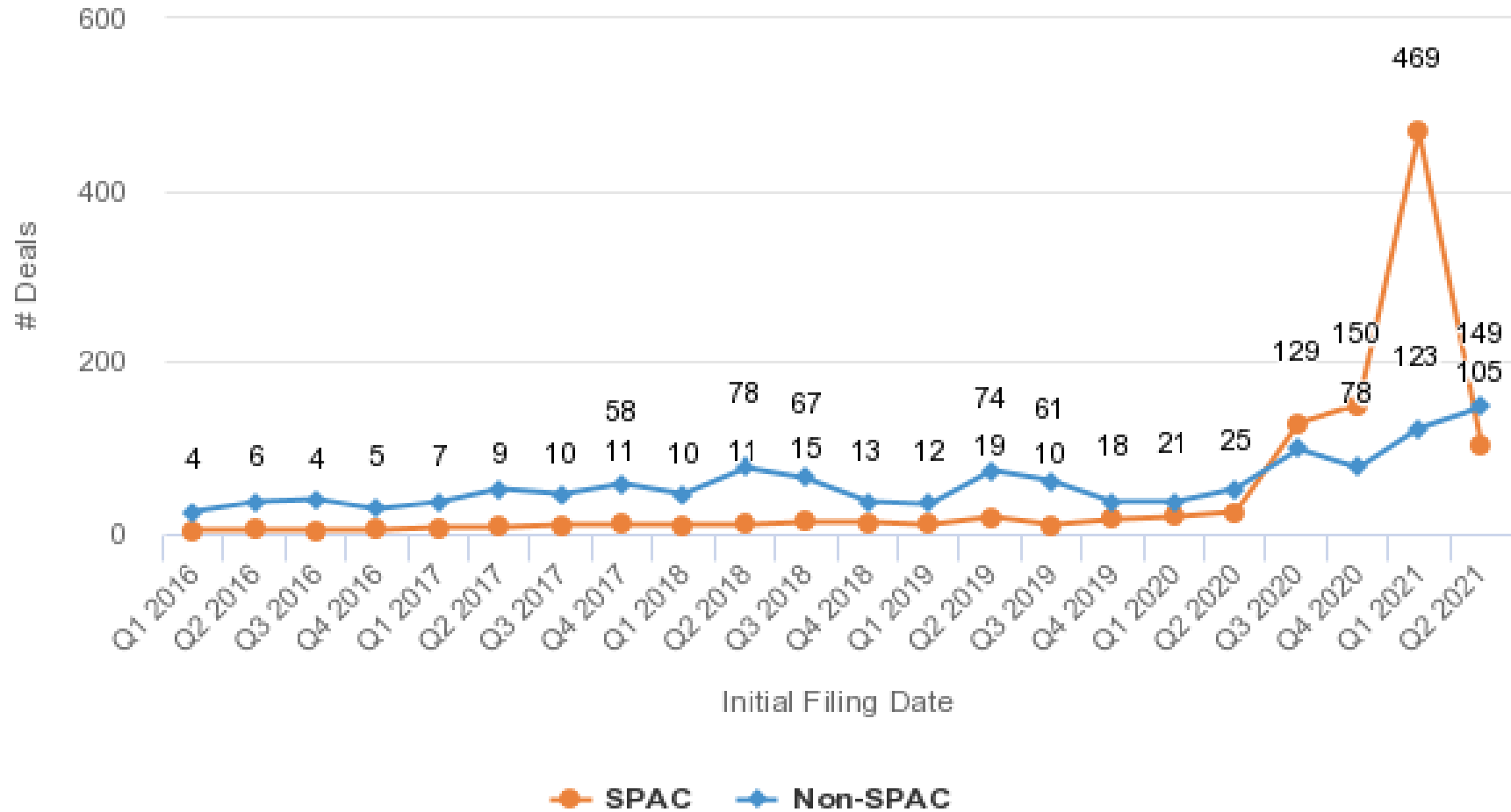
Announced thru June 30, 2021



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

Initial Filing Date: 1/1/16 thru 6/30/21



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**The volume of SPAC IPO filings has come back to earth. Traditional IPO filings are once again outpacing SPAC IPOs:**

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## Largest de-SPAC M&A Deals: 5 of the 12 Largest de-SPAC deals of all time were announced in Q2

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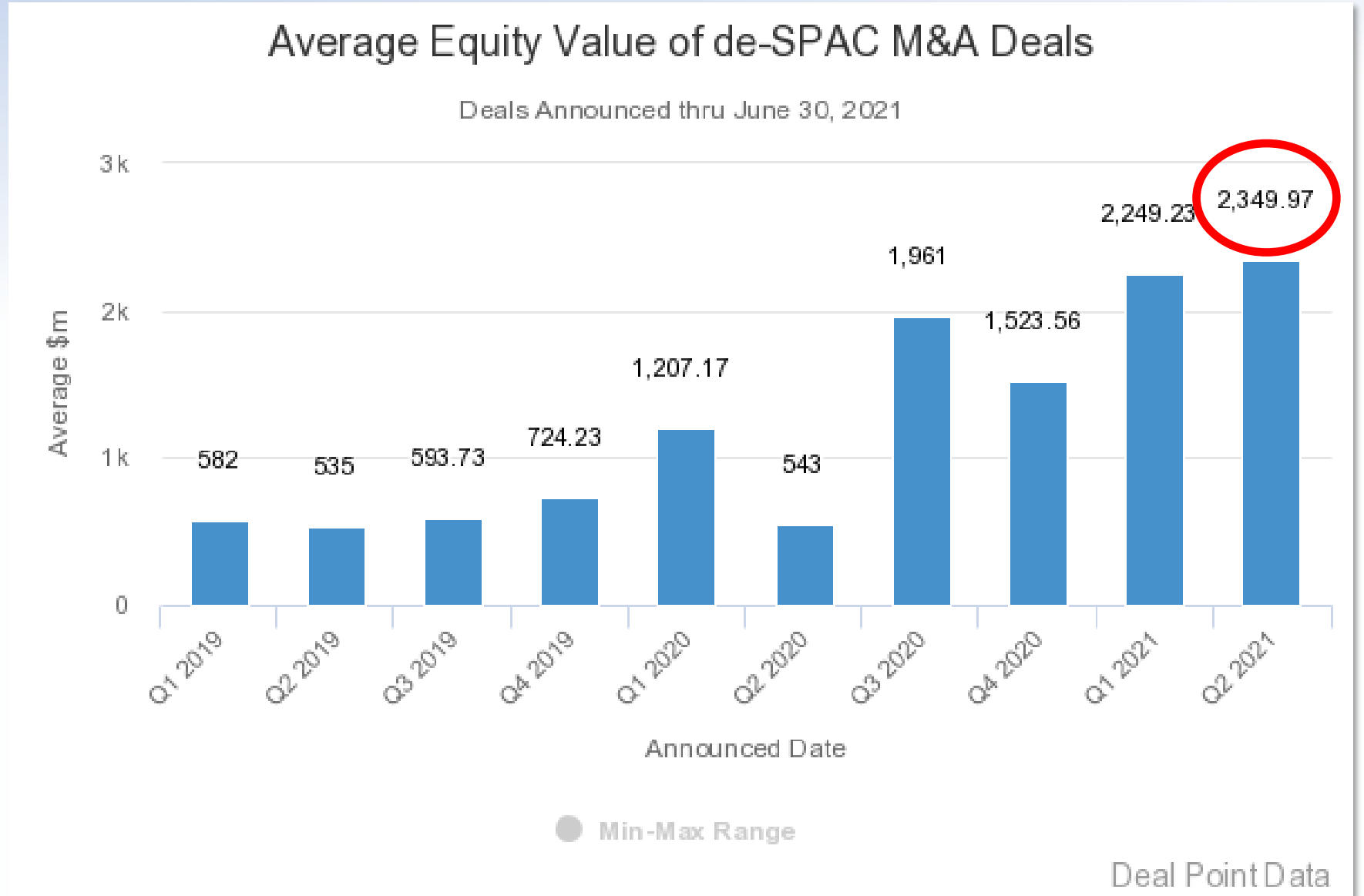
Announced Date	Completion Date	Target Name	Acquirer Name	Equity Value (\$m)	SPAC Implied Enterprise Value (\$m)	Tearsheet
04/13/2021		Grab Holdings Inc.	Altimeter Growth Corp.	\$34,260	\$31,265	<a href="#">View</a>
09/23/2020	01/21/2021	United Shore Financial Services, LLC	Gores Holdings IV, Inc.	\$16,879	\$16,100	<a href="#">View</a>
05/11/2021		Ginkgo Bioworks, Inc.	Soaring Eagle Acquisition Corp.	\$16,789	\$15,164	<a href="#">View</a>
12/23/2020	05/19/2021	Owl Rock Capital Group LLC	Altimar Acquisition Corporation	\$13,170	\$12,702	<a href="#">View</a>
02/22/2021		Atieva, Inc.	Churchill Capital Corp IV	\$11,750	Not Disclosed	<a href="#">View</a>
03/21/2021	06/28/2021	ironSource Ltd.	Thoma Bravo Advantage	\$10,000	\$10,334	<a href="#">View</a>
03/16/2021		eToro Group Ltd.	Fintech Acquisition Corp. V	\$9,601	\$9,595	<a href="#">View</a>
02/23/2021		Ardagh Metal Packaging S.A.	Gores Holdings V, Inc.	\$9,326	\$8,522	<a href="#">View</a>
05/17/2021		Giga Energy Inc.	Yunhong International	\$7,355	Not Disclosed	<a href="#">View</a>
03/29/2021		Cazoo Holdings Limited	Ajax I	\$7,000	\$7,000	<a href="#">View</a>
05/11/2021		Better HoldCo, Inc.	Aurora Acquisition Corp.	\$6,900	\$6,732	<a href="#">View</a>
05/03/2021		Roivant Sciences Ltd.	Montes Archimedes Acquisition Corp.	\$6,736	\$5,000	<a href="#">View</a>

## Largest SPAC IPOs: Q2 was not as prolific for SPAC IPOs. No SPAC IPOs priced in Q2 cracked the top 10 all time largest SPAC IPOs

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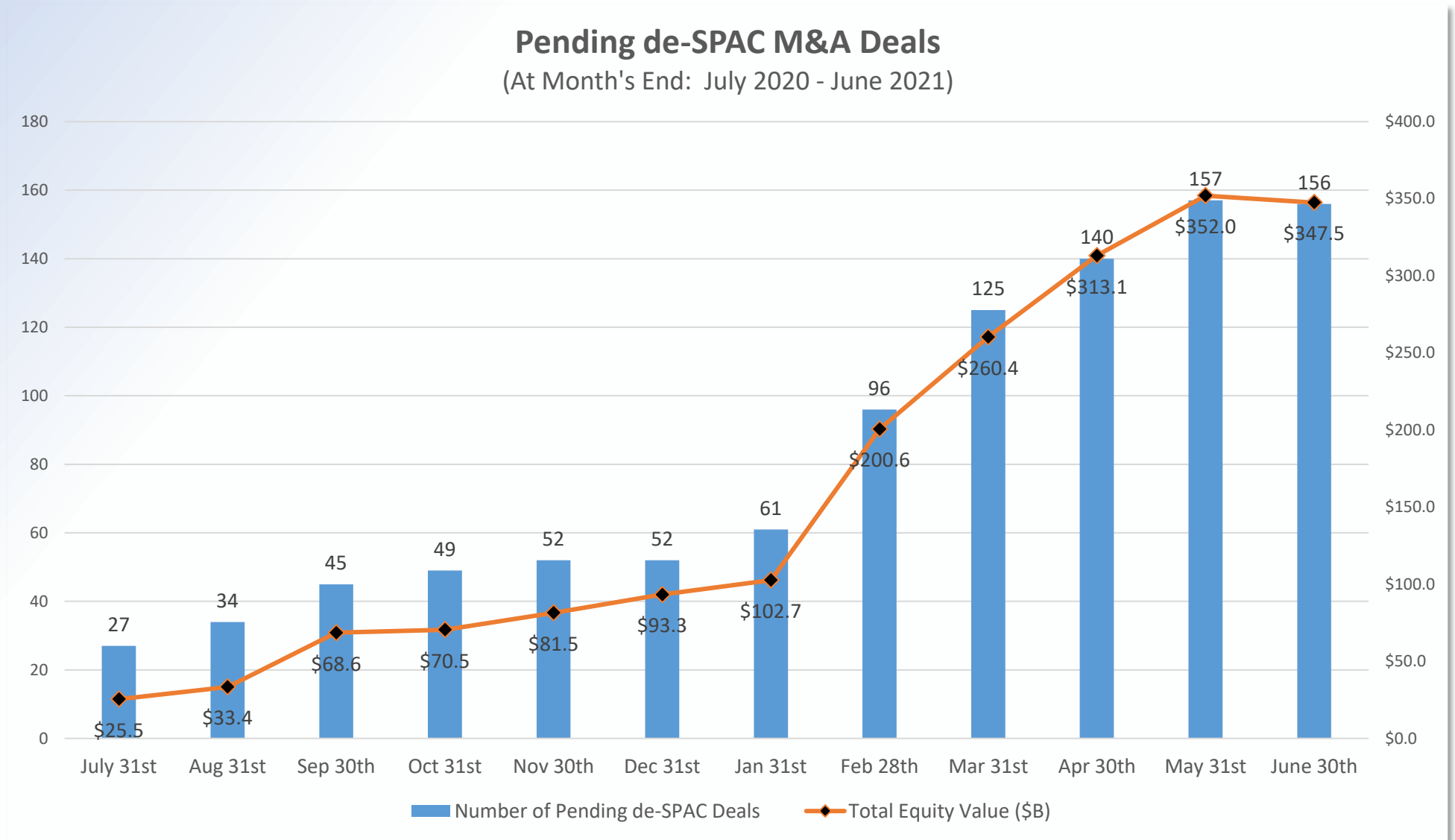
Offer Date	Name	Ticker	Stock Exchange	Offer Price (\$)	Gross Proceeds (\$m)	Lead Left Underwriter	Tearsheet
07/21/2020	Pershing Square Tontine Holdings, Ltd.	PSTH	New York Stock Exchange	20.00	\$4,000	Citigroup Inc.	<a href="#">View</a>
07/29/2020	Churchill Capital Corp IV	CCIV	New York Stock Exchange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

Despite the slowdown in de-SPAC M&A deals, the average size of these deals rose to a record average equity value of \$2.35B in Q2:





At the end of June the number of pending de-SPAC M&A deals dropped to 156 deals with a Total Equity Value of \$347.5B. This was the first month-over-month drop in pending deals since April 2020.



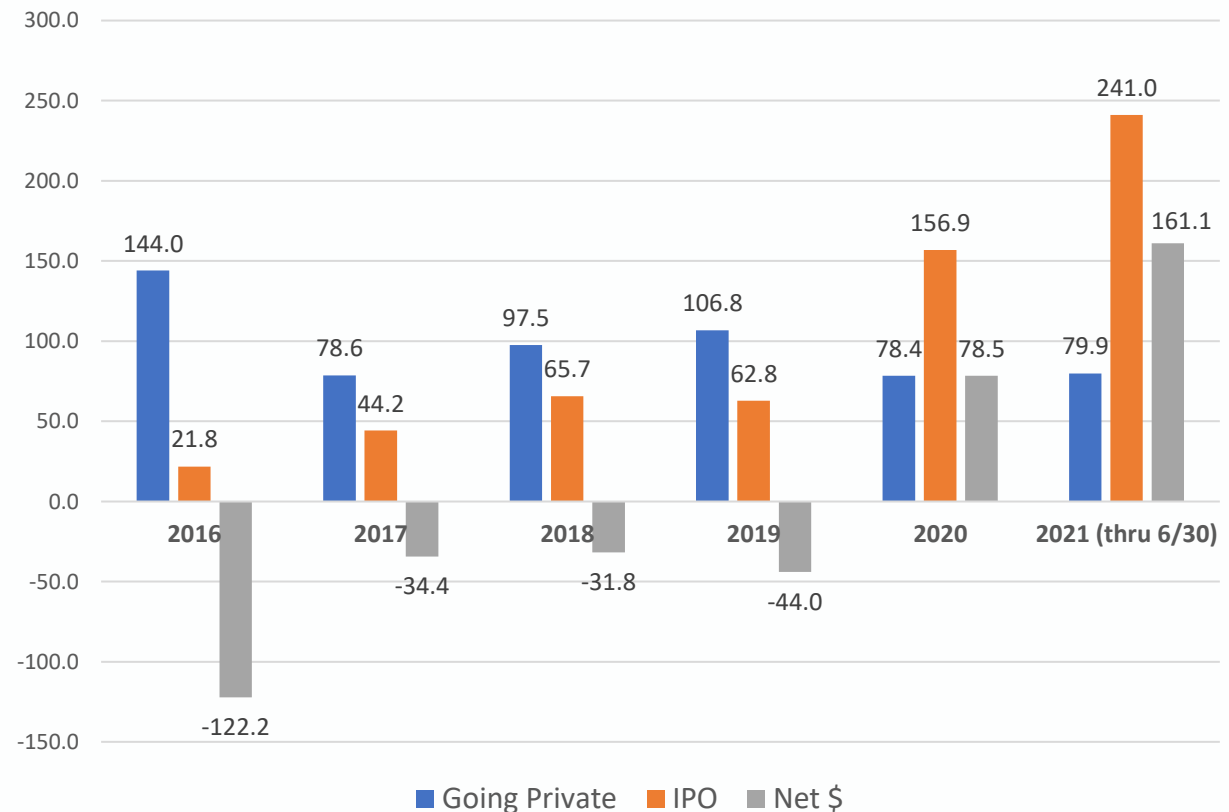
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# The Reversal in the Balance of Take Private & Go Public Activity in 2020 has continued in the 1<sup>st</sup> half of 2021

Going Private vs Going Public  
(US \$ Billions)



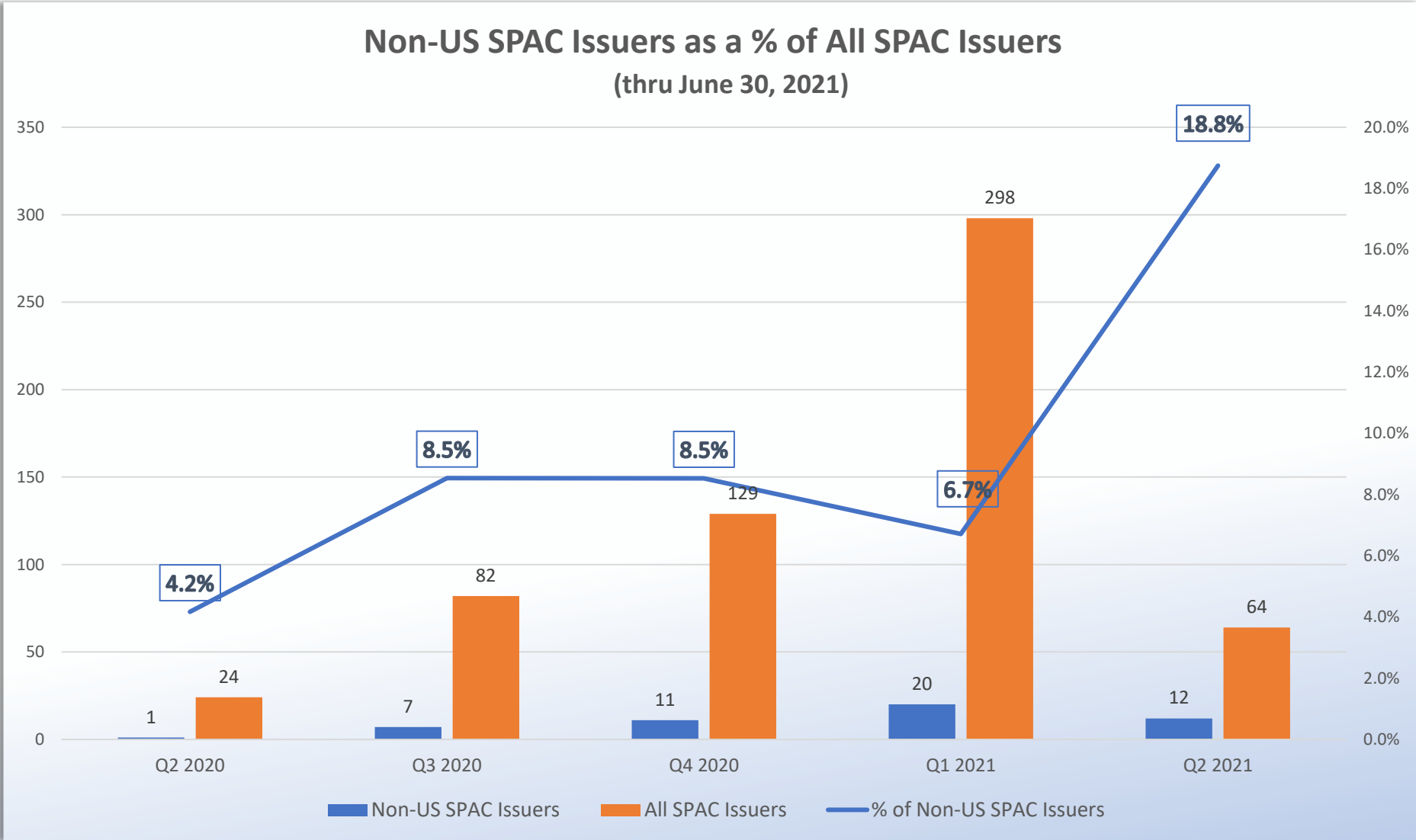
Going Private vs Going Public  
(US \$ Billions)



# Non-US SPAC IPO Issuers: The percentage of Non-US Issuer SPACs is rising:

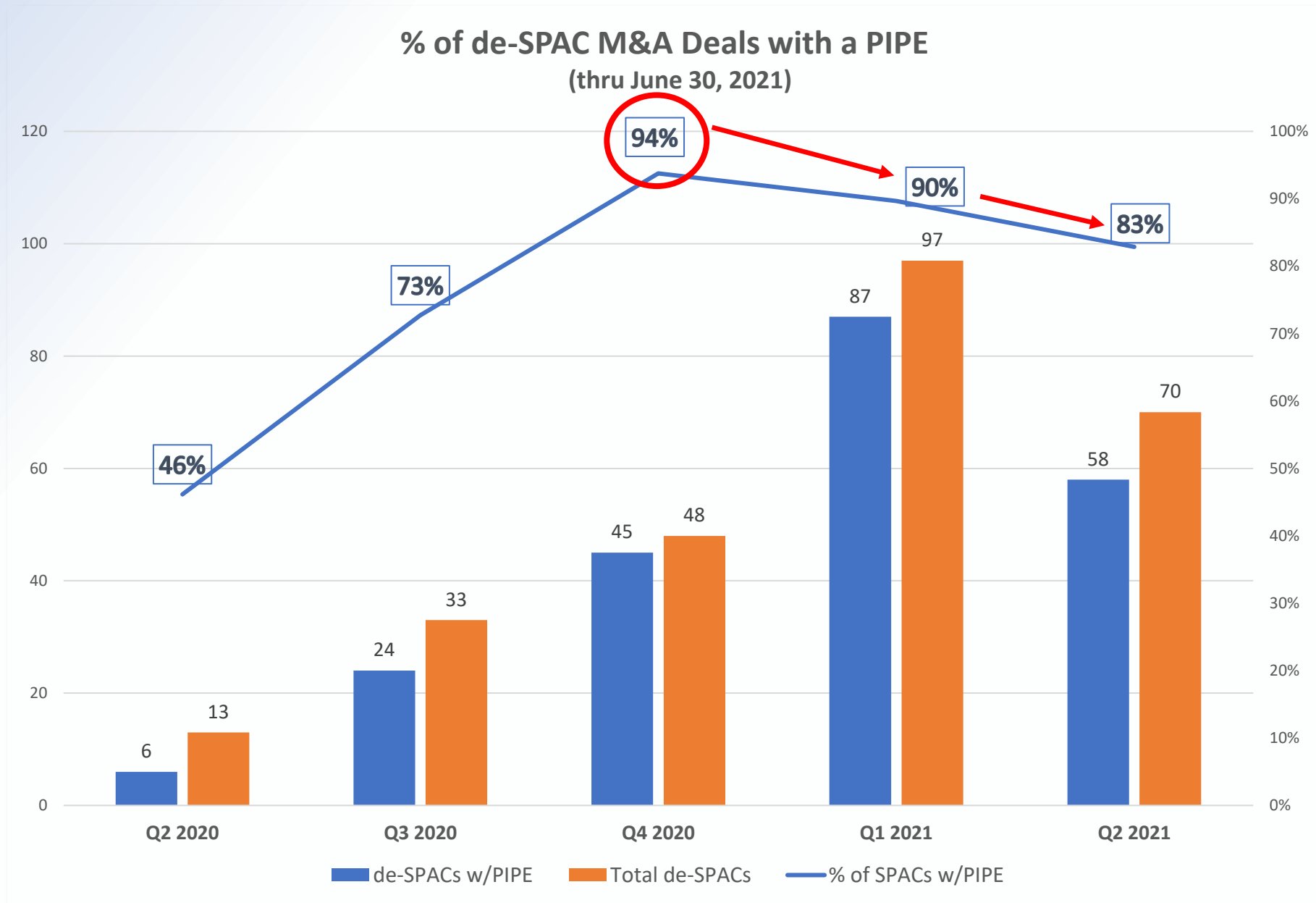
Of the 54 Non-US Issuer SPAC IPOs priced since 1/1/2020 the top 5 country issuers have been:

- 1) Hong Kong – 16
- 2) Cayman Islands - 9
- 3) UK - 8
- 4) China – 7
- 5) Singapore - 5

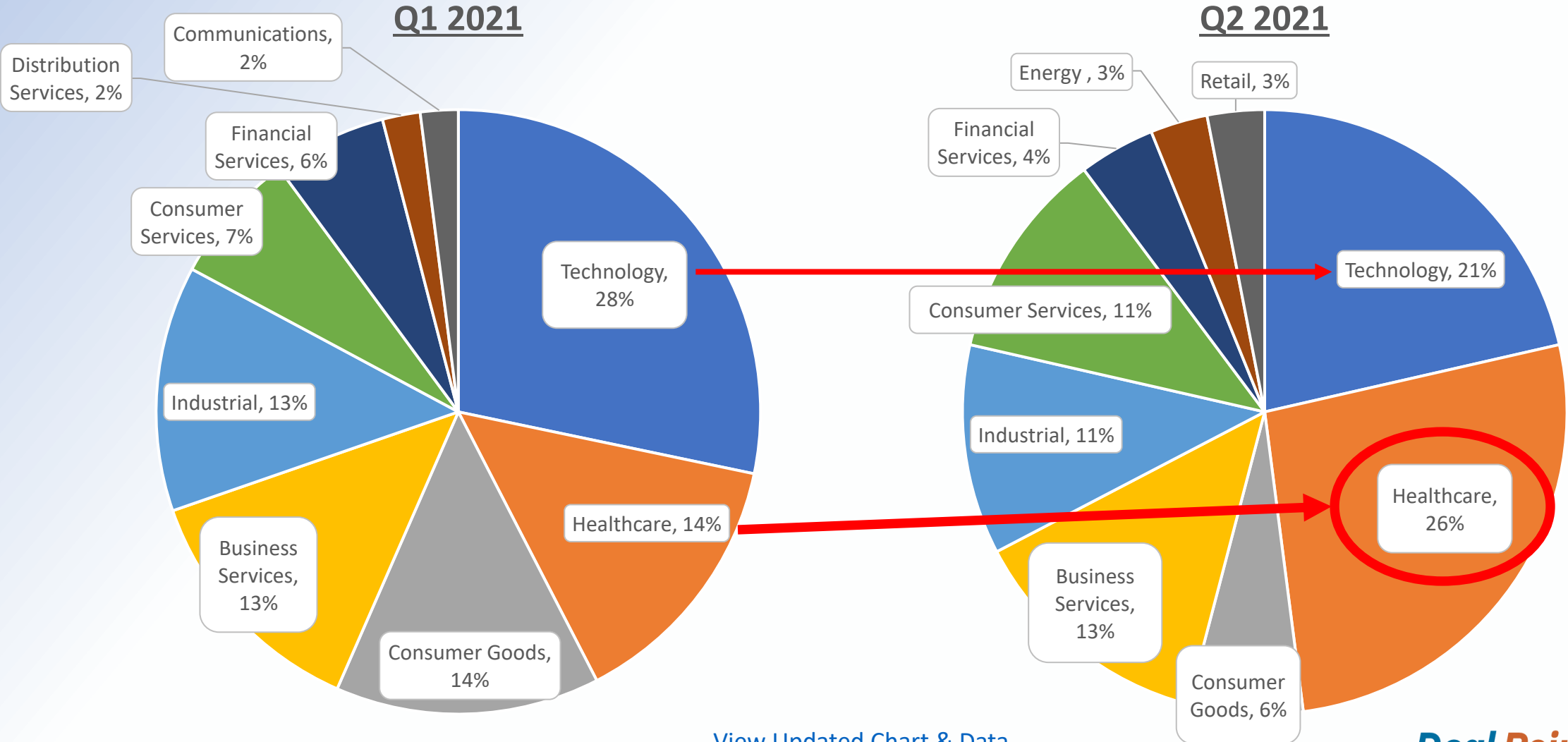


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The percentage of de-SPAC M&A deals with a PIPE investment reached a peak of 94% in Q4 2020 but this percentage has declined slightly in each quarter since then:



# De-SPAC M&A Deals - The number of Healthcare deals surpassed Technology deals in Q2:



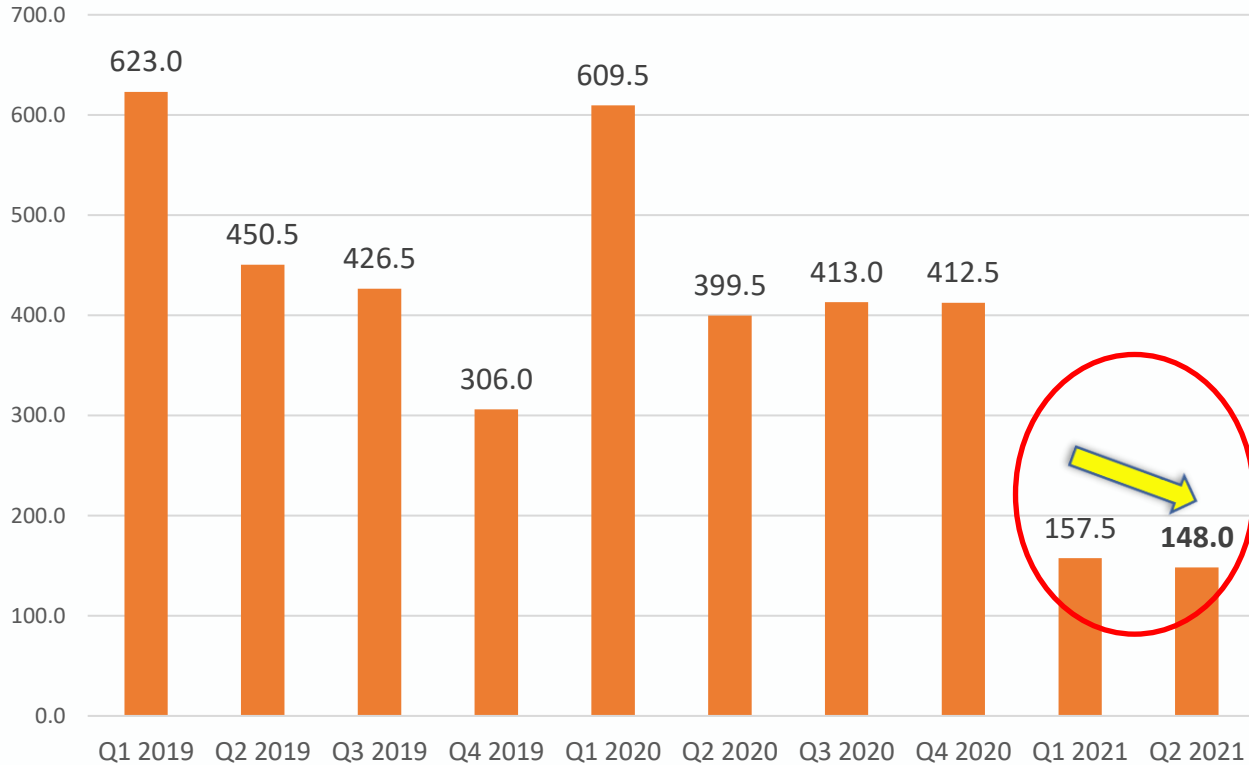
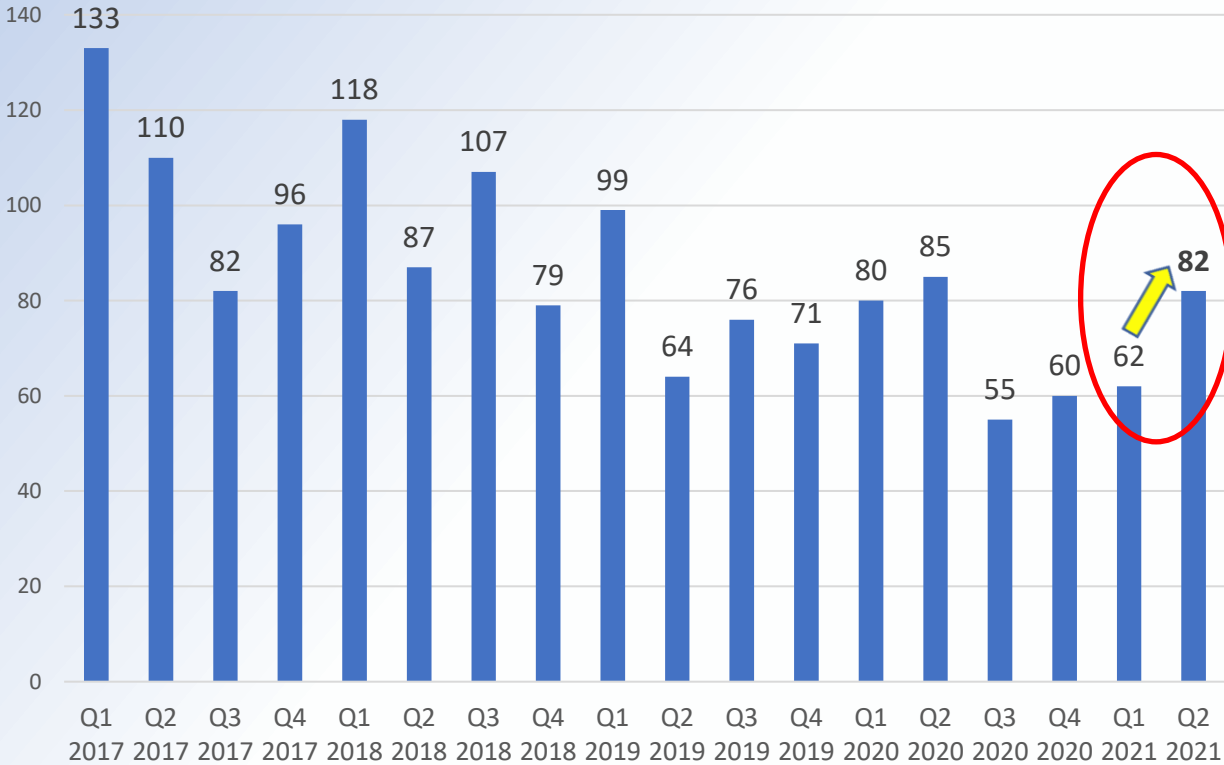
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# The time from Initial Filing to Offer Date for SPAC IPOs increased in Q2 to a median of 82 days:

# However, the time from SPAC IPO Offer Date to de-SPAC M&A Announcement continued to decrease in Q2 to a median of 148 days:

SPAC IPOs: Median Days from Initial Confidential Filing to Offer Date (thru 6/30/2021)

Median Number of Days from SPAC IPO Offer Date to de-SPAC M&A Announcement Date (thru 6/30/2021)



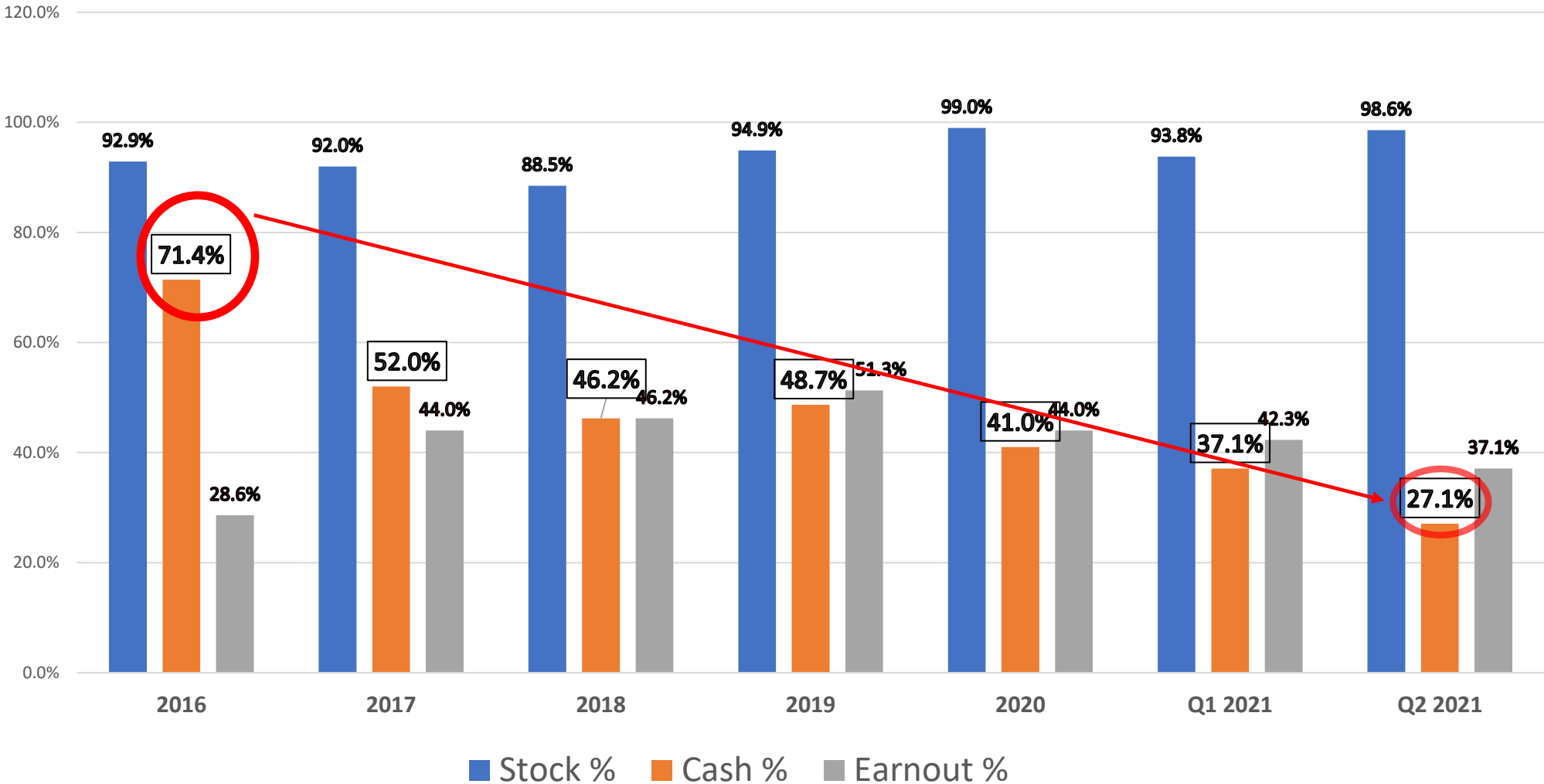
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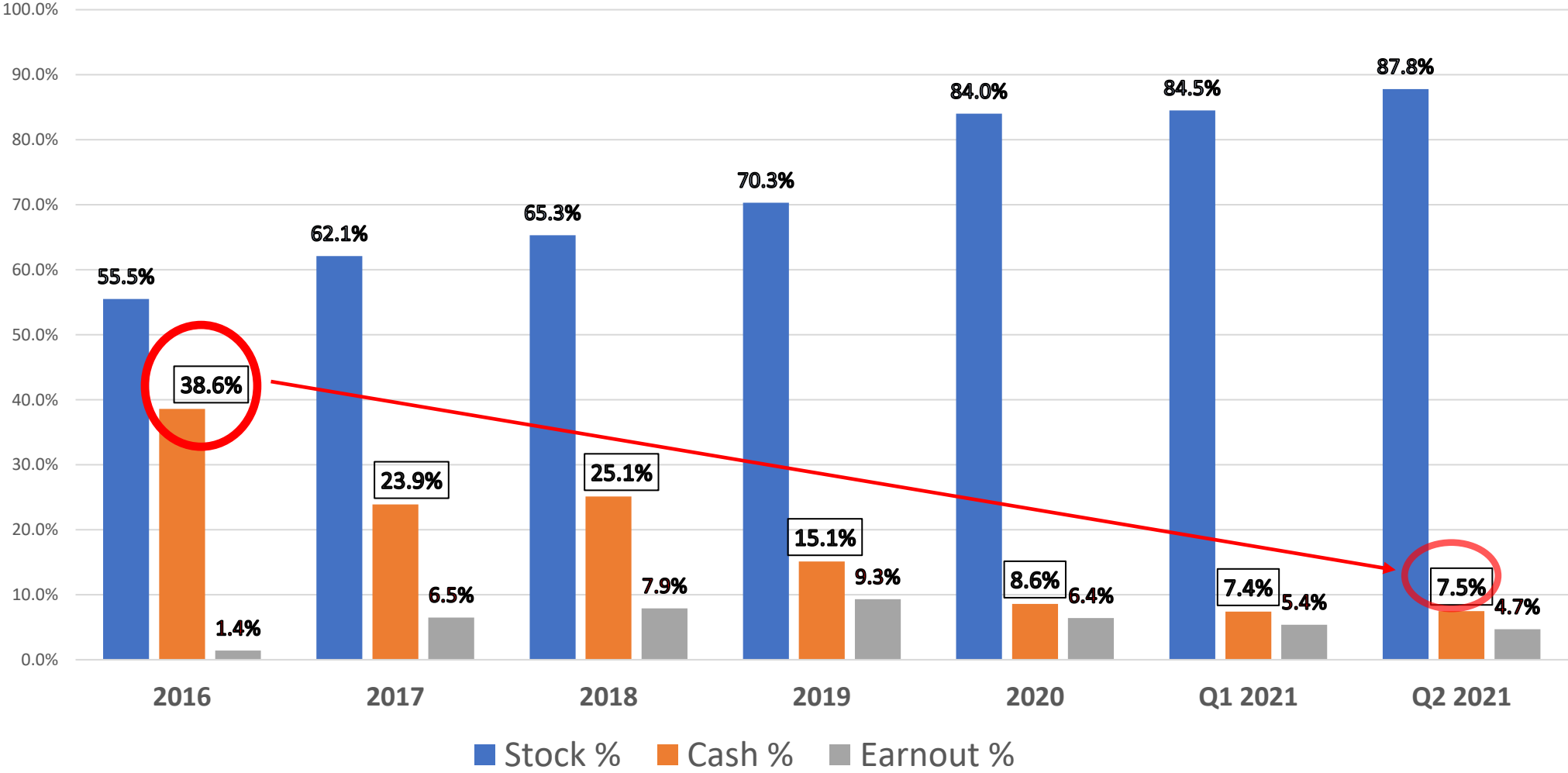
# Cash is NOT King on recent de-SPAC M&A deals:

➤ Cash was only used as consideration on 27.1% of de-SPAC deals in Q2

## Percentage of de-SPAC M&A Deals using Stock / Cash / Earnout (thru June 30, 2021)



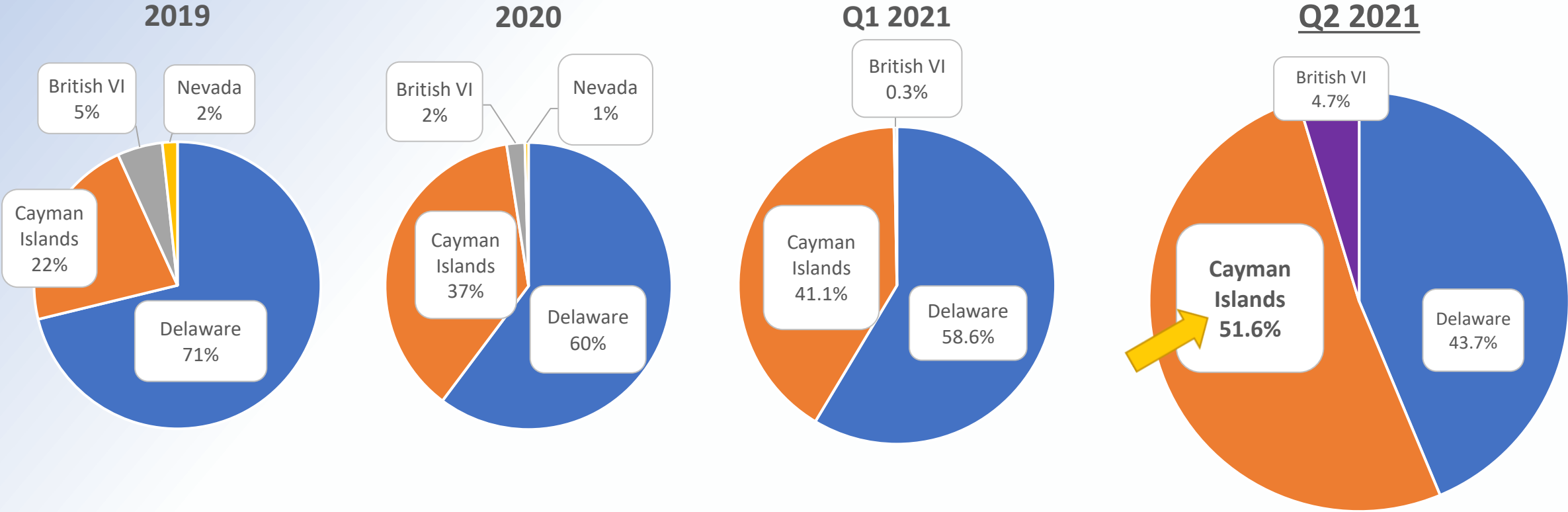
# de-SPAC M&A: Average Size of Stock / Cash / Earnout Components (thru June 30, 2021)



The average size of cash components has also dropped significantly on recent de-SPAC M&A deals:



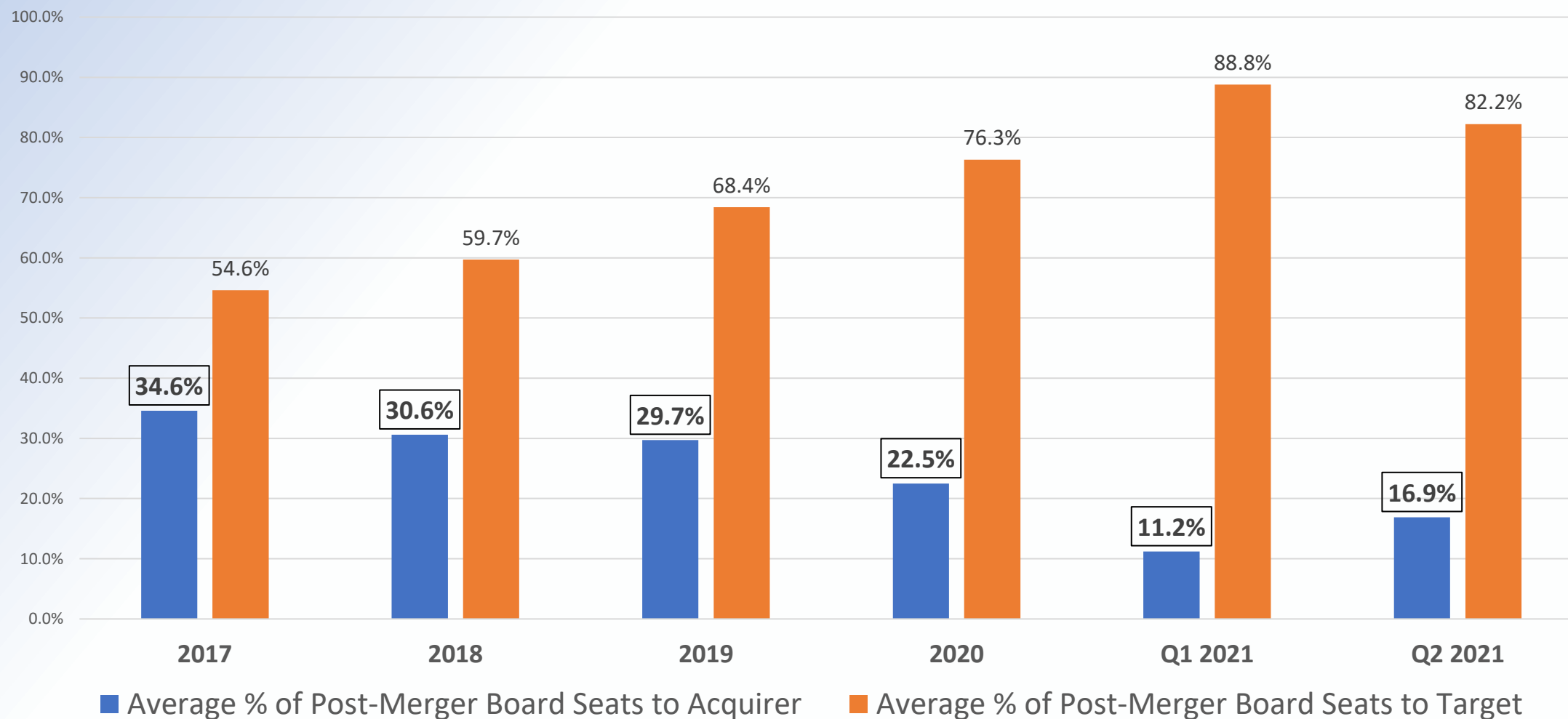
# In Q2 Cayman Islands surpassed Delaware as the primary jurisdiction of incorporation for SPAC IPOs



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

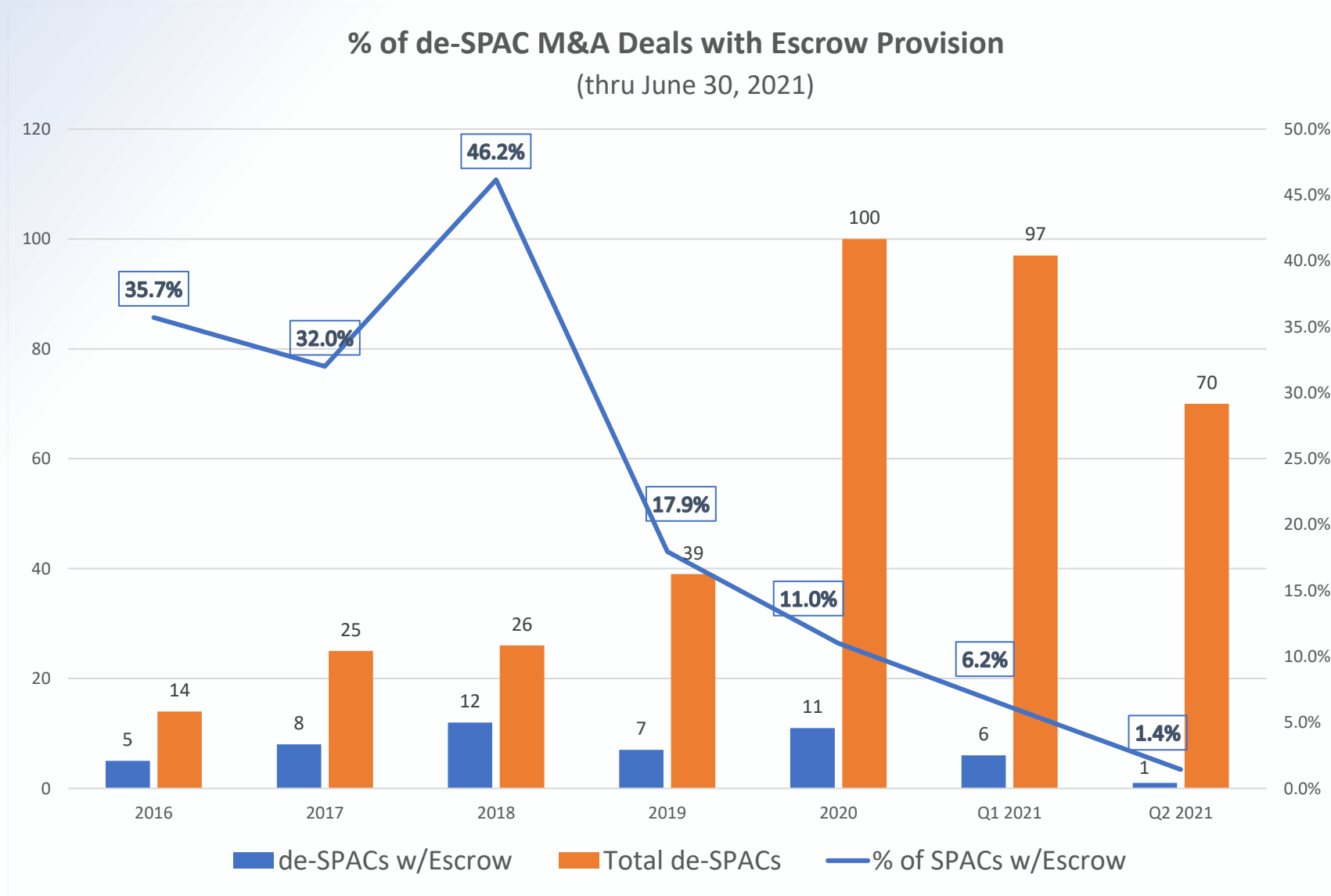
Average % of Post-Merger Board Seats to Target & Acquirer  
(By Completion Date of de-SPAC Deal)



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## Merger Consideration was held in Escrow on only 1.4% of de-SPAC M&A Deals announced in Q2 2021

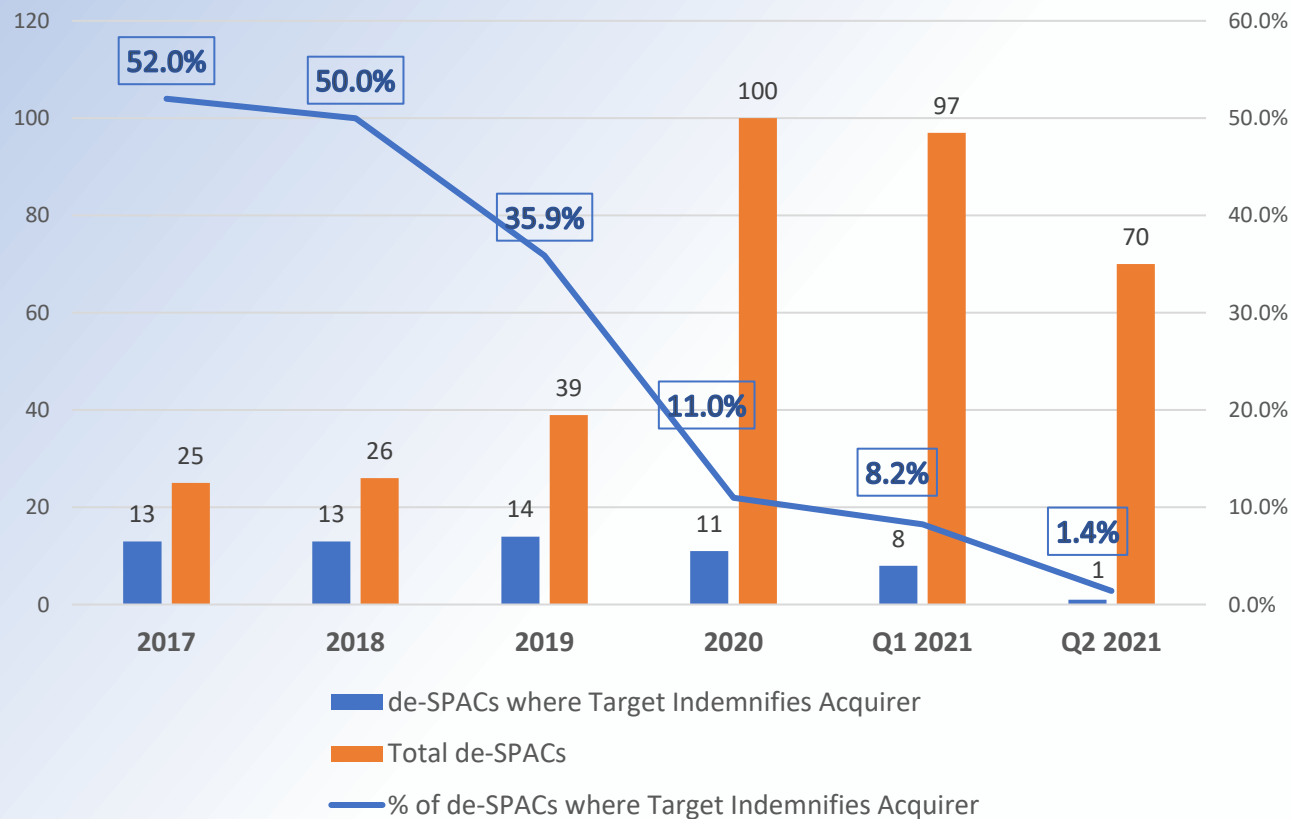
- *Note: Of the 18 de-SPAC M&A deals with an Escrow Provision announced in 2020 and 2021 (thru 6/30) 14 of the escrows were held 100% in stock. Only 2 of the escrows were held 100% in cash.*



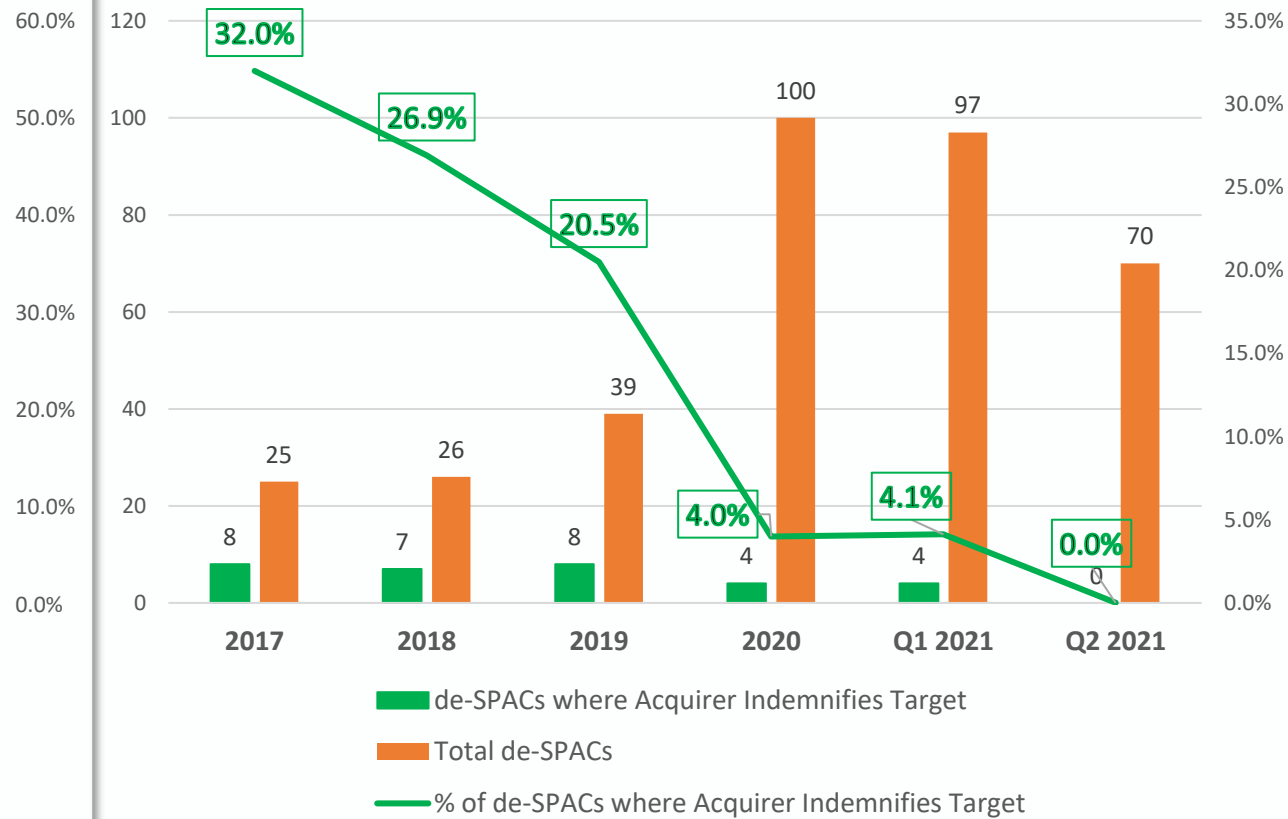
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# Target & Acquirer Indemnification Provisions are getting negotiated much less frequently on de-SPAC M&A deals:

% of de-SPAC M&A Deals where **Target** Indemnifies Acquirer



% of de-SPAC M&A Deals where **Acquirer** Indemnifies Target



➤ For comparison 60% of the non-SPAC private deals tracked by Deal Point Data in 2020 had a Target Indemnification Provision

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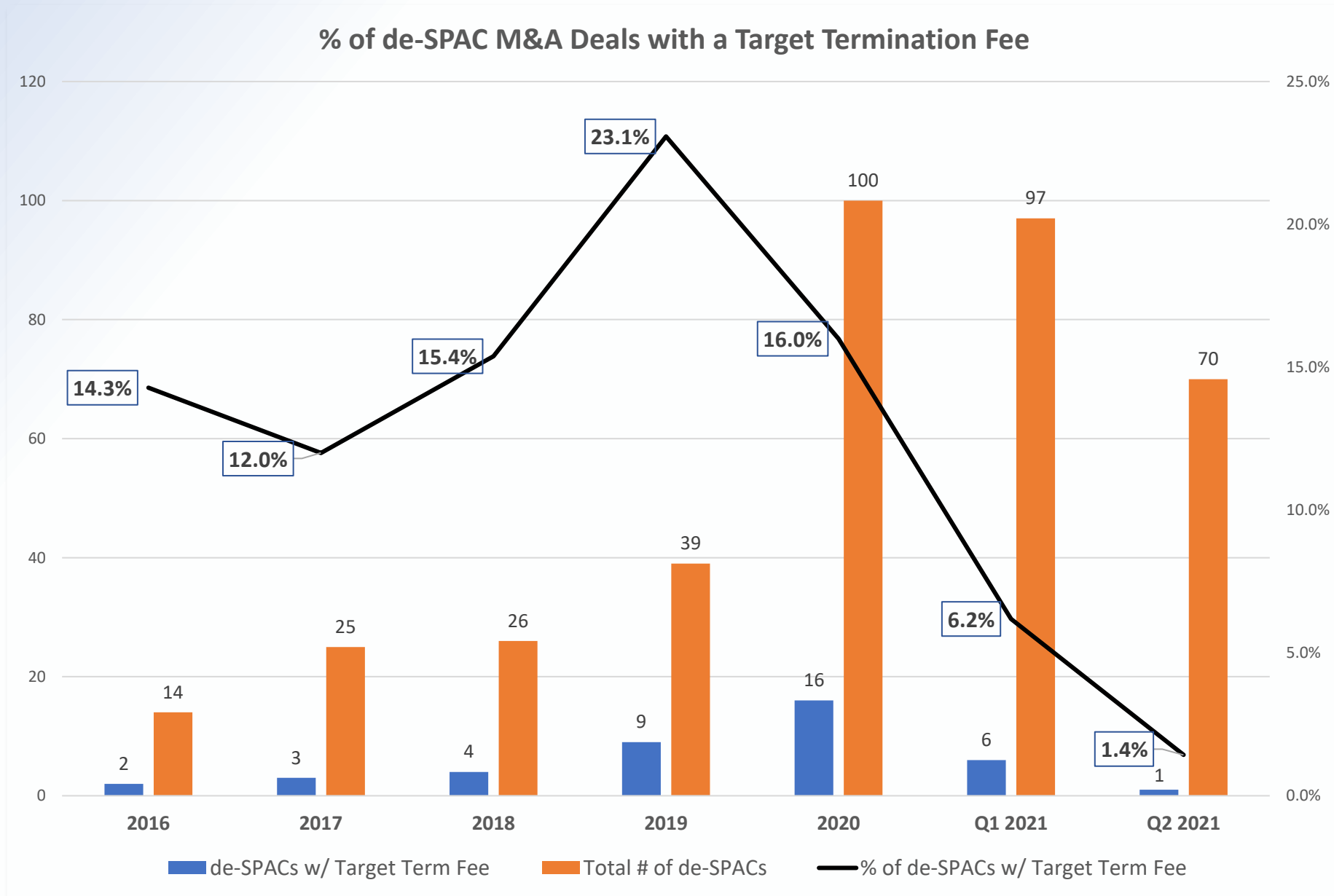
➤ 50.4% of the non-SPAC private deals tracked by Deal Point Data in 2020 had an Acquirer Indemnification Provision

[View Updated Chart](#)

## Target Termination Fees were only negotiated on 7 of the 167 de-SPAC M&A deals announced in the 1<sup>st</sup> half of 2021

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

- 2021 – 2.2% (thru 6/30)
- 2020 - 2.4%
- 2019 - 0.9%
- 2018 - 2.1%
- 2017 - 1.7%
- 2016 – 3.3%



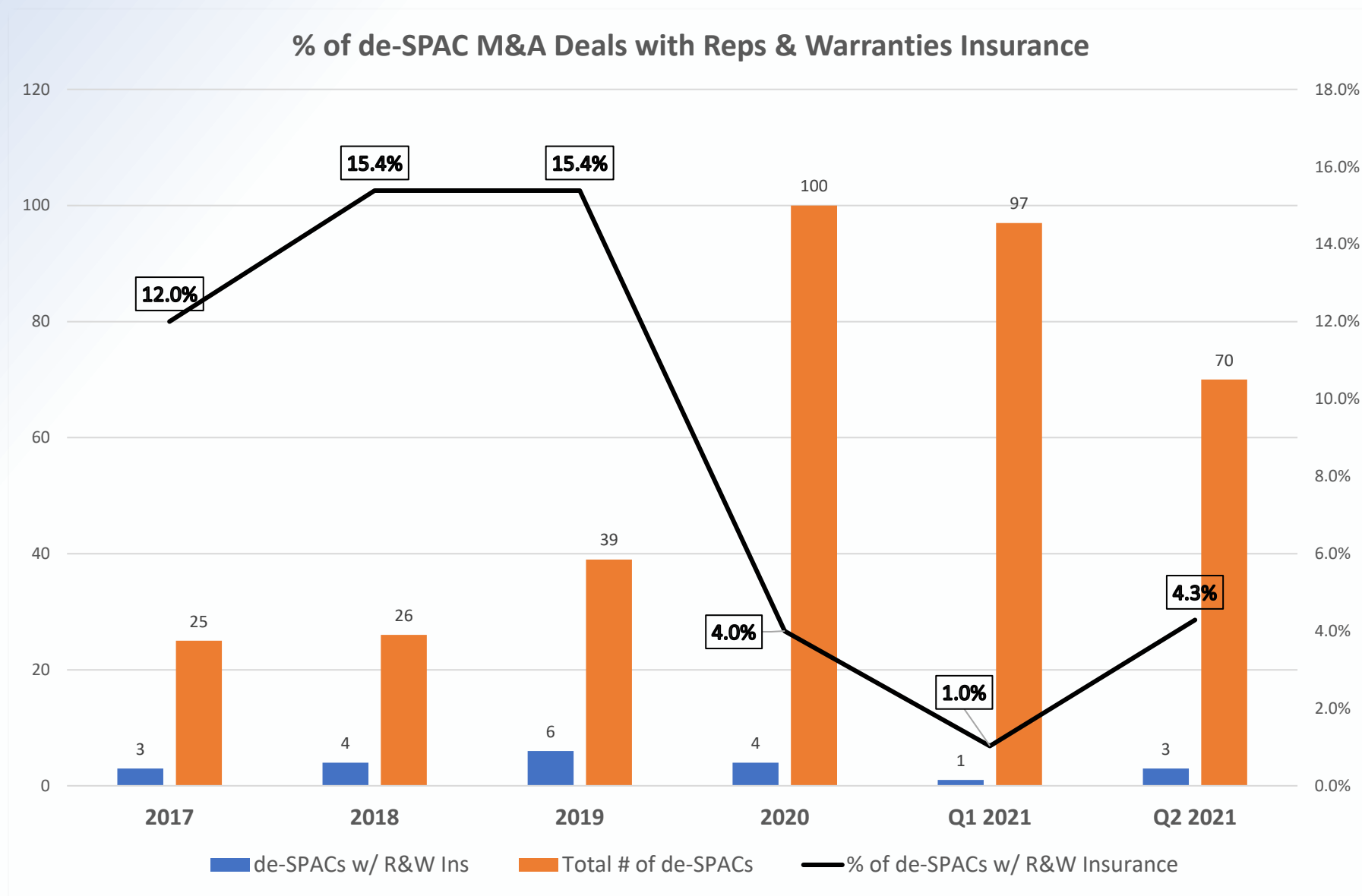
**An Acquirer Termination Fee was only negotiated on 3 out of the 167 de-SPAC M&A deals announced in the 1<sup>st</sup> half of 2021**

<b>Year Announced</b>	<b># of de-SPAC Deals with Acquirer Termination Fee</b>	<b>Total # of de-SPAC Deals</b>	<b>% of Deals with Fee</b>	<b>Acquirer Termination Fee as % of Equity Value (Average)</b>
Q2 2021	1	70	1.4%	0.2%
Q1 2021	2	97	2.1%	1.4%
2020	3	100	3.0%	0.3%
2019	6	39	15.4%	1.0%
2018	2	26	7.7%	1.7%
2017	1	25	4.0%	0.2%
2016	1	14	7.1%	1.7%

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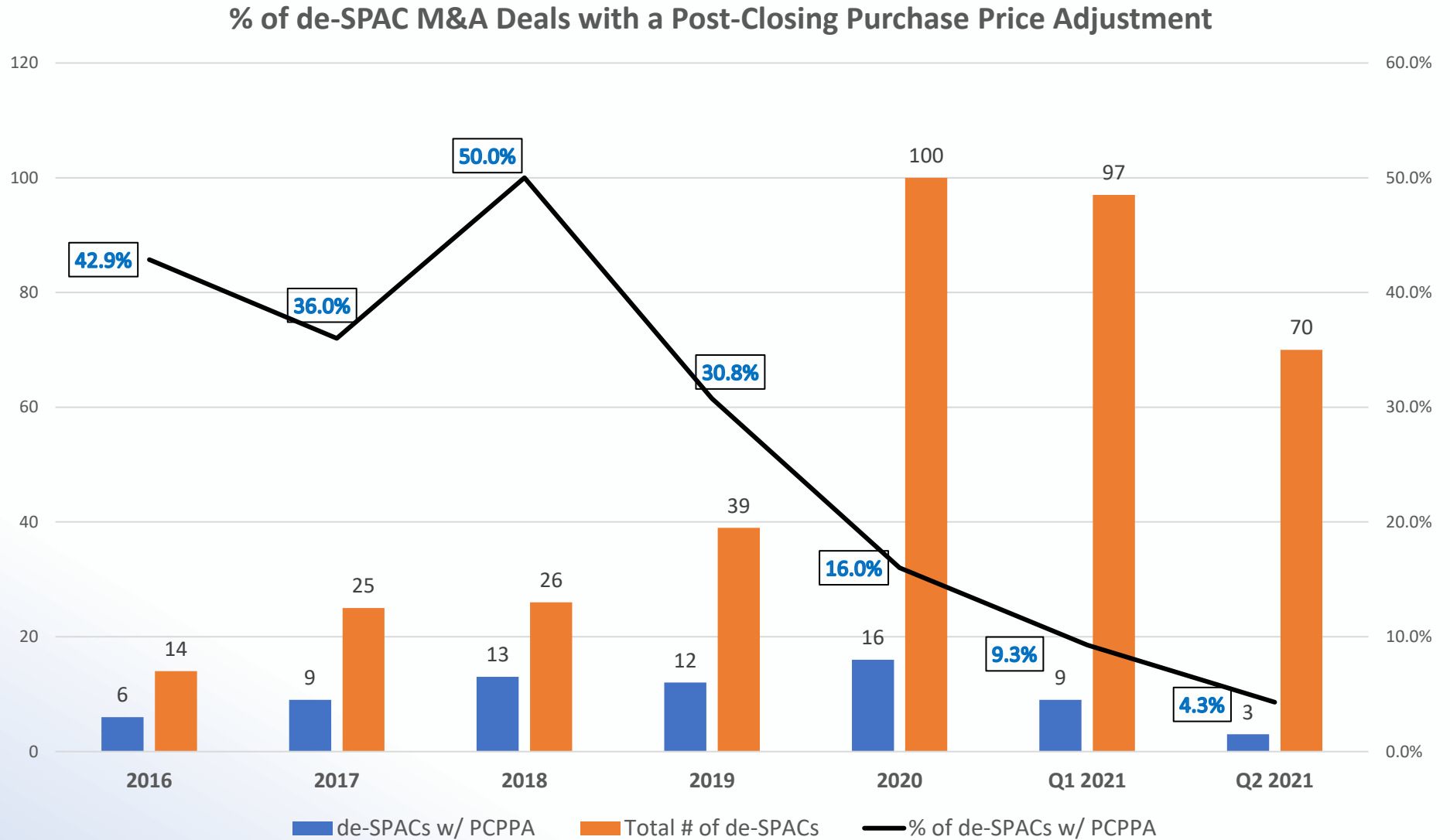
## The Percentage of de-SPAC M&A deals using a Reps & Warranties Insurance Policy ticked up slightly in Q2 but still remains at very low levels

- Only 4 of the 167 de-SPAC M&A deals announced in the 1<sup>st</sup> half of 2021 referenced a R&W insurance policy
- For comparison 42.1% of Non-SPAC private M&A deals tracked by DPD in 2020 referenced a R&W insurance policy



## Only 4.3% of de-SPAC M&A deals announced in Q2 2021 had a Post-Closing Purchase Price Adjustment Provision

➤ For comparison 75.7% of all non-SPAC private deals tracked by Deal Point Data in 2020 had a Post-Closing Purchase Price Adjustment





### de-SPAC M&A Deals: Announced 1/1/2018 thru 6/30/2021

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	12	1.07	0.26	1.08	1.45	0.02	3.60
500-999	11	0.74	0.20	0.65	0.87	0.02	2.38
1,000-1,999	14	0.21	0.04	0.08	0.31	0.01	0.77
2,000 and above	11	0.29	0.04	0.04	0.43	0.01	1.10
<b>All Deals:</b>	54	0.66	0.06	0.25	0.96	0.01	4.00

[View Updated Fee Table & Data](#)

### Non-SPAC M&A Deals: Announced 1/1/2018 thru 6/30/2021

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	24	1.89	0.76	1.34	2.24	0.17	8.33
200-499	29	1.67	0.73	1.32	1.82	0.07	7.49
500-999	26	0.89	0.51	0.72	1.16	0.08	2.14
1,000-1,999	32	0.84	0.44	0.90	1.16	0.06	1.79
2,000 and above	82	0.39	0.18	0.31	0.51	0.01	1.14
<b>All Deals:</b>	193	0.91	0.27	0.58	1.10	0.01	8.33

[View Updated Fee Table & Data](#)

**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 Legal Adviser Ranking (Deals announced 1/1/2018 – 6/30/2021)

Legal Adviser Ranking: de-SPAC M&A Deals (Announced 1/1/2018 - 6/30/2021)			
Rank	Legal Adviser to Target or Acquirer	Equity Value (\$m)	Deal Count
1	Latham & Watkins LLP	128,941	59
2	Kirkland & Ellis LLP	127,904	64
3	Skadden, Arps, Slate, Meagher & Flom LLP	118,118	31
4	Weil Gotshal & Manges LLP	83,486	26
5	White & Case LLP	68,957	34
6	Ropes & Gray, LLP	64,388	13
7	Greenberg Traurig, LLP	47,081	22
8	Hughes Hubbard & Reed LLP	46,160	8
9	Davis Polk & Wardwell LLP	44,570	16
10	Goodwin Procter LLP	39,038	24
11	Cooley LLP	38,445	25
12	WilmerHale	34,544	2
13	Travers Thorp Alberga	34,260	1
14	Simpson Thacher & Bartlett, LLP	29,704	14
15	Ellenoff Grossman & Schole LLP	26,296	31
16	Vinson & Elkins L.L.P.	26,031	16
17	Sullivan & Cromwell LLP	25,866	10
18	Wachtell, Lipton, Rosen & Katz	25,779	5
19	Morgan, Lewis & Bockius LLP	25,622	11
20	Meitar Liquornik Geva & Leshem Tal	25,195	6

*\*Adviser to Target OR Acquirer*

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## De-SPAC Financial Adviser Ranking (Deals Announced 1/1/2018 – 6/30/2021)

Financial Adviser Ranking: de-SPAC M&A Deals (Announced 1/1/2018 - 6/30/2021)			
Rank	Financial Adviser to Target or Acquirer (Advice or Opinion)	Equity Value (\$m)	Deal Count
1	Goldman, Sachs & Co.	182,921	64
2	Citigroup Inc.	152,474	54
3	Morgan Stanley	151,136	39
4	JPMorgan	146,282	47
5	Credit Suisse	97,794	48
6	Bank of America Merrill Lynch	89,601	33
7	Deutsche Bank AG	72,803	34
8	Evercore Partners	69,924	14
9	Jefferies LLC	61,358	38
10	Barclays	59,639	28
11	Moelis & Company LLC	51,248	21
12	UBS	48,003	16
13	Cowen and Company, LLC	38,039	25
14	PJT Partners	26,875	10
15	Perella Weinberg Partners	24,701	8
16	Allen & Company LLC	22,789	3
17	Stifel, Nicolaus & Company, Incorporated	20,488	17
18	Ardea Partners LLC	18,758	3
19	Guggenheim Partners	18,458	7
20	Nomura	17,110	17

*\*Adviser to Target OR Acquirer*

[View Updated Ranking](#)

## SPAC IPO Legal Adviser Ranking (Offer Date 1/1/2018 – 6/30/2021)

Legal Adviser Ranking: SPAC IPOs (Offer Date: 1/1/2018 - 6/30/2021)			
Rank	Counsel to Company OR Underwriters	Gross Proceeds (\$m)	Deal Count
1	Kirkland & Ellis LLP	47,098	160
2	Ellenoff Grossman & Schole LLP	46,305	215
3	Skadden, Arps, Slate, Meagher & Flom LLP	44,381	134
4	Ropes & Gray, LLP	40,558	107
5	Davis Polk & Wardwell LLP	33,505	98
6	White & Case LLP	32,337	107
7	Weil Gotshal & Manges LLP	17,990	42
8	Graubard Miller	17,428	90
9	Greenberg Traurig, LLP	11,100	50
10	Latham & Watkins LLP	10,490	31
11	Winston & Strawn LLP	9,568	35
12	Paul, Weiss, Rifkind, Wharton & Garrison LLP	9,563	22
13	Shearman & Sterling LLP	9,525	32
14	Loeb & Loeb LLP	6,969	67
15	Paul Hastings LLP	6,535	26
16	Vinson & Elkins L.L.P.	5,870	21
17	Cadwalader, Wickersham & Taft LLP	5,700	5
18	Goodwin Procter LLP	4,963	21
19	Ledgewood, P.C.	4,205	14
20	Sullivan & Cromwell LLP	3,540	10

\*Counsel to Company OR Underwriters

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## SPAC IPO Lead Left Underwriter Ranking (Offer Date 1/1/2018 – 6/30/2021)

Lead Left Underwriter Ranking: SPAC IPOs (Offer Date: 1/1/2018 - 6/30/2021)			
Rank	Lead Left Underwriter	Gross Proceeds (\$m)	Deal Count
1	Citigroup Inc.	41,345	103
2	Credit Suisse	27,740	74
3	Goldman, Sachs & Co.	18,495	51
4	Deutsche Bank AG	16,185	48
5	Cantor Fitzgerald & Co.	16,074	65
6	Jefferies LLC	10,040	45
7	UBS	9,770	29
8	Morgan Stanley	8,630	28
9	JPMorgan	5,140	20
10	EarlyBirdCapital, Inc.	5,080	37
11	Barclays	4,580	19
12	Cowen and Company, LLC	4,000	18
13	Bank of America Merrill Lynch	3,395	13
14	B. Riley & Co., LLC	3,362	18
15	BTIG, LLC	2,881	14
16	Chardan Capital Markets, LLC	2,514	27
17	Wells Fargo & Co.	1,670	6
18	Stifel, Nicolaus & Company, Incorporated	1,520	9
19	Oppenheimer & Co.	1,497	7
20	RBC Capital Markets	1,325	5

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