

## Bulldog SPAC Updates

**1/15/2019**

Bulldog SPAC Update – Principal Protection with Equity Type Optionality – Yesterday saw the first SPAC deal announcement of 2019 as Churchill Capital, a \$450 million SPAC, announced a business combination with Clarivate Analytics. Clarivate Analytics is a leading provider of critical data and analytics. As per the press release the transaction implies an initial enterprise value of approximately \$4.2 billion with a multiple of approximately 12.5X Clarivate's estimated 2019 Standalone Adjusted EBITDA before synergies at the time of close.

Churchill Capital completed its initial public offering in August 2018, issuing units comprised of 1 common share and ½ warrant at \$10 per unit. The package is currently worth \$10.37, generating an IRR of 9.3% for those investors who participated in the IPO.

2018 saw 46 SPAC IPOs completed raising \$10.7 billion, an increase from 2017 when 35 SPACs went public raising \$10.2 billion. This is the most capital raised by SPACs since 2007 when 66 SPACs raised \$12 billion. More importantly, SPACs held up well in Q4 when the S&P 500 tumbled 13.5%. As short-term rates moved higher throughout the year, yields on SPACs continued to increase. Year-end saw some short term SPACs yielding around 7%.

2019 promises to be another robust year in the SPAC space with several management teams already filing for IPOs. Recently filed S-1s include - Andina III, a \$100 million SPAC focused on a target business in the Americas. The previous Andina SPAC that purchased an RV business returned over 25% to investors. - Pivotal Acquisition, a \$200 million SPAC focused on companies in North America ripe for disruption from continuously evolving digital technology and the resulting shift in distribution patterns and consumer purchase behavior. - And Acamar Partners Acquisition, a \$300 million Goldman Sachs led IPO, with a focus on the consumer and retail sectors.

Please reach out with any questions.

*Source: Cantor, GMP Securities, Bloomberg*