

SPAC

Special Purpose Acquisition Corporation Valuation Considerations

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SPAC Basics and Valuation Considerations

- What is a SPAC.
- SPAC must identify a target in 2 years or refund the money raised to its investors.
- Sponsors looking to do estate planning want to shift their equity interests prior to a combination to minimize value.
- Why might a sponsor consider a valuation before a business combination.
- Caution as to how far on the continuum of a combination can the SPAC be before the combination valuation is relevant.

More on SPAC Valuations

- This is complex as there may be multiple types of securities inside the sponsoring entity: shares and warrants.
- SPAC created to use investment funds to acquire another company.
- If the SPAC combines with the operating company the value will increase.
- How are SPAC sponsors valued?

Additional information

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