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Repeat SPAC Sponsors

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ABSTRACT

Sponsors are the key value-generating resource for special purpose acquisition companies (SPACs). We identify a subgroup of sponsors—repeat sponsors—who have formed and managed multiple SPACs. Repeat sponsors identify target companies faster, and their SPACs merge with private companies of higher quality. However, these benefits are attenuated when sponsors manage multiple SPACs simultaneously, suggesting that overlapping commitments create conflicts of interest and dilute sponsor attention. Overall, our findings highlight a tradeoff between the benefits of sponsor expertise and experience, and the costs associated with concurrent sponsorship.

JEL Classification: G24, G34

1 | Introduction

Special purpose acquisition companies (SPACs) are blank-check companies formed by sponsors who raise funds through an IPO to finance a merger with an unspecified private company.¹ SPACs have captured an increasing share of the US IPO market since the 2010s and into the early 2020s, standing for over half of all IPOs between 2020 and 2022. For sponsors, forming SPACs has proven lucrative (Gahng et al. 2023), and it is common for the same sponsor to form multiple SPACs. Figure 1 shows that between 2015 and 2022, repeat sponsors (i.e., sponsors having formed three or more SPACs) raised a substantial share of all SPAC IPO proceeds. While repeat sponsors' expertise, reputation and business networks may benefit SPAC investors and private companies seeking to go public, their concurrent management of multiple SPACs may create agency conflicts that diminish these benefits. In this paper, we study repeat sponsors and examine their potential benefits and costs.

As blank-check companies, SPACs have no operations and no assets other than cash, making the sponsors, through their ability, reputation and track record, the SPACs' key value-generating resource. Sponsors aim to create value for investors and themselves by taking a private company public. After identifying a suitable target company, the sponsors propose to the SPAC's shareholders a merger between the SPAC and the target company. Upon merger approval, the SPAC begins trading as a newly merged public company where the target company gets access to the SPAC proceeds. While the SPAC has served its purpose, some sponsor team members² may continue to support the merged company as directors (Gahng et al. 2023). As directors, sponsor team members may add value by monitoring, mentoring and guiding executive management. Given sponsors' multiple roles, prior literature portrays them as a combination of ad hoc underwriters and specialised private equity general partners (Dimitrova 2017; Gahng et al. 2023). However, the emphasis on different roles may vary by sponsor type, with repeat sponsors likely focusing more on the SPAC

¹ Following Gahng et al. (2023), we refer to the business combination between the SPAC and the target company as a merger.

² Throughout the paper, we refer to the SPACs' board as the sponsor team. Pawliczek et al. (2024) define sponsor teams in a similar way, with the difference that they include advisors and managers without a director role as sponsors.

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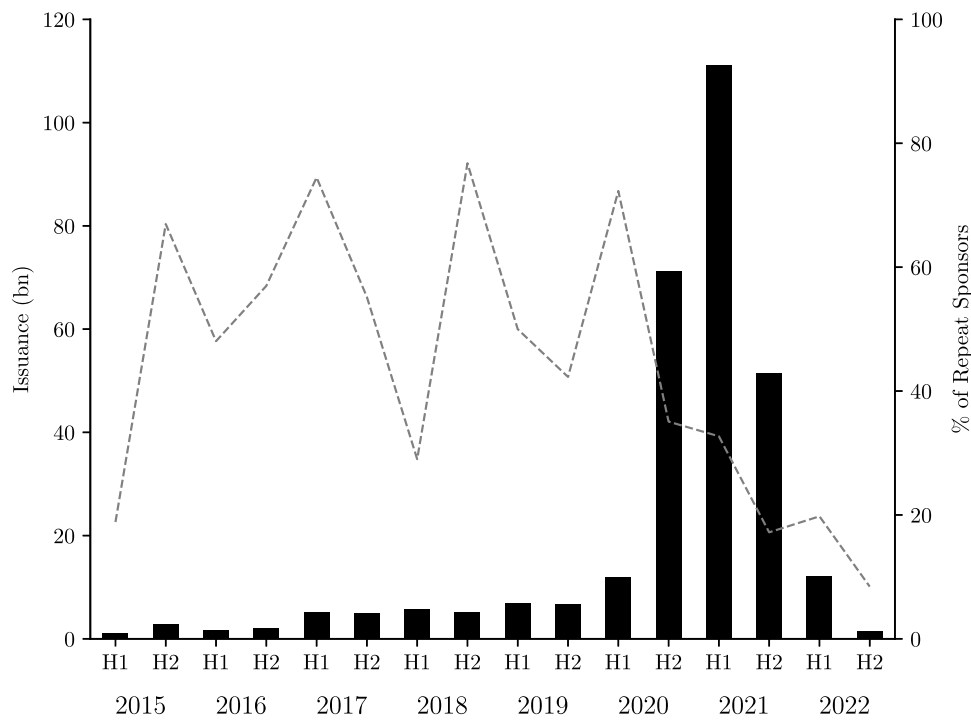


FIGURE 1 | Total SPAC proceeds and fraction of repeat sponsors. This figure presents the half-year total proceeds raised by SPACs in USD billion (bars, left axis) and the fraction of that amount raised by repeat sponsors (dashed line, right axis). Repeat Sponsor is an indicator variable that takes the value of one if the sponsor has formed three or more SPACs and zero otherwise. SPACs, special purpose acquisition companies.

process up until the merger. Repeat sponsors may avoid time-consuming director duties and instead commit their human capital to new SPAC processes.

While aspects of the sponsor's role resemble those of traditional IPO underwriters, their compensation structure differs. Traditional IPO underwriters are compensated with a fixed proportion of the offering proceeds while facing litigation risk under public offering rules (Hanley and Hoberg 2012). In contrast, SPAC sponsors receive equity in the post-merger company—known as the promote—typically amounting to 20% of the SPAC shares (Gahng et al. 2023). Although SPAC sponsors also face litigation risk,³ their compensation depends on the future performance of the merged company. This equity-based incentive structure helps explain why SPACs have become an alternative route to the public markets for smaller and riskier companies, whereas traditional IPO underwriters typically take larger, more established firms public (Bai et al. 2021). Repeat sponsors may serve as key intermediaries for companies that take the SPAC route to public markets.

From an investor's perspective, the benefits and costs of investing in SPACs by repeat sponsors remain unexplored. On the one hand, repeat sponsors may possess, or develop through prior SPAC transactions, broad financial expertise, reputational capital and extensive business networks. In a general setting, CEOs with broad financial expertise undertake more acquisitions and achieve better performance outcomes (Xu et al. 2021). In a SPAC setting, Pawliczek et al. (2024) show that more

reputable sponsors raise more proceeds and Chen (2023) and Lin et al. (2025) find that sponsors with larger business networks raise larger SPACs and find merger targets faster. Raising more proceeds gives sponsors access to a larger target pool, thereby increasing the likelihood of a merger. On the other hand, Gofman and Yao (2022) and SEC (2024) argue that conflicts of interest may arise when sponsors govern multiple SPACs simultaneously. These agency costs arise as self-interested sponsors devote more time and effort to SPACs where a merger is more likely, disregarding their other SPACs' shareholders.⁴ As repeat sponsors are involved in more SPACs, we expect these conflicts of interest to be more pronounced for them. Overall, repeat sponsors may benefit from financial expertise, reputation and business networks. However, the agency costs from their involvement in multiple SPACs could hinder performance.

To examine potential benefits and costs of repeat sponsors in the SPAC process, we compile a sample of 1119 SPACs that covers the period between January 2015 and December 2022 and track their performance through the end of 2024. In our analysis, we measure repeat sponsorship using a binary indicator for sponsors that have formed three or more SPACs and a continuous measure equal to the order in which the sponsor formed the SPAC. The binary measure captures differences between repeat and other sponsors, potentially reflecting advantages associated with expertise, reputation and business networks. The continuous measure allows us to assess whether sponsors acquire valuable expertise through a learning-by-doing process.

³The litigation risk is, however, not negligible. For example, shareholders sued Churchill Capital Corp III, alleging that the merger prospectus failed to disclose that the target MultiPlan's largest customer was developing an internal competing solution. Similarly, in another case, shareholders of Social Capital Hedosophia III alleged that the SPAC failed to disclose that the target company was under investigation by the US Department of Justice.

⁴Sponsors may also prioritise SPACs that approach merger deadlines, at the expense of their other SPACs' shareholders.

In our empirical analysis, we begin by examining the operational efficiency of repeat sponsors. We use the speed of the SPAC process and the quality of the proposed merger as indicators of operational efficiency. All else being equal, SPAC investors and private companies prefer faster processes (Lin et al. 2024). We observe that repeat sponsors announce merger targets faster. Further, our results suggest that the negotiation and due diligence processes are also faster for repeat sponsors. Our measure of merger proposal quality is the extent to which SPAC shareholders use their right to redeem their shares (Jenkinson and Sousa 2011). We find that shareholders of SPACs by repeat sponsors redeem fewer shares and that these SPACs are less likely to be liquidated. As such, repeat sponsors not only find merger targets faster but also propose higher-quality targets. Our results also provide evidence consistent with a learning-by-doing process among sponsors.

We continue by studying a potential cost of relying on repeat sponsors, namely, the conflicts of interest that may arise for sponsors simultaneously governing multiple SPACs (Gofman and Yao 2022; SEC 2024). Descriptive statistics indicate that among sponsors forming multiple SPACs, 53% of these SPACs overlap during the target search phase.⁵ When allocating targets, sponsors that govern multiple SPACs can benefit some shareholders while neglecting their other SPACs' shareholders. To analyse the existence of such potential agency costs, we examine SPAC returns around initial filings and IPOs of new SPACs by the same sponsor. Our results show that sponsors' existing SPACs experience negative abnormal returns when the sponsors file or list a new SPAC. We reason that the new SPAC creates a conflict of interest, thereby lowering the value of the existing SPACs.

To evaluate the overall performance of repeat sponsors for SPAC investors, we analyse SPAC returns, which span from the SPAC IPO to either merger completion or liquidation. We examine whether these returns differ for repeat sponsors. Prior research shows that investors in SPACs can earn positive abnormal returns during this period (Gahng et al. 2023). When restricting the analysis to SPACs that successfully complete a merger, we find that SPACs by repeat sponsors generate higher risk-adjusted returns. However, when we broaden the analysis to include both merged and liquidated SPACs and measure sponsor experience using the sequence of SPAC formations rather than the repeat sponsor indicator, the difference in returns is no longer statistically significant.

We also explore long-run post-merger returns. Similar to how newly listed companies often underperform following traditional IPOs (Ritter 1991), SPACs tend to underperform after their merger (Jenkinson and Sousa 2011; Dimitrova 2017; Gahng et al. 2023; Kiesel et al. 2023). Our results confirm the general poor performance of SPACs post-merger, but there is no evidence of a performance difference for SPACs by repeat sponsors.

Additional analyses provide further insight into the behaviour of repeat sponsors. We study how often repeat sponsors, compared to other sponsors, act as directors of the merged

company. In our sample, repeat sponsors are less likely to serve on the board of the merged company. The analyses show that the involvement of sponsors in target companies decreases with the number of SPACs formed by the sponsor. Further, we find that repeat sponsors are less likely to specify a target industry in their SPAC IPO prospectus, instead pursuing targets without industry restrictions. Moreover, relative to other sponsors, repeat sponsors tend to make smaller private investments. Together, these findings suggest that repeat sponsors operate more like ad hoc underwriters, focusing on deal sourcing rather than committing substantial capital or strategic specialisation. In a further set of analyses, we examine how concurrent SPACs affect operational efficiency and performance. Consistent with the market reaction results, we find that the presence of a concurrent SPAC is associated with slower target announcements and a higher likelihood of liquidation.

This study advances the growing literature on SPACs by making the following two contributions. First, we contribute to the literature on SPAC sponsor characteristics (Chen 2023; Del Giudice and Signori 2024; Dimitrova and Fong 2024; Pawliczek et al. 2024; Lin et al. 2025) by examining repeat sponsors. Prior research links sponsor reputation to the number of SPACs raised (Pawliczek et al. 2024; Adami et al. 2025; Chiang et al. 2025) and shows that more experienced sponsors tend to raise larger SPACs, attract greater PIPE financing and complete mergers more quickly. We extend this literature by showing that repeat sponsor team members are less likely to serve as directors, and therefore focus less on monitoring, mentoring and guiding the merged company's management. Further, repeat sponsors pursue targets without industry restrictions and make smaller private investments than other sponsors. Second, our study contributes to the literature on conflicts of interest among SPAC stakeholders. Prior work highlights that the sponsor compensation structure can incentivize sponsors to pursue value-destroying mergers rather than liquidating the SPAC (Jenkinson and Sousa 2011; Dimitrova 2017). We identify an additional agency cost that arises when sponsors manage multiple SPACs simultaneously. We show that investors react negatively when sponsors launch additional SPACs while still managing existing ones, and we document that concurrent SPACs are associated with slower target identification and a higher likelihood of liquidation. These findings suggest that attention constraints and competing incentives may reduce sponsors' effectiveness when overseeing multiple SPACs at the same time.

2 | Institutional Details and Literature

2.1 | Institutional Details

SPACs are blank-check companies formed by sponsors, typically former CEOs, hedge fund managers, investment bankers or private equity partners, to acquire an unidentified private firm. They raise capital through an IPO by issuing units, usually priced at \$10, consisting of one common share and a fraction of a warrant. Sponsors also purchase private placement warrants or units to cover underwriting and administrative costs, while IPO proceeds are placed in an escrow account. If a merger is

⁵ Descriptive statistics are available in Internet Appendix Table IA.2.

completed, sponsors retain about 20% of the SPAC's shares. Otherwise, they forfeit their shares and private placements. This incentive structure may encourage sponsors to prefer completing a merger, even a value-destroying one, over liquidation (Dimitrova 2017).

After listing, sponsors typically have 18–24 months to identify a target (Lewellen 2009). When a target is announced, SPACs often experience positive abnormal returns (Lakicevic and Vulcanovic 2013; Kiesel et al. 2023). Shareholders vote on the proposed merger and may redeem their shares for their pro rata share of the trust account, including accrued interest.

High redemption rates may require additional financing through private investment in public equity (PIPE). If no merger is completed within the allotted timeframe and the deadline is not extended, the SPAC is liquidated and funds are returned to shareholders.

The deSPAC phase begins once the merger is completed, and the combined firm becomes publicly listed. The merged company gains access to escrowed funds, while sponsors may remain involved as directors or advisors (Gahng et al. 2023). However, similar to traditional IPOs, post-merger performance is typically weak, with studies documenting underperformance during the first 1–3 years (Jenkinson and Sousa 2011; Dimitrova 2017; Gahng et al. 2023; Kiesel et al. 2023).

2.2 | Related Literature

Prior research underscores the critical role of sponsors during the SPAC period (Del Giudice and Signori 2024; Pawliczek et al. 2024), as SPAC returns depend on the sponsor's ability to identify a suitable target and structure a favourable merger. Existing studies argue that sponsors leverage their expertise, reputation and networks to enhance SPAC performance (Blomkvist et al. 2022; Dimitrova and Fong 2024; Pawliczek et al. 2024; Lin et al. 2025).

Within this process, sponsors may rely on either industry-specific expertise, valuable primarily within a given sector, or general financial expertise that is transferable across transactions. Xu et al. (2021) show that CEOs with general financial expertise engage in more and better-performing acquisitions. Similarly, Pawliczek et al. (2024) and Chiang et al. (2025) find that sponsors with prior SPAC experience raise more proceeds at the IPO. In contrast, evidence from venture capital suggests that industry-specific expertise is more valuable; Gompers et al. (2009) show that generalist investors exhibit weaker performance due to inferior capital allocation. In line with this literature, we argue that repeat sponsors may possess general financial expertise applicable across SPAC transactions, either as a pre-existing capability or through a learning-by-doing process arising from prior SPAC formations.

The SPAC literature further highlights the importance of sponsor reputation and networks in shaping outcomes. Blomkvist et al. (2022) show that sponsor teams including a former public-company CEO raise significantly greater proceeds, while Del Giudice and Signori (2024) document that

sponsors with Fortune 500 executive experience negotiate more favourable merger terms. Visibility also constitutes an important dimension of reputation; Dimitrova and Fong (2024) find that sponsors with higher public visibility raise more capital and attract greater investor attention. Complementing this view, Lin et al. (2025) link SPAC success to the strength of sponsors' business networks, showing that more connected sponsors raise more proceeds, identify targets more quickly and achieve stronger post-merger performance. However, Chen (2023) finds that while well-connected sponsors improve capital raising and search efficiency, the targets they propose may be of lower quality. Recent work further emphasises that reputation and networks may be embedded within the SPAC ecosystem itself. Dimic et al. (2024) examine ecosystem dynamics around green SPACs, while Gahng et al. (2023) mention the "SPAC mafia," a network of institutional investors that repeatedly participate in SPAC IPOs. As repeat sponsors repeatedly interact within the SPAC ecosystem, by engaging with targets, PIPE investors, and underwriters, they may develop reliable relationships that reduce capital uncertainty and improve deal execution. Repeated participation in the SPAC market may also facilitate learning by doing, enabling sponsors to develop deal-making capabilities over time. In summary, repeat sponsors are likely to possess both more established reputational capital and more extensive networks. Their within-ecosystem connections stem from repeated SPAC activity, while broader networks may arise from prior professional experience.

Despite these potential advantages, repeat sponsors may also entail costs. By definition, repeat sponsors are involved in multiple SPACs, which may give rise to conflicts of interest when sponsors govern several SPACs simultaneously (Gofman and Yao 2022; SEC 2024). Sponsors have incentives to identify the most suitable target for each SPAC, but time and capacity constraints, as well as a finite pool of attractive targets, may lead to prioritisation across SPACs. Gofman and Yao (2022) show that SPAC contract design influences how sponsors allocate targets, raising concerns that sponsors may favour SPACs with higher expected success while neglecting others. In addition, managing multiple SPACs may lead to attention constraints. Prior research shows that distraction reduces performance among financial agents, including institutional investors (Kempf et al. 2017), hedge funds (Lu et al. 2016) and analysts (Han et al. 2024). Similarly, Fich and Shivdasani (2006) find that directors holding multiple board seats are associated with weaker governance outcomes. These findings suggest that repeat sponsors' involvement in multiple SPACs may increase exposure to both conflicts of interest and distraction.

Overall, repeat sponsors may benefit from superior expertise, reputation and networks, but may also face costs related to conflicts of interest and limited attention. Our study examines the benefits and costs of repeat SPAC sponsors.

3 | Data

To construct our sample, we obtain a list of SPACs that completed an IPO between January 2015 and December 2022 from

TABLE 1 | League table.

Panel A: By sequence						
	Count		Proceeds			
	<i>N</i>	%	<i>bn</i>	%		
First	808	72.2	197.2	65.5		
Second	153	13.7	43.6	14.6		
Third	66	5.9	22.8	7.6		
Fourth	36	3.2	15.5	5.1		
≥ Fifth	56	5.0	22.1	7.3		
All	1,119	100.0	301.1	100.0		

Panel B: By sponsor						
Rank	Sponsor	Type	Count		Proceeds	
			<i>N</i>	Cumulative (%)	<i>bn</i>	Cumulative (%)
1	The Gores Group	PE	14	1.3	6.3	2.1
2	Cohen & Company	HF	14	2.5	4.5	3.6
3	Hennessy Capital Group	Ex-CEO	9	3.3	2.3	4.3
4	Michael Klein	IB	8	4.0	7.5	6.8
5	TPG	PE	8	4.7	3.3	7.9
6	Cantor Fitzgerald	IB	8	5.5	2.5	8.7
7	Chardan	VC	8	6.2	0.8	9.0
8	Hedosophia–Social Capital	VC	6	6.7	4.3	10.5
9	Eagle Equity Partners	Ex-CEO	6	7.2	4.4	11.9
10	Fortress Investment Group	PE	6	7.8	2.3	12.7

Note: This table reports descriptive statistics by special purpose acquisition company (SPAC) sequence and for the top sponsors. Panel A reports the number of sponsored SPACs and proceeds raised by Sequence. *Sequence* is a numerical variable equal to the order in which the sponsor formed the SPAC, with SPACs issued on the same date assigned the same ordinal number. Panel B reports the number of SPACs and proceeds raised for the top 10 sponsors. SPAC Research classifies sponsors into the following categories: Ex-Public CEO (Ex-CEO), Family Office (FO), Hedge Fund (HF), Investment Bank (IB), Private Equity Firm (PE), Venture Capital Firm (VC) and Other.

SPAC Research (<https://www.spacresearch.com>).⁶ The list includes 1119 SPACs. We track these SPACs' performance through the end of 2024 by collecting SPAC and merger details from SPAC Research. We use Bloomberg to complement these data, and supplement with price data for units, shares, warrants and rights. We further use the SEC's EDGAR database to complement our dataset with information from S-1s and prospectuses. Finally, we use SPAC Research to identify sponsors.⁷ In our sample, we identify 808 unique sponsors. We use two measures of repeat sponsorship: (i) an indicator variable where we classify sponsors as repeat sponsors (*Repeat Sponsor*) if they have formed three or more SPACs and (ii) a numerical variable equal to the order in which the sponsor formed the SPAC (*Sequence*), with SPACs issued on the same date assigned the same ordinal number.⁸

Table 1 presents the composition of the sample. Panel A reports the distribution of SPACs by *Sequence*. The sample includes 808 SPACs formed by first-time sponsors, 153 SPACs formed by second-time sponsors and the remaining 158 SPACs formed by sponsors who have previously formed two or more SPACs. Panel

B reports a sponsor league table. In our sample, Gores and Cohen & Company are the most active sponsors, each having raised 14 SPACs, raising \$6.3 billion and \$4.5 billion in total, respectively. The scale of these sponsors' operations is comparable to that of traditional IPO underwriters like Wells Fargo & Co and Deutsche Bank, which underwrote 19 and 11 traditional IPOs, respectively, during the same period. The ten most active sponsors account for 7.8% of all SPACs in the sample and 12.7% of total proceeds. Panel B also reports the sponsor type. While no clear pattern emerges, half of the top ten sponsors are affiliated with either private equity or venture capital firms.

Table 2 provides summary statistics for sponsor and SPAC characteristics. In our sample, 291 SPACs (26%) are classified as having a *Repeat Sponsor*. The average *Sequence* is 1.67. The average SPAC in our sample has 5.59 directors (*Board Size*) with an average age of 53.69 years (*Board Age*). In 18% of the SPACs, the chairperson owns the majority of the sponsor shares (*Power Concentration*). Table 2 shows that the average SPAC raises proceeds of \$270 million (*Proceeds*). Similar to Gahng et al. (2023), we find that sponsors, on average, purchase private

⁶Since 2015, SPAC Research has collected data on SPACs. After 2010, the SPAC structure fundamentally changed. Our sample is representative of the modern SPAC, because only 38 SPACs were listed during the period 2010 to 2014 (Gahng et al. 2023).

⁷We rely on SPAC Research's classification of SPAC families to assign SPACs to their respective sponsors. SPAC families usually centre around one or a few key members.

⁸In Internet Appendix Table IA.1, we estimate a model of the likelihood of becoming a repeat sponsor. The results suggest that observable sponsor or SPAC characteristics do not predict which first-time sponsors become repeat sponsors. However, measures of operational efficiency during the SPAC period exhibit some predictive power: first-time sponsors that announce targets faster and experience lower redemption rates are more likely to become repeat sponsors.

TABLE 2 | Summary statistics.

	Obs.	Mean	SD	25th	Median	75th
Sponsor characteristics						
Repeat Sponsor (0/1)	1119	0.26	0.44	0.00	0.00	1.00
Sequence	1119	1.67	1.59	1.00	1.00	2.00
Board Age	1119	53.69	6.09	49.60	54.00	58.00
Board Size	1119	5.59	1.26	5.00	5.00	6.00
Power Concentration (0/1)	1119	0.18	0.38	0.00	0.00	0.00
SPAC characteristics						
Forward Contract (0/1)	1119	0.10	0.30	0.00	0.00	0.00
General Target (0/1)	1119	0.28	0.45	0.00	0.00	1.00
Proceeds (bn)	1119	0.27	0.22	0.15	0.23	0.32
Sponsor Investment (%)	1119	3.49	1.18	2.65	3.01	4.33
Underwriter Rank	1119	6.94	1.81	6.00	8.00	8.50
Warrant Coverage	1119	0.21	0.17	0.04	0.19	0.30
SPAC period characteristics						
Announcement Duration (100d)	601	3.71	2.37	1.69	3.26	5.30
Liquidated (0/1)	1005	0.40	0.49	0.00	0.00	1.00
Merger Duration (100d)	601	2.13	1.32	1.39	1.74	2.40
PIPE (%)	1005	32.63	67.17	0.00	0.00	43.32
Redemption Rate (%)	601	66.33	36.71	39.80	84.30	96.70
SPAC Duration (100d)	601	5.84	2.73	3.49	5.48	7.71
SPAC Return (p.a., %)	1005	6.63	38.45	−3.41	6.63	12.23
deSPAC characteristics						
Sponsor Representation I (%)	601	22.03	21.44	0.00	20.00	28.57
Sponsor Representation II (%)	601	17.08	17.11	0.00	14.29	22.22
deSPAC Return (p.a., %)	525	−53.43	54.58	−86.83	−69.72	−37.71
Revenue (0/1)	525	0.86	0.35	1.00	1.00	1.00
Profitable (0/1)	525	0.20	0.40	0.00	0.00	0.00

Note: This table reports summary statistics for the sample of 1119 SPACs. The variables are defined in Appendix A. Abbreviations: SD, standard deviation; SPACs, special purpose acquisition companies.

securities for an amount equal to 3.49% of the proceeds (*Sponsor Investment*). Of the SPACs in our sample, 28% have not specified a target industry (*General Target*). The average *Underwriter Rank* in our sample is 6.94. The average duration between the IPO and target announcement is 371 days (*Announcement Duration*).

Table 2 further shows that our sample contains 1005 completed or liquidated SPACs and of these, 60% completed a merger and 40% liquidated (*Liquidated*). On average, 584 days elapse between the IPO and the merger (*SPAC Duration*), and SPAC shareholders redeem 66.33% of SPAC shares prior to these mergers (*Redemption Rate*). The average risk-adjusted annualised SPAC period return is 6.63% (*SPAC Return*).⁹ We consider these returns high given the downside protection embedded in the SPAC structure through the option to redeem the common share. In the deSPAC period, on average 22.03% of sponsor team members serve as directors of the merged company (*Sponsor Representation I*); the (untabulated) median number of sponsor members serving as directors on the

new board is one. On an average new board, 17.08% of the directors are prior sponsor team members (*Sponsor Representation II*). For the 525 SPACs with 1 year of deSPAC returns, we calculate the variable *deSPAC Return* as the difference between deSPAC stock returns and Russell 2000 Index returns. We find similar long-term underperformance as earlier studies (Jenkinson and Sousa 2011; Dimitrova 2017; Gahng et al. 2023; Kiesel et al. 2023). A majority of target companies have revenue (*Revenue*), 86%, while only a minority, 20%, are profitable (*Profitable*).

Table 3 reports summary statistics for sponsors by type—repeat or other—and presents *t*-tests of univariate differences in means. We first compare sponsor characteristics, including *Board Age*, *Board Size*, and *Power Concentration*. SPAC board composition is similar across sponsor types, with no statistically significant differences.

Next, we report results for SPAC structure characteristics. We observe differences between sponsor types for several variables.

⁹When calculating annualised unit SPAC period returns, we follow Gahng et al. (2023). To calculate the unit price at the end of the SPAC period, we use the maximum of the share price 5 days before the merger closure and the redemption value of the shares plus the price 5 days before the merger closure of the warrant and the rights included in the unit. Following Dimitrova (2017), we calculate risk-adjusted returns as the difference between unit returns and Russell 2000 Index returns. To obtain the annualised returns, we adjust for the length of the SPAC period.

TABLE 3 | Summary statistics by sponsor type.

	Repeat sponsor			Other sponsor			Difference	
	N	Mean	SD	N	Mean	SD	Mean	t-statistic
Sponsor Characteristics								
Board Age	291	54.23	6.21	828	53.50	6.04	0.73	(1.73)
Board Size	291	5.72	1.38	828	5.55	1.22	0.17	(1.84)
Power Concentration (0/1)	291	0.22	0.41	828	0.17	0.37	0.05	(1.77)
SPAC Characteristics								
Forward Contract (0/1)	291	0.13	0.33	828	0.09	0.28	0.04	(1.78)
General Target (0/1)	291	0.36	0.48	828	0.25	0.43	0.11***	(3.44)
Proceeds (bn)	291	0.35	0.26	828	0.24	0.19	0.11***	(6.74)
Sponsor Investment (%)	291	2.94	0.78	828	3.68	1.23	−0.74***	(−11.75)
Underwriter Rank	291	7.38	1.55	828	6.78	1.86	0.60***	(5.38)
Warrant Coverage	291	0.16	0.13	828	0.23	0.18	−0.07***	(−7.11)
SPAC Period Characteristics								
Announcement Duration (100d)	199	3.08	2.12	402	4.02	2.43	−0.94***	(−4.87)
Liquidated (0/1)	281	0.29	0.46	724	0.45	0.50	−0.15***	(−4.66)
Merger Duration (100d)	199	1.72	0.85	402	2.34	1.46	−0.62***	(−6.62)
PIPE (%)	281	45.48	66.76	724	27.64	66.71	17.84***	(3.80)
Redemption Rate (%)	199	49.06	39.32	402	74.88	32.12	−25.83***	(−8.03)
SPAC Duration (100d)	199	4.80	2.32	402	6.36	2.78	−1.57***	(−7.29)
SPAC Return (p.a., %)	281	9.01	50.41	724	5.71	32.65	3.30	(1.02)
deSPAC Characteristics								
Sponsor Representation I (%)	199	20.79	21.92	402	22.64	21.20	−1.85	(−0.98)
Sponsor Representation II (%)	199	15.70	15.86	402	17.76	17.67	−2.06	(−1.44)
deSPAC Return (p.a., %)	186	−38.64	68.17	339	−61.55	43.45	22.91***	(4.15)
Revenue (0/1)	186	0.89	0.32	339	0.84	0.37	0.05	(1.52)
Profitable (0/1)	186	0.20	0.40	339	0.20	0.40	0.00	(0.12)

Note: This table reports summary statistics by sponsor type. Repeat Sponsor is an indicator variable that takes the value of one if the sponsor has formed three or more SPACs and zero otherwise. The variables are defined in Appendix A. Abbreviations: SD, standard deviation; SPACs, special purpose acquisition companies.

Proceeds are 110 million higher for SPACs by repeat sponsors, a difference that is statistically significant at the 1% level. The difference is notable given that repeat sponsors invest less per SPAC, as evident in *Sponsor Investment*. Repeat sponsors also use more reputable underwriters than other sponsors.

We continue by analysing summary statistics for SPAC period operational characteristics by sponsor type. Repeat sponsors announce a target, on average, 308 days after the IPO, which is 94 days earlier than other sponsors. The time between the target announcement and merger completion (*Merger Duration*) is also 62 days shorter for repeat sponsors than for other sponsors. The univariate results further suggest that repeat sponsors make greater use of PIPE financing in their merger deals. There is also evidence that repeat sponsors propose higher-quality deals. Out of all resolved SPACs, 29% of SPACs by repeat sponsors are liquidated, while the corresponding number for other sponsors is 45%. In addition, shareholders of SPACs by repeat sponsors redeem 25.83 percentage points less compared to shareholders of SPACs by other sponsors. Finally, we examine annualised abnormal SPAC period returns (*SPAC Return*), which we calculate by subtracting Russell 2000 Index

returns from unit returns. While the univariate return difference between sponsor types is economically meaningful at 3.30 percentage points, it is statistically insignificant. Overall, the univariate statistics suggest that SPACs by repeat sponsors are more operationally efficient and propose better merger deals.

In Table 3, we also report summary statistics for deSPAC characteristics by sponsor type. The univariate results suggest that SPACs by repeat sponsors outperform other sponsors, with a statistically significant return difference of 22.91 percentage points (*t*-stat 4.15). Other variables are not statistically different between sponsor types.

4 | Results

4.1 | Sponsors and SPAC Period Performance

We begin our analysis by studying the operational efficiency of repeat sponsors. We further examine whether conflicts of interest arise when sponsors simultaneously govern multiple SPACs. To get an overall assessment of repeat sponsor performance, we study shareholder returns during the SPAC period.

TABLE 4 | Operational efficiency.

Panel A: Announcement and merger duration				
	Announcement duration (100d)		Merger duration (100d)	
	(1)	(2)	(3)	(4)
Repeat Sponsor (0/1)	−1.08*** (−9.29)		−0.25** (−2.88)	
Sequence		−0.12*** (−6.66)		−0.04* (−2.01)
Sponsor characteristics				
Board Age (10y)	−0.19 (−1.39)	−0.16 (−1.35)	−0.17 (−1.80)	−0.16 (−1.80)
Board Size	0.08 (1.81)	0.04 (0.80)	−0.00 (−0.19)	−0.01 (−0.63)
Power Concentration (0/1)	−0.07 (−0.46)	−0.14 (−0.82)	0.21 (0.95)	0.20 (0.93)
SPAC characteristics				
Forward Contract (0/1)	0.16 (1.04)	0.08 (0.41)	−0.07 (−1.15)	−0.09 (−1.55)
log(Proceeds)	0.19 (0.64)	0.16 (0.55)	−0.04 (−0.89)	−0.04 (−0.90)
Sponsor Investment (%)	0.17 (1.54)	0.24* (2.21)	0.05 (0.98)	0.06 (1.37)
Underwriter Rank	0.12 (0.90)	0.12 (0.87)	−0.12* (−2.14)	−0.12* (−2.16)
Warrant Coverage	0.26 (0.46)	0.49 (0.87)	0.38** (3.06)	0.42*** (3.67)
Constant	2.13** (3.17)	1.92** (2.73)	3.78*** (4.82)	3.72*** (5.16)
Target Industry FE	Yes	Yes	Yes	Yes
IPO Year FE	Yes	Yes	Yes	Yes
Adj. R-squared	0.21	0.17	0.29	0.28
Observations	601	601	601	601
Panel B: Redemption rate and liquidation				
	Redemption Rate (%)		Liquidated (0/1)	
	(1)	(2)	(3)	(4)
Repeat Sponsor (0/1)	−8.44** (−3.22)		−0.11** (−3.03)	
Sequence		−2.66** (−3.46)		0.01 (1.53)
Sponsor characteristics				
Board Age (10y)	1.62 (1.00)	2.14 (1.19)	−0.00 (−0.31)	−0.00 (−0.38)
Board Size	1.27 (1.62)	1.14 (1.40)	0.01** (2.56)	0.00 (0.67)
Power Concentration (0/1)	−3.08* (−1.98)	−3.16* (−2.23)	−0.01 (−0.35)	−0.02 (−0.67)
SPAC characteristics				
Forward Contract (0/1)	−2.37	−3.50	−0.12***	−0.13***
(Continues)				

TABLE 4 | (Continued)

Panel B: Redemption rate and liquidation				
	Redemption Rate (%)		Liquidated (0/1)	
	(1)	(2)	(3)	(4)
	(−0.64)	(−0.99)	(−7.51)	(−6.42)
log(Proceeds)	−4.81*	−4.51	0.08***	0.07***
	(−2.11)	(−1.75)	(4.85)	(4.09)
Sponsor Investment (%)	0.63	1.03	0.03**	0.04***
	(0.46)	(0.73)	(3.47)	(3.66)
Underwriter Rank	0.02	−0.14	0.03**	0.03**
	(0.07)	(−0.55)	(2.63)	(2.88)
Warrant Coverage	9.19	9.12	−0.05	−0.00
	(1.21)	(1.20)	(−0.99)	(−0.07)
SPAC period characteristics				
Announcement Duration (100d)	2.30*	2.45*		
	(2.17)	(2.15)		
Constant	64.90*	61.96*	−0.35	−0.35*
	(2.04)	(1.96)	(−1.85)	(−2.04)
Target Industry FE	No	No	Yes	Yes
Merger Industry FE	Yes	Yes	No	No
IPO Year FE	No	No	Yes	Yes
Merger Year FE	Yes	Yes	No	No
Adj. R-squared	0.44	0.44	0.20	0.19
Observations	601	601	1,005	1,005

Note: This table examines the association between repeat sponsors and operational efficiency. Panel A reports regression results where Announcement Duration and Merger Duration are regressed on sponsor and special purpose acquisition company (SPAC) characteristics. Announcement Duration is the number of days between the IPO and the target announcement. Merger Duration is the number of days between the target announcement and the merger completion. Repeat Sponsor is an indicator variable that takes the value of one if the sponsor has formed three or more SPACs and zero otherwise. Sequence is a numerical variable equal to the order in which the sponsor formed the SPAC, with SPACs issued on the same date assigned the same ordinal number. Panel B reports regression results where Redemption Rate and Liquidated are regressed on sponsor and SPAC characteristics. Redemption Rate is the number of redeemed shares divided by the number of public shares. Liquidated is an indicator variable that takes the value of one if the SPAC was liquidated and zero otherwise. All other variables are defined in Appendix A. *t*-statistics, reported in parentheses, are based on standard errors clustered by IPO year. The *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

We assume that sponsors matter and that they affect the operational efficiency of SPACs, but we still do not know much about how. We use the speed of the SPAC process (Lin et al. 2025) and the quality of the proposed merger (Jenkinson and Sousa 2011) as proxies for operational efficiency. Pawliczek et al. (2024) and Chiang et al. (2025) show that SPAC sponsors with a stronger reputation raise larger SPACs. In the traditional company setting, Xu et al. (2021) show that managers with more general financial expertise conduct more acquisitions with better long-term returns. Managers with more general knowledge have lower information collection costs, which eases the search for target companies. In the SPAC setting, Chen (2023) and Lin et al. (2025) report that sponsors with larger business networks find and merge with target companies faster. We expect that repeat sponsors use their financial expertise, reputation and business network to benefit the search process and the merger negotiation.

In Panel A of Table 4, we examine the association between repeat sponsors and the speed of the SPAC process. Column (1) of Panel A reports the results with *Announcement Duration* as the dependent variable. The coefficient on *Repeat Sponsor* is −1.08 (*t*-stat −9.29). In economic terms, the coefficient suggests that repeat sponsors announce targets, on average, 108 days

faster than other sponsors. When *Sequence* is used as the independent variable of interest, in column (2), the coefficient suggests that one additional prior SPAC by the sponsor reduces the average number of days from IPO to target announcement by 12. In column (3), with *Merger Duration* as the dependent variable, the coefficient on *Repeat Sponsor* is negative and statistically significant (−0.25, *t*-stat −2.88). The results in column (4) also suggest that sponsors with prior experience of governing SPACs have a shorter duration between target announcement and merger completion. While the *Announcement Duration* regressions capture repeat sponsors' ability to identify targets and reach initial agreements, the *Merger Duration* results indicate that they are also more efficient in completing final negotiations and securing PIPE. Overall, repeat sponsors identify merger targets and complete mergers faster than other sponsors, suggesting increased operational efficiency.

Panel B of Table 4 reports results when the dependent variable proxies for merger proposal quality. We use redemption rate and an indicator variable for SPAC liquidation as merger proposal quality measures. SPAC shareholders have the option to redeem and receive \$10 plus accrued interest (their pro rata share of proceeds in the escrow account). Higher redemption rates

indicate that shareholders prefer the cash over shares in the newly merged company. Jenkinson and Sousa (2011) suggest that shareholder redemption rate is a proxy for merger proposal quality. Our second measure of merger proposal quality is an indicator variable for liquidation. SPACs may be liquidated either because of high redemption rates or for not finding a target company to propose.¹⁰ Column (1) of Panel B reports coefficients from a regression where *Repeat Sponsor* is the independent variable of interest and *Redemption Rate* is the dependent variable. The coefficient on *Repeat Sponsor* (−8.44, *t*-stat −3.22) suggests that SPACs by repeat sponsors, on average, have an 8.44 percentage point lower redemption rate. Column (2) shows that sponsors with more experience of prior SPACs have lower redemption rates. Column (3) shows that SPACs by repeat sponsors are 11 percentage points less likely to be liquidated (*t*-stat −3.03).¹¹ Taken together, the coefficients for *Repeat Sponsor* and *Sequence* in Panel B indicate higher-quality merger proposals by repeat sponsors. In summary, Table 4 shows that repeat sponsors have a faster SPAC process and propose higher-quality mergers. These results suggest better operational efficiency for SPACs by repeat sponsors. The positive association between *Sequence* and our operational efficiency measures further suggests that the superior performance at least partially stems from a learning-by-doing mechanism.

Repeat sponsors exhibit greater operational efficiency during the SPAC period with faster SPAC processes and higher-quality merger proposals. However, Gofman and Yao (2022) and the SEC (2024) raise concerns about agency costs that could affect repeat sponsors, namely, conflicts of interest that may arise if sponsors simultaneously govern multiple SPACs searching for a target company. Repeat sponsors may form SPACs either sequentially or in parallel. The descriptive statistics in Internet Appendix Table IA.2 indicate that SPACs sponsored by sponsors forming multiple SPACs are commonly governed in parallel. Of the 466 SPACs sponsored by sponsors that formed multiple SPACs, 53% overlap with at least one other SPAC managed by the same sponsor, when both SPACs are in the pre-announcement period.¹² Such overlap may give rise to conflicts of interest, which sponsors could mitigate by varying team composition across SPACs. Nonetheless, (untabulated) descriptive statistics indicate substantial overlap in sponsor team membership across SPACs managed by the same sponsor.¹³ Sponsors' time and capacity are limited, and the pool of suitable targets is finite. Sponsors may devote relatively more time and effort to SPACs where a merger is likelier or where they have stronger financial incentives (Gofman and Yao 2022), potentially disregarding their other SPACs' shareholders. By examining market reactions to sponsors announcing and forming a new SPAC, we study the existence of such conflicts of interest.

Table 5 reports cumulative abnormal returns (CARs) for SPACs without an announced merger proposal when their sponsors file an S-1 or conduct a new SPAC IPO. To calculate CARs, we

TABLE 5 | Market reaction.

	Event	
	Filing	IPO
Panel A: Student's <i>t</i>-Test		
CAR[−3, 3]	−0.44***	−0.83***
<i>t</i> -value	(−3.74)	(−6.58)
Observations	260	207
CAR[−5, 5]	−0.84***	−0.87***
<i>t</i> -value	(−5.75)	(−5.46)
Observations	257	205
CAR[−10, 10]	−1.71***	−1.68***
<i>t</i> -value	(−6.76)	(−8.83)
Observations	243	193
Panel B: Wilcoxon Signed-Rank Test		
CAR[−3, 3] > 0	113	79
CAR[−3, 3] ≤ 0	147	128
<i>z</i> -value	(−2.65***)	(−4.45***)
CAR[−5, 5] > 0	90	75
CAR[−5, 5] ≤ 0	167	130
<i>z</i> -value	(−4.59***)	(−3.81***)
CAR[−10, 10] > 0	69	56
CAR[−10, 10] ≤ 0	174	137
<i>z</i> -value	(−5.98***)	(−5.84***)

Note: This table examines market reactions to new special purpose acquisition company (SPAC) filings and IPOs. Panel A reports cumulative abnormal returns (CARs) for symmetric event windows spanning three, five, and ten days before and after the events. The CARs are the difference between unit returns and our pre-announcement SPAC index, an equally weighted index of all SPACs that have yet to announce their merger target. The events are sponsors' initial SPAC filings and IPOs. Panel A also reports *t*-statistics in parentheses. Panel B reports the frequency of CARs greater than zero and less than or equal to zero, along with *z*-statistics based on the Wilcoxon signed-rank test in parentheses. The *, ** and *** denote statistical significance at the 10%, 5% and 1% levels, respectively.

subtract pre-announcement SPAC index returns from unit returns.¹⁴ We use three different CAR windows, the shortest being 7 days and the longest 21 days around the event. The relatively long event windows are necessary due to the low liquidity of SPAC units before the merger target announcement. In Panel A of Table 5, where we use *t*-tests, the results for CAR[−3, 3] suggest that SPACs have abnormally negative returns around their sponsors' filing of new SPAC S-1s (−0.44, *t*-stat −3.74) and new SPAC IPOs (−0.83, *t*-stat −6.58). Panel A also reports statistically significant abnormally negative returns for CAR[−5, 5] and CAR[−10, 10]. The estimate for CAR[−10, 10] around the filing of a new S-1 is −1.71 (*t*-stat −6.76). We consider the estimate economically important given that the reaction occurs for a SPAC without an announced target. For example, the average SPAC raises \$270 million in proceeds; a 1.71% decline corresponds to a value loss of approximately \$4.62 million. At the time of the event,

¹⁰Using a sample of only SPACs having announced a target, we find (untabulated) results quantitatively and qualitatively similar to column (4) in Panel B of Table 4.

¹¹The coefficients are estimated using a linear probability model. We obtain similar (untabulated) results with probit and logit regressions.

¹²Descriptive statistics are available in the Internet Appendix Table IA.2.

¹³Assuming five sponsor team members per SPAC, the (untabulated) descriptive statistics indicate that a sponsor managing two SPACs employs seven unique individuals, while a sponsor managing 14 SPACs employs 28 unique individuals to fill a total of 70 sponsor team positions.

¹⁴Our equally weighted pre-announcement SPAC index comprises all SPACs that have yet to announce a target.

TABLE 6 | SPAC period returns.

	SPAC return (p.a., %)			
	Liquidated/Merged		Merged	
	(1)	(2)	(3)	(4)
Repeat Sponsor (0/1)	3.59 (1.63)		4.82* (2.11)	
Sequence		0.74 (1.14)		1.67 (1.38)
Sponsor characteristics				
Board Age (10y)	0.45 (0.54)	0.33 (0.45)	0.70 (0.67)	0.41 (0.38)
Board Size	−0.71 (−0.68)	−0.64 (−0.61)	−1.14 (−0.73)	−1.10 (−0.66)
Power Concentration (0/1)	1.92 (0.81)	1.86 (0.86)	4.21 (0.93)	4.22 (1.01)
SPAC characteristics				
Forward Contract (0/1)	2.87 (1.22)	3.15 (1.19)	4.59 (1.24)	5.20 (1.27)
log(Proceeds)	0.32 (0.13)	0.38 (0.15)	−1.41 (−0.34)	−1.67 (−0.39)
Sponsor Investment (%)	0.68 (0.33)	0.60 (0.29)	−1.94 (−0.46)	−2.16 (−0.51)
Underwriter Rank	−0.23 (−0.36)	−0.22 (−0.34)	−0.58 (−0.46)	−0.51 (−0.43)
Warrant Coverage	4.36 (0.75)	4.12 (0.66)	2.06 (0.29)	2.10 (0.27)
Constant	2.25 (0.12)	2.14 (0.12)	22.63 (0.55)	24.37 (0.59)
Target Industry FE	Yes	Yes	Yes	Yes
Merger Year FE	Yes	Yes	Yes	Yes
Adj. R-squared	0.08	0.08	0.08	0.08
Observations	1005	1005	601	601

Note: This table examines the association between repeat sponsors and special purpose acquisition company (SPAC) period returns. The table reports regression results where SPAC Return is regressed on sponsor and SPAC characteristics. SPAC Return is the difference between SPAC period unit returns and Russell 2000 Index returns. We use Repeat Sponsor and Sequence as two measures of the independent variable repeat sponsor. Repeat Sponsor is an indicator variable that takes the value of one if the sponsor has formed three or more SPACs and zero otherwise. Sequence is a numerical variable equal to the order in which the sponsor formed the SPAC, with SPACs issued on the same date assigned the same ordinal number. All other variables are defined in Appendix A. *t*-statistics, reported in parentheses, are based on standard errors clustered by IPO year. The *, ** and *** denote statistical significance at the 10%, 5% and 1% levels, respectively.

the SPAC holds only cash, implying that the change in valuation reflects updated expectations regarding the sponsor's future value creation. In Panel B, we use Wilcoxon signed-rank tests, which are less sensitive to outliers. The results confirm the evidence in Panel A that SPAC units, on average, have negative abnormal returns if their sponsors file or conduct an IPO for a new SPAC. We view these results as an indication that SPAC investors are negatively affected by the conflicts of interest emerging from their sponsors' involvement in other SPACs.

Next, we examine returns over the SPAC period for vehicles sponsored by repeat sponsors. Returns offer an objective and comprehensive measure of SPAC performance. Prior evidence in Gahng et al. (2023) documents abnormally high SPAC period returns for SPACs listed between 2010 and 2020.

Table 6 reports results for our SPAC returns regression. Specifically, we measure SPAC performance as the difference between SPAC period unit returns and returns on the Russell 2000 Index. Columns (1) and (2) use the full sample of merged and liquidated SPACs. In this specification, the main independent variables are *Repeat Sponsor* and *Sequence*. In the first two columns, both variables have positive coefficients. However, neither estimate is statistically significant in the sample of 1005 observations. Columns (3) and (4) restrict the analysis to the 601 SPACs that successfully completed a merger. In this subsample, the coefficient on *Repeat Sponsor* is 4.82 (*t*-stat 2.11), indicating economically and statistically significant outperformance during the SPAC period. While the coefficient on *Sequence* remains positive, it is not statistically distinguishable from zero. Overall, the evidence provides only limited support for superior SPAC period performance by

repeat sponsors,¹⁵ with statistically significant effects emerging only within the subset of completed mergers.

4.2 | Sponsors and deSPAC Period Performance

We also examine the performance after the merger. Gahng et al. (2023) and Kiesel et al. (2023) show that SPACs, similar to traditional IPOs, underperform for one to 3 years after the merger. We examine whether SPACs by repeat sponsors have higher returns after merger completion. If repeat sponsors conduct more thorough due diligence of the target company, we may expect better post-merger performance for SPACs by repeat sponsors.

In Table 7, we examine the association between repeat sponsors and deSPAC returns. We use *deSPAC Return* as the dependent variable and follow Gahng et al. (2023) when selecting control variables. Column (1) shows an insignificant coefficient on *Repeat Sponsor* (8.58, *t*-stat 1.03). The coefficients of control variables indicate that redemption rate (*Redemption Rate*) and SPAC period return (*SPAC Return*) are negatively associated with stock returns after the merger. SPACs using a more reputable underwriter (*Underwriter Rank*) and merging with a target with positive net income (*Profitable*) have a higher *deSPAC Return*. In column (2), we estimate the regression with *Sequence* instead of *Repeat Sponsor* as our variable of interest. The coefficient on *Sequence* is negative but statistically insignificant. In summary, we are unable to find evidence of a relationship between repeat sponsors and long-run SPAC returns.

4.3 | Additional Analyses

Our additional analyses explore the characteristics of repeat sponsors. We further investigate whether the simultaneous management of multiple SPACs adversely affects SPAC performance.

We begin our analysis by studying repeat sponsor team members' involvement as directors of the target company after the merger. We expect that repeat sponsors invest less human capital in the merged company. Gahng et al. (2023) suggest that one advantage of going public through a SPAC merger instead of a traditional IPO is the potential mentorship and guidance the company's management receives from SPAC sponsors. As directors, sponsor team members may enhance value by monitoring, mentoring, and guiding management. Of course, serving as directors requires an investment of human capital from the sponsors.¹⁶ The willingness to invest human capital in the merged company may differ across sponsor types. Repeat sponsors may prefer to use their human capital to form a new SPAC given high past sponsor returns (Gahng et al. 2023). If repeat sponsors are less willing to invest human capital in the company after the merger, we expect fewer sponsor team members to become directors of the merged company.

TABLE 7 | deSPAC period returns.

	deSPAC return (p.a., %)	
	(1)	(2)
Repeat Sponsor (0/1)	8.58 (1.03)	
Sequence		−1.18 (−1.61)
SPAC period characteristics		
Redemption Rate (%)	−0.23*** (−3.78)	−0.26*** (−3.87)
SPAC Duration (100d)	−1.35 (−1.30)	−1.68 (−1.39)
SPAC Return (p.a., %)	−0.09*** (−4.95)	−0.09*** (−4.74)
Underwriter Rank	1.98* (2.05)	2.07* (1.91)
Warrant Coverage	−18.25 (−1.78)	−22.02* (−2.06)
deSPAC characteristics		
Revenue (0/1)	−7.18 (−0.84)	−6.43 (−0.80)
Profitable (0/1)	11.26* (2.07)	10.62* (2.06)
Constant	−35.71*** (−3.70)	−26.75* (−2.21)
Merger Industry FE	Yes	Yes
Merger Year FE	Yes	Yes
Adj. R-squared	0.19	0.19
Observations	525	525

Note: This table examines the association between repeat sponsors and deSPAC period returns. The table reports regression results where deSPAC Return is regressed on special purpose acquisition company (SPAC) and deSPAC characteristics. deSPAC Return is the difference between deSPAC stock returns and Russell 2000 Index returns. We use Repeat Sponsor and Sequence as two measures of the independent variable repeat sponsor. Repeat Sponsor is an indicator variable that takes the value of one if the sponsor has formed three or more SPACs and zero otherwise. Sequence is a numerical variable equal to the order in which the sponsor formed the SPAC, with SPACs issued on the same date assigned the same ordinal number. All other variables are defined in Appendix A. *t*-statistics, reported in parentheses, are based on standard errors clustered by merger year. The *, **, and *** denote statistical significance at the 10%, 5% and 1% levels, respectively.

To formally test our expectations, we regress our measures of human capital investment on our repeat sponsor variables and control variables. We use *Sponsor Representation I* and *Sponsor Representation II* as measures of human capital investments. Table 8 reports the results. In column (1) of Table 8, where the dependent variable is the fraction of the sponsor members serving as directors, the coefficient on *Repeat Sponsor* is −3.61 (*t*-stat −2.04),¹⁷ indicating that repeat sponsors invest less

¹⁵We also examine unit returns around key events during the SPAC period. Results (untabulated) show that repeat sponsors are associated with higher first-day IPO returns. In contrast, (untabulated) analyses show no statistically significant difference in market reactions to target announcements between repeat sponsors and other sponsors.

¹⁶According to the recommendation of the National Association of Corporate Directors, each director should devote at least 160 h per year to the appointment.

¹⁷Sponsors' investment of human capital in the newly merged company declines monotonically over the sample period. In the multivariate regression models, merger year fixed effects absorb the spurious time trend. As a result, the coefficients on *Repeat Sponsor* are significant, despite insignificant differences in the univariate tests.

TABLE 8 | deSPAC directorship.

	SPAC sponsors on deSPAC board			
	Sponsor representation I (%)		Sponsor representation II (%)	
	(1)	(2)	(3)	(4)
Repeat Sponsor (0/1)	−3.61*		−3.20**	
	(−2.04)		(−2.52)	
Sequence		−1.75***		−1.38***
		(−4.52)		(−4.98)
Sponsor characteristics				
Board Age (10y)	4.61***	4.90***	3.27**	3.51***
	(4.05)	(4.66)	(3.34)	(3.84)
Board Size	−0.85	−0.84	1.86**	1.85**
	(−1.25)	(−1.29)	(2.58)	(2.66)
Power Concentration (0/1)	−0.23	−0.09	0.42	0.49
	(−0.09)	(−0.04)	(0.22)	(0.26)
SPAC characteristics				
Forward Contract (0/1)	−2.53*	−3.11**	−0.33	−0.80
	(−1.91)	(−2.38)	(−0.26)	(−0.63)
log(Proceeds)	3.79	4.13	1.32	1.55
	(1.57)	(1.71)	(0.80)	(0.94)
Sponsor Investment (%)	−0.92	−0.74	−0.73	−0.57
	(−0.83)	(−0.62)	(−0.75)	(−0.55)
Underwriter Rank	−0.88	−0.98	−0.60*	−0.68**
	(−1.48)	(−1.75)	(−1.93)	(−2.38)
Warrant Coverage	8.74**	8.21**	6.22	5.91
	(2.55)	(2.71)	(1.80)	(1.81)
SPAC period characteristics				
PIPE (%)	0.00	0.00	−0.01	−0.01
	(0.28)	(0.15)	(−0.89)	(−0.92)
Redemption Rate (%)	−0.03	−0.03*	−0.02	−0.02
	(−1.58)	(−1.89)	(−1.02)	(−0.95)
Constant	−10.00	−11.27	−11.89	−12.98
	(−0.51)	(−0.57)	(−0.69)	(−0.75)
Merger Industry FE	Yes	Yes	Yes	Yes
Merger Year FE	Yes	Yes	Yes	Yes
Adj. R-squared	0.16	0.17	0.13	0.13
Observations	601	601	601	601

Note: This table examines the association between repeat sponsors and deSPAC board composition. The table reports regression results where these two measures of deSPAC board composition are regressed on sponsor and special purpose acquisition company (SPAC) characteristics. Sponsor Representation I is the fraction of sponsor team members who serve as directors of the target company. Sponsor Representation II is the fraction of the merged company's directors who are former sponsor team members. We use Repeat Sponsor and Sequence as two measures of the independent variable repeat sponsor. Repeat Sponsor is an indicator variable that takes the value of one if the sponsor has formed three or more SPACs and zero otherwise. Sequence is a numerical variable equal to the order in which the sponsor formed the SPAC, with SPACs issued on the same date assigned the same ordinal number. All other variables are defined in Appendix A. *t*-statistics, reported in parentheses, are based on standard errors clustered by merger year. The *, ** and *** denote statistical significance at the 10%, 5% and 1% levels, respectively.

human capital in the newly merged company. In column (2), the independent variable of interest is *Sequence*. We observe that the number of sponsor team members that serve as directors on the new board decreases with the number of SPACs formed by the sponsor. Column (3) also reports a negative coefficient on *Repeat Sponsor* (−3.20, *t*-stat −2.52), where the dependent variable is the fraction of the merged company directorships held by the sponsor team. In column (4), the coefficient on *Sequence* is negative and statistically significant,

suggesting that team members of sponsors who have formed more SPACs hold fewer director positions in the merged company. The coefficient in column (4) suggests that for every additional SPAC the sponsors form, the fraction of directorships taken by the sponsor team decreases by 1.38 percentage points. In addition to these results, we also estimate (untabulated) spline regressions across sponsor subgroups: those having formed one SPAC, two to three SPACs, and four or more SPACs. The results indicate that sponsors with four or more

TABLE 9 | SPAC offerings.

	<i>General target (0/1)</i>		<i>Sponsor investment (%)</i>	
	(1)	(2)	(3)	(4)
Repeat Sponsor (0/1)	0.11*** (8.00)		−0.22** (−3.36)	
Sequence		0.03*** (7.46)		−0.03*** (−3.91)
Sponsor characteristics				
Board Age (10y)	−0.01 (−0.54)	−0.01 (−0.75)	−0.00 (−0.02)	0.00 (0.10)
Board Size	−0.01 (−0.82)	−0.01 (−0.74)	0.01 (0.92)	0.01 (0.67)
Power Concentration (0/1)	0.10*** (3.84)	0.09** (3.30)	0.14** (2.65)	0.14** (2.52)
SPAC characteristics				
Forward Contract (0/1)	−0.08** (−2.40)	−0.07* (−2.36)	−0.15* (−2.29)	−0.16** (−2.96)
log(Proceeds)	0.02 (0.52)	0.02 (0.44)	−1.16*** (−10.90)	−1.17*** (−9.83)
Sponsor Investment (%)	−0.01 (−0.34)	−0.01 (−0.50)		
Underwriter Rank	−0.02** (−2.52)	−0.02** (−2.42)	0.08*** (3.78)	0.09*** (3.77)
Warrant Coverage	−0.06 (−1.26)	−0.06 (−1.22)	0.49 (1.17)	0.53 (1.25)
Constant	0.43* (1.92)	0.44 (1.85)	8.91*** (16.12)	8.98*** (14.43)
Target Industry FE	No	No	Yes	Yes
IPO Year FE	Yes	Yes	Yes	Yes
Adj. R-squared	0.03	0.03	0.51	0.51
Observations	1119	1119	1119	1119

Note: This table examines the association between repeat sponsors and SPAC offerings. The table reports regression results where General Target and Sponsor Investment are regressed on sponsor and SPAC characteristics. General Target is an indicator variable that takes the value of one if the SPAC does not specify a target industry in the prospectus and zero otherwise. Sponsor Investment is the amount of sponsor private investment divided by proceeds. Repeat Sponsor is an indicator variable that takes the value of one if the sponsor has formed three or more SPACs and zero otherwise. Sequence is a numerical variable equal to the order in which the sponsor formed the SPAC, with SPACs issued on the same date assigned the same ordinal number. All other variables are defined in Appendix A. *t*-statistics, reported in parentheses, are based on standard errors clustered by IPO year. The *, ** and *** denote statistical significance at the 10%, 5% and 1% levels, respectively.

SPACs are the least likely to join the merged company's board. Taken together, our results suggest that repeat sponsors invest less human capital in the newly merged company and that the more SPACs the sponsors have formed, the less human capital they invest. The results are consistent with the view that, relative to other sponsors, repeat sponsors are less involved in the governance of the merged company.

We also extend our analysis of the notion that repeat sponsors are more akin to ad hoc underwriters, specialising in taking firms public. We investigate whether sponsors specify a target industry in the IPO prospectus and the extent of their private investment in the SPAC. We interpret the absence of a specified target industry as evidence that sponsors prioritise the public listing process over leveraging industry-specific expertise to

develop the target. Similarly, lower levels of private investment by sponsors suggest weaker alignment with the post-merger company.

Columns (1) and (2) of Table 9 present linear probability models in which the dependent variable, *General Target*, is an indicator equal to one if the sponsor does not specify a target industry. The main independent variables are *Repeat Sponsor* and *Sequence*. The estimated coefficients indicate that repeat sponsors are significantly more likely to omit selecting a target industry. Economically, the coefficient of 0.11 on *Repeat Sponsor* in column (1) implies that these sponsors are 11 percentage points more likely to leave the target industry unspecified.¹⁸ Columns (3) and (4) examine sponsors' private investments as the dependent variable. The results show that repeat sponsors commit significantly less

¹⁸ In (untabulated) analyses, we find that repeat sponsors' current target industry is less likely to match that of their prior completed merger.

TABLE 10 | Concurrent SPACs and outcomes.

Panel A: Operational efficiency				
	Announcement duration (100d) (1)	Merger duration (100d) (2)	Redemption rate (%) (3)	Liquidated (0/1) (4)
Any Pre-Announcement Concurrent (0/1)	0.64*** (4.25)	0.14** (2.43)	−0.40 (−0.17)	0.14*** (5.54)
Sponsor characteristics				
Board Age (10y)	−0.45* (−2.09)	−0.17* (−1.90)	0.47 (0.13)	−0.02 (−1.74)
Board Size	−0.08 (−1.47)	−0.08 (−1.66)	1.75 (0.96)	−0.03*** (−3.86)
Power Concentration (0/1)	−0.23 (−1.48)	0.19 (1.19)	−1.24 (−0.70)	−0.05* (−2.36)
SPAC characteristics				
Forward Contract (0/1)	0.18 (1.08)	−0.11 (−1.14)	−2.67 (−0.52)	−0.06** (−3.06)
log(Proceeds)	0.49 (1.67)	−0.19** (−2.82)	−4.62* (−2.26)	0.03 (0.72)
Sponsor Investment (%)	0.26** (2.57)	0.05 (0.95)	2.38 (1.37)	−0.01 (−0.81)
Underwriter Rank	0.08 (0.72)	−0.07* (−2.33)	−0.60 (−0.94)	0.02 (1.89)
Warrant Coverage	1.34*** (3.68)	0.14 (0.74)	11.53 (1.38)	0.05 (0.80)
SPAC period characteristics				
Announcement Duration (100d)			2.37 (1.67)	
Constant	1.14 (1.74)	4.37*** (3.86)	50.80 (1.72)	0.22 (0.86)
Target Industry FE	Yes	Yes	No	Yes
Merger Industry FE	No	No	Yes	No
IPO Year FE	Yes	Yes	No	Yes
Merger Year FE	No	No	Yes	No
Adj. R-squared	0.30	0.38	0.37	0.26
Observations	307	307	307	442
Panel B: SPAC and deSPAC period returns				
	SPAC Return (p.a., %)		deSPAC Return (p.a., %)	
	Liquidated/Merged (1)	Merged (2)	(3)	
Any Pre-Announcement Concurrent (0/1)	−5.33* (−1.97)	−4.84 (−1.61)	−4.81 (−0.53)	
Sponsor characteristics				
Board Age (10y)	0.67 (0.29)	1.19 (0.30)		
Board Size	−2.41 (−0.81)	−3.68 (−0.99)		

(Continues)

TABLE 10 | (Continued)

Panel B: SPAC and deSPAC period returns			
	SPAC Return (p.a., %)		deSPAC Return (p.a., %)
	Liquidated/Merged (1)	Merged (2)	(3)
Power Concentration (0/1)	−2.67 (−1.09)	−5.13* (−1.97)	
SPAC characteristics			
Forward Contract (0/1)	4.91* (1.96)	6.55* (1.97)	
log(Proceeds)	1.44 (0.60)	0.18 (0.04)	
Sponsor Investment (%)	0.52 (0.19)	−1.96 (−0.48)	
Underwriter Rank	1.48 (1.12)	1.25 (0.54)	2.12 (0.93)
Warrant Coverage	18.17 (1.26)	15.53 (1.11)	−19.58 (−1.12)
Redemption Rate (%)			−0.18** (−2.84)
SPAC Duration (100d)			−2.71 (−1.18)
SPAC Return (p.a., %)			−0.09* (−2.16)
deSPAC characteristics			
Revenue (0/1)			−5.62 (−0.36)
Profitable (0/1)			13.13 (1.62)
Constant	−6.54 (−0.22)	14.67 (0.34)	−23.51 (−1.16)
Target Industry FE	Yes	Yes	No
Merger Industry FE	No	No	Yes
Merger Year FE	Yes	Yes	Yes
Adj. R-squared	0.12	0.12	0.12
Observations	442	307	288

Note: This table examines the association between sponsors' concurrent special purpose acquisition company (SPAC) management, operational efficiency and returns. Panel A reports regression results where Announcement Duration, Merger Duration, Redemption Rate and Liquidated are regressed on sponsor and SPAC characteristics. Announcement Duration is the number of days between the IPO and the target announcement. Merger Duration is the number of days between the target announcement and the merger completion. Redemption Rate is the number of redeemed shares divided by the number of public shares. Liquidated is an indicator variable that takes the value of one if the SPAC was liquidated and zero otherwise. Any Pre-Announcement Concurrent is an indicator variable that takes the value of one if the sponsor manages multiple SPACs in the pre-announcement period and zero otherwise. Panel B reports regression results where SPAC Return and deSPAC Return are regressed on sponsor, SPAC and deSPAC characteristics. SPAC Return is the difference between SPAC period unit returns and Russell 2000 Index returns. deSPAC Return is the difference between deSPAC stock returns and Russell 2000 Index returns. The sample comprises SPACs by sponsors that have formed at least two SPACs. All other variables are defined in Appendix A. *t*-statistics, reported in parentheses, are based on standard errors clustered by IPO year. The *, ** and *** denote statistical significance at the 10%, 5% and 1% levels, respectively.

private capital to their SPACs, consistent with weaker financial alignment with the post-merger firm.

Overall, these findings support the view that repeat sponsors operate less as industry specialists and more as transactional intermediaries focused on executing public listings.

The market reaction results in Table 5 indicate the presence of a value-deteriorating conflict of interest arising when sponsors

govern multiple SPACs simultaneously, consistent with the arguments of Gofman and Yao (2022) and concerns raised by the SEC (2024). In Panel A of Table 10, we examine whether sponsors simultaneously managing multiple SPACs during the crucial target identification phase (the period between the IPO and the target announcement) affect operational efficiency. The regressions employ a subsample of SPACs whose sponsors have formed at least two SPACs. In Panel A, the dependent variables *Announcement Duration*, *Merger Duration*, *Redemption Rate*

and *Liquidated* capture operational efficiency. The key independent variable is *Any Pre-Announcement Concurrent*, an indicator that takes the value of one if the SPAC's sponsor simultaneously manages another SPAC searching for a target. All other independent variables follow those used in the prior operational efficiency regressions.

In column (1) of Panel A, the dependent variable is *Announcement Duration*. The coefficient on *Any Pre-Announcement Concurrent* is 0.64 (*t*-stat 4.25), indicating that SPACs whose sponsors simultaneously manage another SPAC take approximately 64 additional days to announce a target.¹⁹ Similarly, the results in column (2) show that SPACs with a concurrent SPAC by the same sponsor require about 14 more days to complete the merger following the initial announcement. The results are inconclusive when *Redemption Rate* is the dependent variable. In column (4), the coefficient on *Any Pre-Announcement Concurrent* is 0.14 (*t*-stat 5.54), indicating that SPACs whose sponsors face concurrent commitments are more likely to be liquidated. Taken together, the findings in Panel A suggest that sponsors governing multiple SPACs simultaneously exhibit lower operational efficiency.

Panel B of Table 10 reports results when performance measures are the dependent variables. In column (1), where the sample includes both merged and liquidated SPACs, the coefficient on *Any Pre-Announcement Concurrent* indicates that SPACs whose sponsors simultaneously manage another SPAC earn 5.33 percentage points lower annualised returns during the SPAC period, which is statistically significant at the 10% level. In column (2), where the sample is restricted to merged SPACs, the relation is not statistically significant. Column (3), which examines deSPAC performance, yields inconclusive results. The findings in Table 10 suggest that concurrent SPAC management by sponsors is associated with reduced operational efficiency.

5 | Conclusion

In this paper, we study the benefits and costs of repeat SPAC sponsors. A SPAC merger has become a viable alternative route to the public markets for private companies. We show that SPACs' key resource, their sponsors, are not created equal. When we examine the performance of SPACs by repeat sponsors, we find that they are faster at identifying and proposing a target company and that their SPACs have lower redemption and liquidation rates compared to other sponsors. Moreover, our findings provide evidence of a learning-by-doing process, suggesting that sponsors improve their operational efficiency through prior SPAC formation experience.

Recently, regulators began raising concerns about conflicts of interest arising from sponsors simultaneously managing multiple SPACs (Gofman and Yao 2022; SEC 2024). Given the number of SPACs repeat sponsors form, they occasionally govern multiple SPACs. Our findings suggest that the value of existing SPACs declines when the sponsor announces a new SPAC. We further show evidence of worse operational efficiency, slower target identification and higher liquidation rates for sponsors simultaneously governing multiple SPACs. Our findings support the SEC's (2024)

requirement that SPAC sponsors disclose potential conflicts of interest, including those arising from involvement in multiple SPACs. Despite our results indicating the existence of such agency costs, the tests focusing on SPAC and deSPAC period returns find no robust performance difference between repeat sponsors and other sponsors.

Repeat sponsors also exhibit characteristics that make them resemble ad hoc underwriters more closely. They make smaller private investments in their SPACs, are less likely to serve on the board of the merged company and are more likely to leave the target industry unspecified in the IPO prospectus. Our results may be informative about the future development of the sponsor role in the US. Looking forward, we expect repeat sponsors, given their superior operational efficiency, to become more common. If so, US sponsors may increasingly resemble their counterparts in Korea, where established financial institutions commonly serve as sponsors and have less involvement in the governance of the merged company (Kim et al. 2021).

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Data Availability Statement

The data that support the findings of this study are available from SPAC Research. Restrictions apply to the availability of these data, which were used under licence for this study. Data are available from the author(s) with the permission of SPAC Research.

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¹⁹The sample in Table 10 is a subset of the 466 observations reported in Internet Appendix Table IA.2. Among these, 307 have completed a merger, 135 have been liquidated and 24 remain active.

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Supporting Information

Additional supporting information can be found online in the Supporting Information section.

Supporting File: eufm70095-sup-0001-IA.pdf.

Appendix A: Variable Definitions

Variable by group	Definition
Sponsor characteristics	
Repeat Sponsor	Indicator variable that takes the value of one if the sponsor has formed three or more SPACs and zero otherwise
Sequence	Numerical variable equal to the order in which the sponsor formed the SPAC, with SPACs issued on the same date assigned the same ordinal number
Board Age	Average age of the sponsor team members as of the IPO
Board Size	Number of sponsor team members as of the IPO
Power Concentration	Indicator variable that takes the value of one if the chair of the SPAC board has a controlling interest in the sponsor's investment and zero otherwise
SPAC characteristics	
Forward Contract	Indicator variable that takes the value of one if the SPAC entered into a forward purchase agreement and zero otherwise
General Target	Indicator variable that takes the value of one if the SPAC does not specify a target industry in the prospectus and zero otherwise
Proceeds	Amount raised in the IPO calculated by multiplying the number of issued public units by the offer price
Sponsor Investment	Amount of sponsor private investment divided by proceeds
Underwriter Rank	IPO underwriter reputation rank based on Loughran and Ritter (2004).
Warrant Coverage	Number of shares redeemable from public warrants divided by the number of public shares outstanding
SPAC period characteristics	
Announcement Duration	Number of days between the IPO and the target announcement
Any Pre-Announcement Concurrent	Indicator variable that takes the value of one if the sponsor manages multiple SPACs in the pre-announcement period and zero otherwise
Liquidated	Indicator variable that takes the value of one if the SPAC was liquidated and zero otherwise
Merger Duration	Number of days between the target announcement and the merger completion
PIPE	Amount of private investment in public equity (PIPE) divided by Proceeds
Redemption Rate	Number of redeemed shares divided by the number of public shares
SPAC Return	Difference between SPAC period unit returns and Russell 2000 Index returns
deSPAC characteristics	
Sponsor Representation I	Fraction of sponsor team members who serve as directors of the target company
Sponsor Representation II	Fraction of the merged company's directors who are former sponsor team members
deSPAC Return	Difference between deSPAC stock returns and Russell 2000 Index returns
Profitable	Indicator variable that takes the value of one if the target is profitable and zero otherwise
Revenue	Indicator variable that takes the value of one if the target has revenue and zero otherwise