**Event Study Results**

As instructed, we used the Eventus platform on WRDS to run event studies for SPAC mergers, regular mergers, and the combined sample. The CRSP Value-Weighted Index was used as the benchmark, and we selected six event windows: (0,0), (0,+1), (0,+2), (0,+3), (-1,0), and (+1,+10). The output below presents the cumulative abnormal returns (CARs) and associated test statistics.

**SPAC MERGER**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event Window** | **N** | **Mean Cumulative Abnormal Return** | **CSectErr t** | **StdCSect Z** | **Generalized Sign Z** |
| (0,0) | 137 | 21.44% | 6.654\*\*\* | 7.200\*\*\* | 7.018\*\*\* |
| (0,+1) | 137 | 24.68% | 7.890\*\*\* | 8.448\*\*\* | 8.728\*\*\* |
| (0,+2) | 137 | 24.77% | 8.067\*\*\* | 8.515\*\*\* | 9.240\*\*\* |
| (0,+3) | 137 | 24.86% | 7.976\*\*\* | 8.443\*\*\* | 8.728\*\*\* |
| (−1,0) | 137 | 22.49% | 6.888\*\*\* | 7.498\*\*\* | 6.506\*\*\* |
| (+1,+10) | 136 | 4.10% | 3.746\*\*\* | 3.281\*\*\* | 1.467\* |

**REGULAR MERGER**

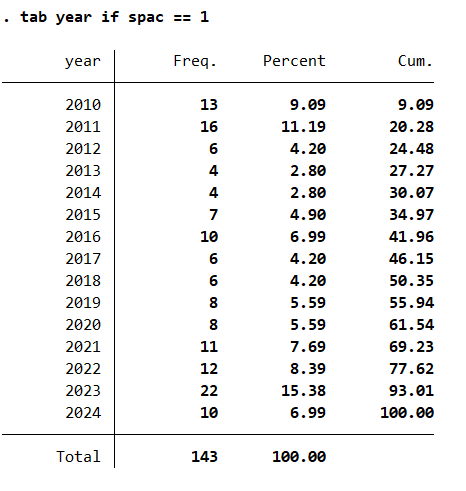
|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event Window** | **N** | **Mean Cumulative Abnormal Return** | **CSectErr t** | **StdCSect Z** | **Generalized Sign Z** |
| (0,0) | 134 | 15.43% | 5.772\*\*\* | 7.565\*\*\* | 6.426\*\*\* |
| (0,+1) | 134 | 16.49% | 6.179\*\*\* | 8.197\*\*\* | 7.290\*\*\* |
| (0,+2) | 134 | 16.55% | 6.254\*\*\* | 8.251\*\*\* | 7.636\*\*\* |
| (0,+3) | 134 | 16.68% | 6.314\*\*\* | 8.274\*\*\* | 7.982\*\*\* |
| (−1,0) | 134 | 15.76% | 5.744\*\*\* | 7.571\*\*\* | 6.945\*\*\* |
| (+1,+10) | 133 | 1.52% | 2.241\* | 2.193\* | −0.229 |

**COMBINED SPAC&REGULAR MERGER**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Event Window** | **N** | **Mean Cumulative Abnormal Return** | **CSectErr t** | **StdCSect Z** | **Generalized Sign Z** |
| (0,0) | 271 | 18.47% | 8.786\*\*\* | 10.130\*\*\* | 9.509\*\*\* |
| (0,+1) | 271 | 20.63% | 9.962\*\*\* | 11.453\*\*\* | 11.332\*\*\* |
| (0,+2) | 271 | 20.71% | 10.141\*\*\* | 11.536\*\*\* | 11.939\*\*\* |
| (0,+3) | 271 | 20.81% | 10.114\*\*\* | 11.474\*\*\* | 11.818\*\*\* |
| (−1,0) | 271 | 19.16% | 8.944\*\*\* | 10.388\*\*\* | 9.509\*\*\* |
| (+1,+10) | 269 | 2.82% | 4.341\*\*\* | 3.907\*\*\* | 0.882 |

**SPAC Merger Distribution & T-Test Results**

As instructed, we extracted the announcement year using Stata and created a frequency distribution of SPAC mergers over time. We also conducted t-tests comparing CARs for SPAC and non-SPAC deals.

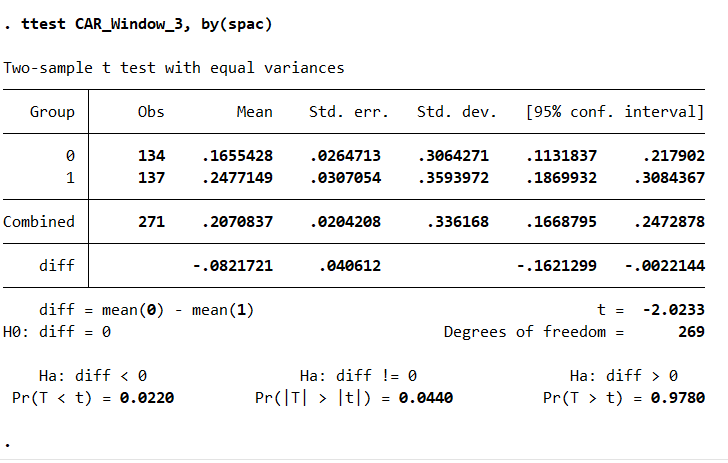
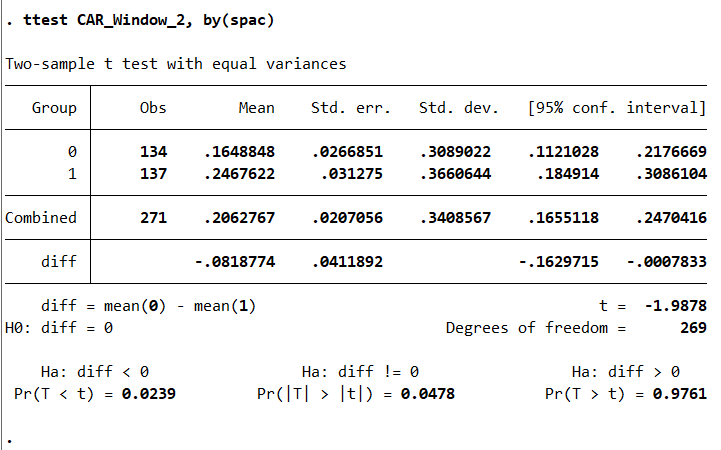
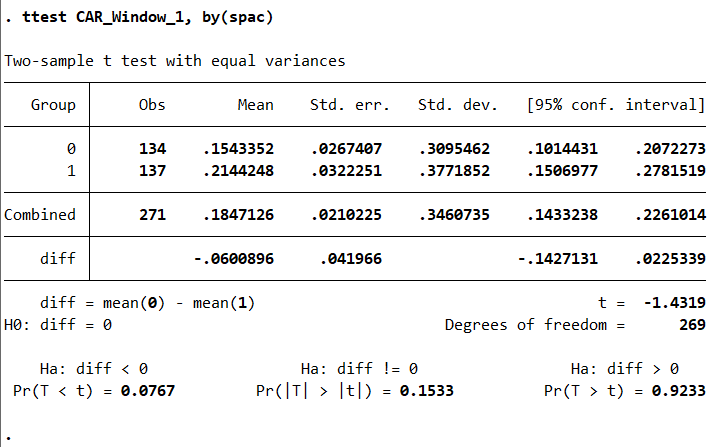


**T-Test Summary**

Three t-tests were conducted on CAR\_Window\_1 to CAR\_Window\_3:

* **CAR\_Window\_1**: p = 0.153 (not significant)
* **CAR\_Window\_2**: p = 0.048 (significant at 5%)
* **CAR\_Window\_3**: p = 0.044 (significant at 5%)

The results suggest that SPAC mergers generally experience higher short-term abnormal returns than traditional mergers, particularly in longer windows.



**Section 3: Regression Analysis**

We followed the regression framework as mentioned. Using the final matched sample, we first regressed CARs on a SPAC dummy variable, controlling for TASS, DEAL\_VALUE, and year fixed effects. A second model included profitability and market-to-book as robustness controls.

**Key Takeaways:**

* SPAC mergers show **positive CARs**, especially in (0,+1) and (0,+2) windows.
* **DEAL\_VALUE** is negatively associated with CARs in most regressions.
* **Profitability**, **market-to-book**, and **TASS** were not statistically significant.

All regressions included year fixed effects to control for merger wave effects.

