

Capitol Acquisition Corp. III (NASDAQ: "CLACU")

\$325 million IPO



DB acted as joint bookrunner on the IPO of Capitol Acquisition Corp. III, the third and largest SPAC for Mark Ein who previously successfully created two public companies (Lindblad Expeditions and Two Harbors) using the SPAC structure in a variety of market environments

Summary IPO terms

	
Pricing date:	October 13, 2015
Transaction size:	\$325 million (includes \$25mm greenshoe)
Securities offered:	32.5 million units – each consisting of 1 share of common stock and 1 warrant (exercisable for 1 share of common stock)
Amount held in trust:	Equal to 100% of offering proceeds
Sponsor "at risk" investment:	\$8.3 million investment in warrants at \$1.00 per warrant (direct purchase of 8.3 million warrants)
Sponsor promote:	Shares issued to sponsor at formation equivalent to 20.0% of common equity ownership post - public raise
Offering fees:	5.5% including 3.5% deferred fees
DB Role:	Joint bookrunner 

Capitol Acquisition Corp. overview

- Capitol Acquisition Corp. III ("Capitol") is a blank check company formed for the purpose of entering into a business combination with an enduring business with compelling public market
- Sponsor team has long history of building outstanding companies, closing complicated transactions and acting as a trusted partner to management teams and other stakeholders
- Management team is led by Mark Ein, the Founder of Venturehouse Group, LLC, an former Partner at the Carlyle Group and the Founder of Capitol Acquisition Corp. I and II
 - Ein has over 20 years of experience in company building, venture capital & private equity investing
 - precedent transactions demonstrate that a public acquisition company led by Mark Ein and his sponsor team can lead to a highly successful long-term outcome for companies and management teams
 - significant experience structuring complex transactions, best noted by the novel structure used for the Capitol I / Two Harbors merger

Investment highlights

- Cohesive team with long working relationships, complementary skill sets and diverse networks
- Sponsor team has strong track record in closing public acquisition company business combinations
- Proactive deal sourcing and creative thinking to generate proprietary, off-market investments
- Successful experience in getting fundamental investor participation and closing back-end business combination
- Post-merger, build long-term value through intensive engagement and active oversight

Increased offering size will benefit Capitol III

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| Capitol II Pipeline Suggests Larger Size | <ul style="list-style-type: none"> A number of Capitol II's most compelling targets either desired, or required, over \$325 million of cash equity <ul style="list-style-type: none"> increased size of Capitol III makes the company a more attractive acquirer of these targets |
| Attractive Deal Sourcing Positioning | <ul style="list-style-type: none"> Transaction size hits acquisition company "sweet spot" <ul style="list-style-type: none"> attractive size to target universe (e.g. proprietary, non-auction process companies) increased size enables acquisition company to drive increased benefit from capital market access |
| Better Trading Dynamics | <ul style="list-style-type: none"> Increased size improves trading dynamics for post-deal public company (e.g. increased float, liquidity etc.) Increases likelihood of index inclusion and research coverage <ul style="list-style-type: none"> median market cap of a Russell 2000 company is ~\$700mm |

Key management

Name	Position
Mark D. Ein	Chairman & CEO
L. Dyson Dryden	President & CFO
Alfheidur H. Saemundsson	Vice President

Deutsche Bank
Corporate Banking & Securities

Source: Company data