



Commercial

## Intuitive Machines completes SPAC merger

Jeff Foust February 13, 2023



Intuitive Machines said it moved the landing site for its IM-1 mission to the lunar south pole region at the request of NASA to better support Artemis. Credit: Intuitive Machines

WASHINGTON — Commercial lunar lander company Intuitive Machines has completed its merger with a special purpose acquisition company (SPAC), raising far less money than originally anticipated.

Intuitive Machines said Feb. 13 it had closed its merger with Inflection Point Acquisition Corp., a SPAC that trades on the Nasdaq. The merged company, retaining the Intuitive Machines name, will trade on the Nasdaq starting Feb. 14 under the ticker symbol LUNR.

The companies [announced the merger in September 2022](#), long after the mania surrounding SPACs has cooled both in the space industry and the overall market. Inflection Point had \$301 million of cash in trust, and the companies said they had arranged an additional \$55 million in investment from the SPAC's sponsors and a founder of Intuitive Machines, along with \$50 million CF Principal Investments LLC, an affiliate of Cantor Fitzgerald & Company. In [an investor presentation](#) linked to the merger announcement, the companies anticipated having more than \$330 million in cash after transaction expenses.

However, in the Feb. 13 announcement that the merger had closed, the companies announced only \$55 million of "committed capital from an affiliate of its sponsor and company founders." The companies did not mention any proceeds of the SPAC itself, which could have been depleted by redemptions, where SPAC shareholders request their money back rather than hold stock in the merged company.

Inflection Point shareholders voted in favor of the merger at a Feb. 8 meeting. However, more than 30% of shareholders voted against the merger and related provisions, an unusually high number for a SPAC transaction.

Despite raising less money than anticipated, company executives said the deal will help Intuitive Machines continue development of a series of commercial lunar landers and related infrastructure, like communications satellites in lunar orbit.

"This merger accelerates and strengthens Intuitive Machines' strategic plan to help expedite a thriving commercial ecosystem for space for the benefit of human civilization," Kam Ghaffarian, executive chairman of Intuitive Machines, said in the statement announcing the completion of the merger.

"With our launch into the public sphere through Inflection Point, we have reached new heights financially and opened the doors for even greater exploration and innovation for the progress of humanity," Steve Altemus, president and chief executive of the company, said in the statement.

In the September 2022 investor presentation, Intuitive Machines projected \$102 million in revenue for 2022, up from \$73 million recorded in 2021. The company forecast accelerating growth, with \$759 million in revenue in 2024 as it carried out lander missions and offered new space products and services. The company, though, estimated an earnings before interest, taxes, depreciation, and amortization (EBITDA) loss of \$14 million for 2022, with that loss increasing to \$46 million in 2023 before the company broke even in 2024.

The announcement comes a week after [Intuitive Machines said its initial lunar lander mission, IM-1, would go to the south polar region of the moon](#), rather than in Oceanus Procellarum. That mission is now scheduled to land in late June, after previously planning a launch in the first quarter.

That mission is carrying payloads for NASA's Commercial Lunar Payload Services (CLPS) program under an award NASA made in 2019. Intuitive Machines said that the change in landing site would increase the value of the award, originally \$77 million, but deferred questions on the value to NASA. An agency spokesperson did not respond to questions about the revised CLPS award Feb. 6.



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