



**ANGEL CAPITAL ASSOCIATION**

## Angel Investing By the Numbers: ACA's Angel Funders Report

ACA Webinar Series  
December 5, 2018

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- Use chat to submit questions
- Yes, you'll get the slides
- We're recording, so come back and listen again

# ANGEL CAPITAL ASSOCIATION TODAY

*World's largest association of active accredited angel investors - [www.angelcapitalassociation.org](http://www.angelcapitalassociation.org)*



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- Individual angels
- Angel groups
- Accredited platforms
- Family offices
- 250+ organizations
- Every U.S. state & 5 Canadian provinces

Mission: fuel the success of the accredited angel investor community  
through advocacy, education and connection building



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# ACA PRODUCES RESULTS – AND SMARTER ANGELS



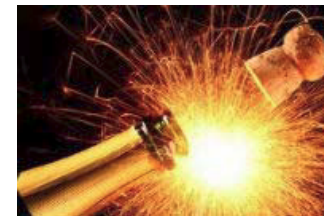
Supports angel data and research



Provides gold standard education



Represents American angels in  
Washington, DC



Provides relevant content and  
connections for deal flow and exits



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# ACA MEMBERS ARE TOP ANGELS, GROUPS & PLATFORMS



**HARVARD  
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HBS Alumni Angels  
of Greater New York

*New Dominion  
Angels*



**DESERT ANGELS**



**hpa HYDE PARK ANGELS**

**band  
OF ANGELS**

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**A.A.**  
alliance of angels



**Angel One**  
INVESTOR NETWORK



**Golden Seeds**



**TIE ANGELS**

Houston Angel Network



OHIO Tech Angels



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PARTNERS BRING VALUE TO ANGELS



ACA Data Partner



ACA Education Partner

Gold Partners



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<https://www.angelcapitalassociation.org/partners-sponsors/>



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## OUR SPEAKERS



Steve Flaim  
Tech Coast Angels



Raymond Luk  
Hockeystick



Rick Timmins  
Central Texas Angel Network



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# Angel Investing by the Numbers: ACA's Angel Funders Report



The initial ACA report on angel group investment, the startups they support and the [ACA Data Analytics Platform](#)

*Wednesday, December 5, 12:00 to 1:00 PM Eastern*



# Agenda

- Introducing the Angel Funders Report
- Looking into the future
- The Central Texas Angel Network (CTAN) – Data Learnings
- The *Hockeystick* platform
- CTAN's experience with data entry
- Questions





# Introducing the Angel Funders Report

What are the factors that influence successful angel investing and the startups that angels support? This is a question that ACA begins to answer in the pilot Angel Funders Report.

## *What is the Angel Funders Report?*

- The first phase of our data analytics initiative (the pilot phase) included collecting data from 26 leading angel groups across the United States.
- The report covers investments for 2017. All individual investment and group data has been kept confidential.
- Data includes overall metrics of the pilot groups' angel investments and the companies in which they invested.
- In the future, when ACA has more data, including exits and out of business analysis of the data which will help us understand the factors that impact the outcomes of the investments.



# More About the Angel Funders Report

- **Goals and Methodology**

The goal of the Angel Funders Report is to provide unparalleled depth in metrics which leads to understanding of factors that influence angel investing outcomes. Data collected by survey, then reviewed and combined when multiple groups invested in same round, removing duplicate data.

- **About the Dataset**

The initial report is based upon 25 data fields collected from 26 angel groups selected for participation.

- **Key Findings**

The findings of the initial report tell us that many variables influence angel groups and their investments.



# About the Data Provided

**# of  
Rounds**

**# of  
Companies**

**Total Invested  
by Groups**

**Total Raised by  
Companies**

432

393

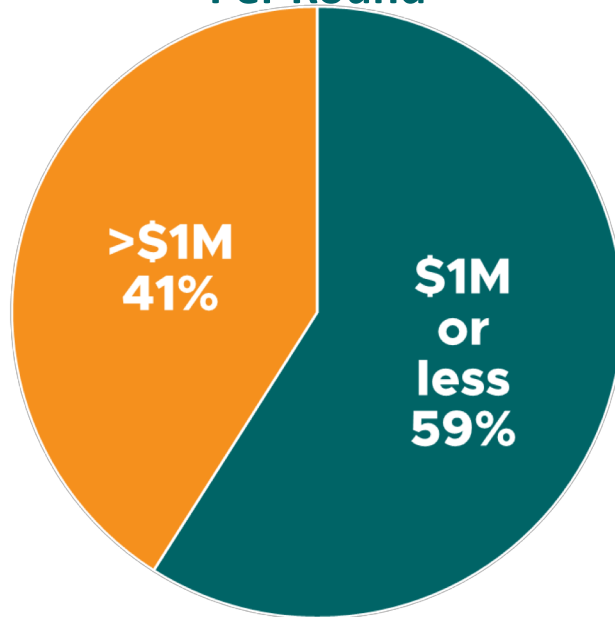
\$102M

\$534M



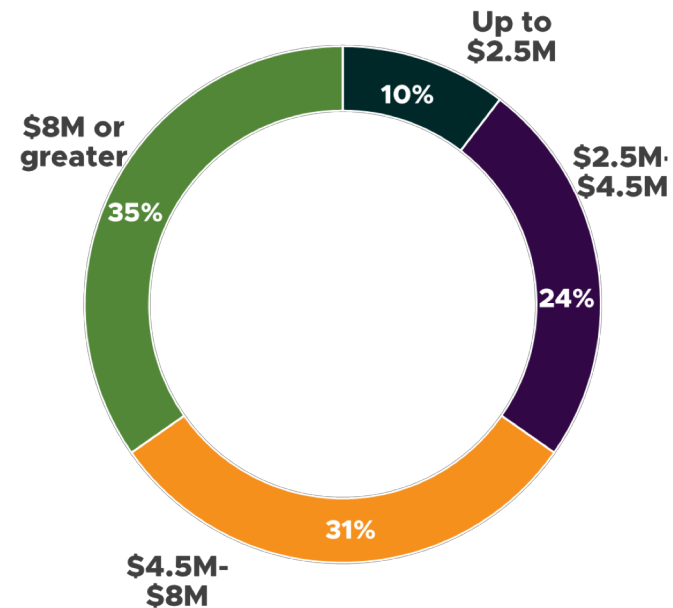
# Investments by the Numbers – Round Size and Median Overall Valuation

Total Amount Raised  
Per Round



Median Round Size = \$1M

Pre-Money Valuation  
or Cap on Note

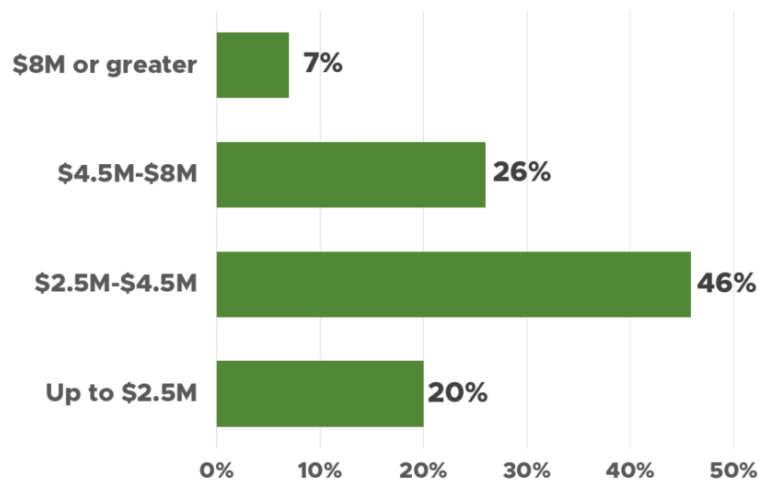


Median Valuation = \$5M



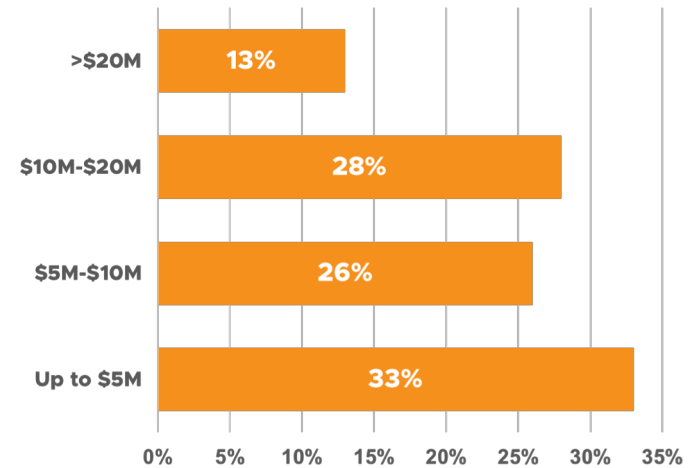
# Valuations Change by Round Stage

## Pre-Money Valuation - Angel Round



Median Valuation = \$4M

## Pre-Money Valuation – Series A Round



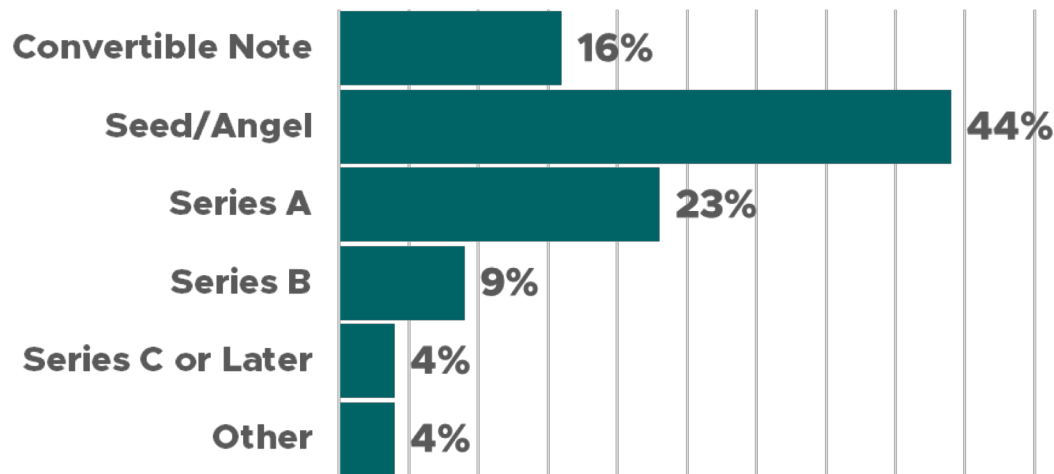
Median Valuation = \$8.5M



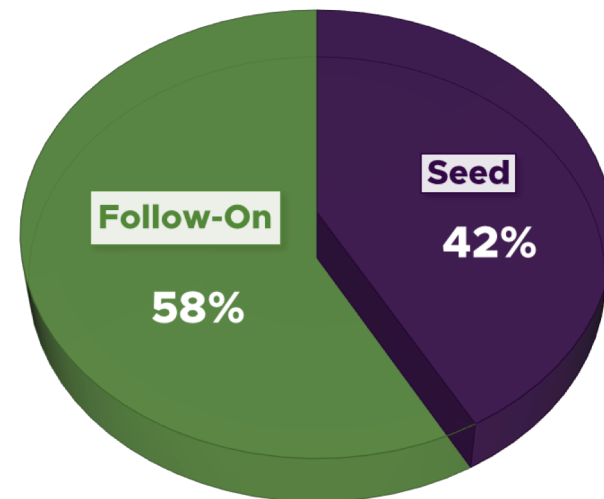


# Investments Generally Early, But Follow-Ons Rule

## Round Classification

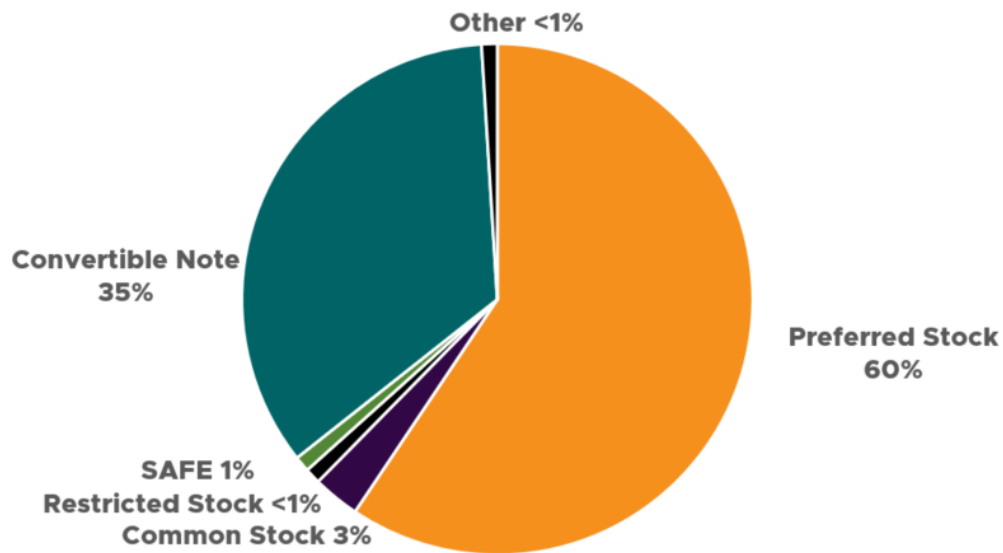


## More Than Half of Rounds Are Follow-Ons

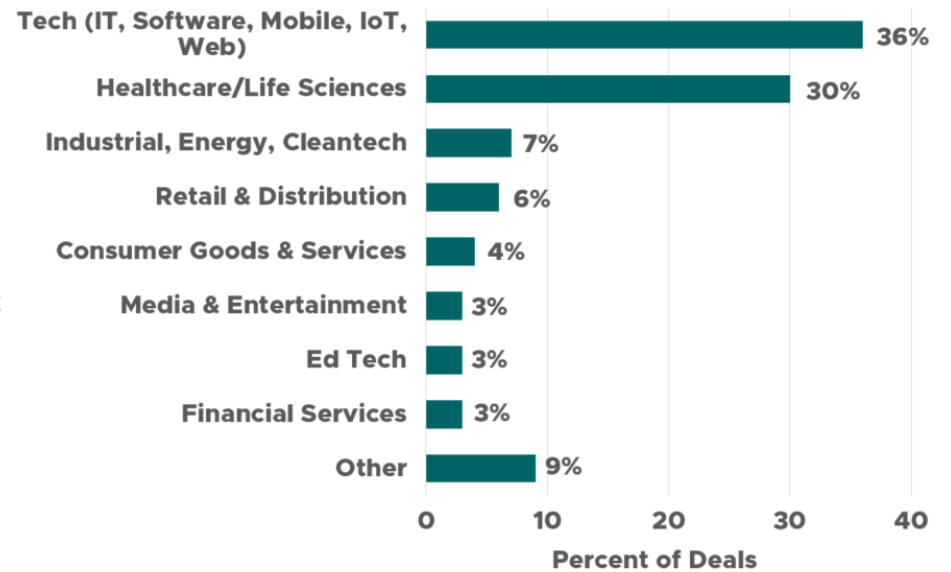


# Deals by Investment Structure and Industry

## Deal Structure



## Deals by Industry Sector



# Syndication – Working Together Is Important

**73% of deals were syndicated**

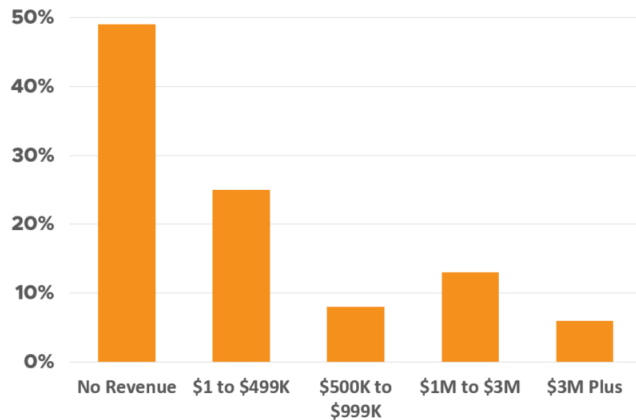
## Deal Syndication

- Syndicated with only other angel groups
- Not syndicated at all
- Syndicated with angel groups and VCs
- Syndicated with only VCs

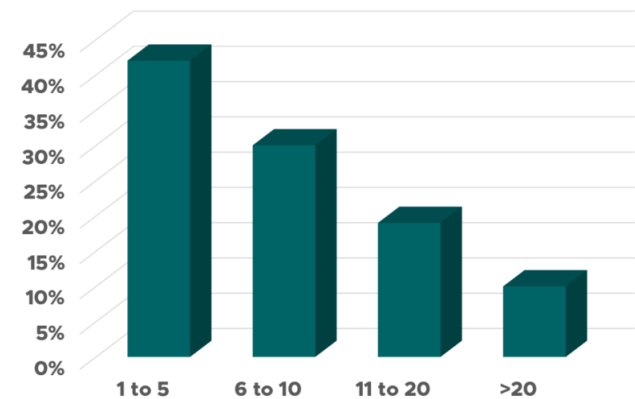


# About the Portfolio Companies

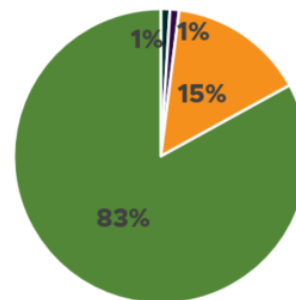
## Revenue at Time of Funding



## Number of Employees at Time of Funding



## Tax Structure



■ Other ■ S Corp ■ LLC/ Partnership ■ C Corp



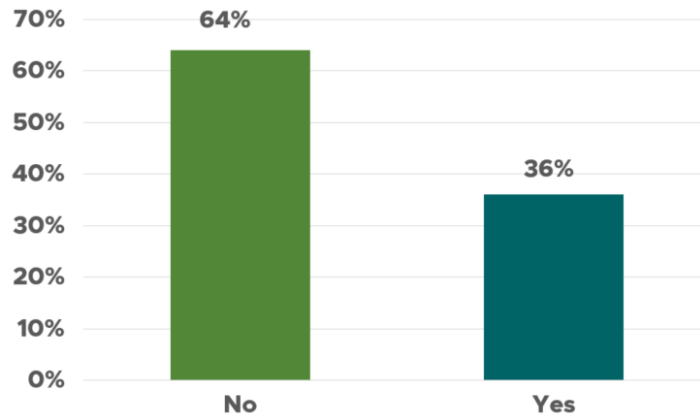
# CEO Profile

## By Gender

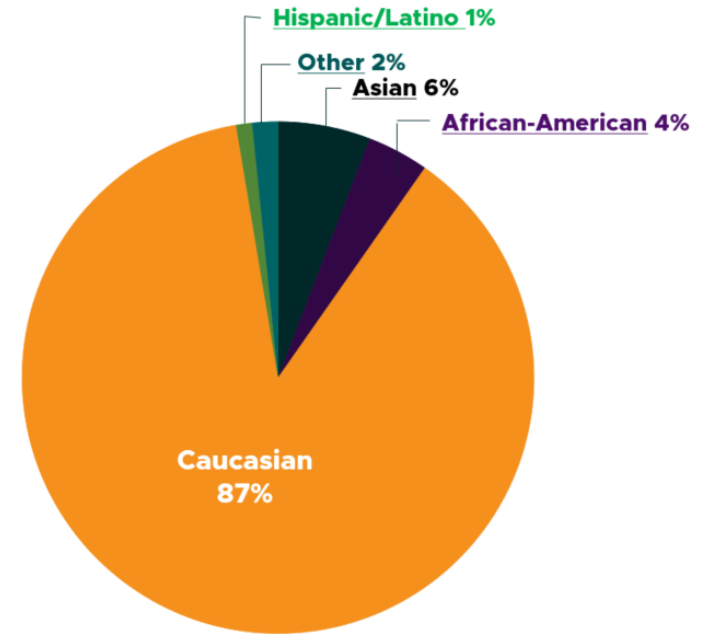


21% of CEOs were female

## Previous Experience in Leading Startups



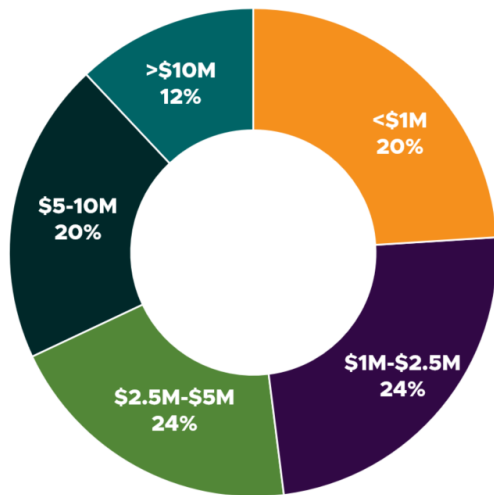
## By Race





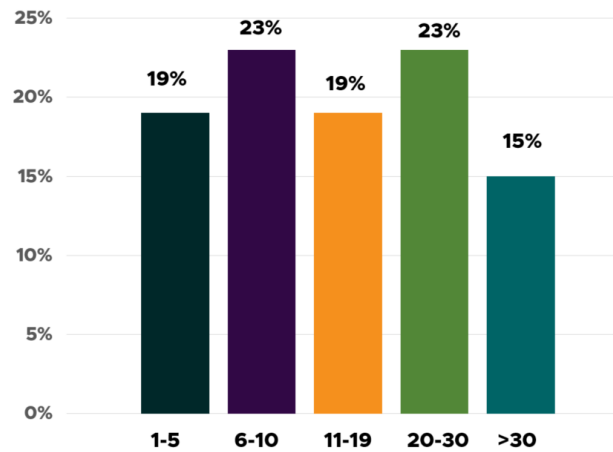
# Angel Group Activity Varies

### Total Dollars Invested Per Group in 2017



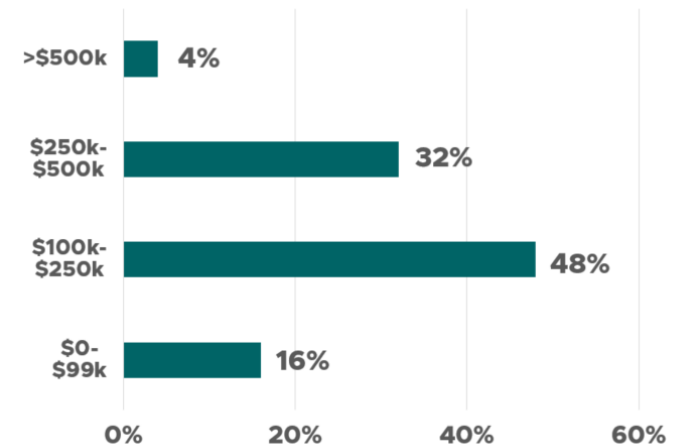
Median Amount = \$2.85M

### Total Number of Deals Per Group in 2017



Median Deals = 16

### Investment Amount Per Group Per Round

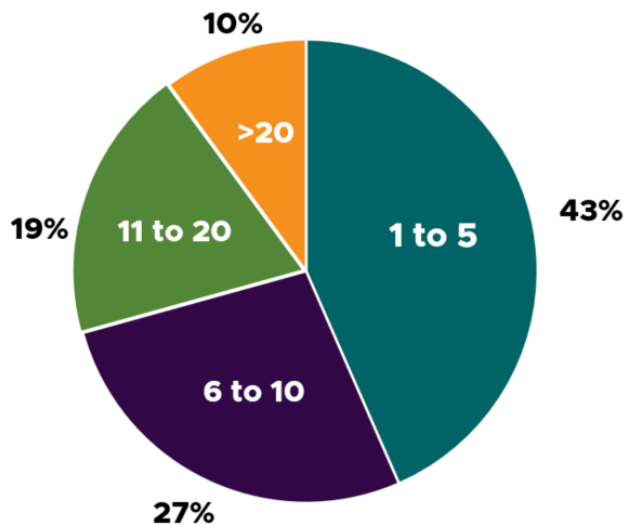


Median Amount = \$202K



# More About Angel Group Activity

## Number of Network Members in Each Deal

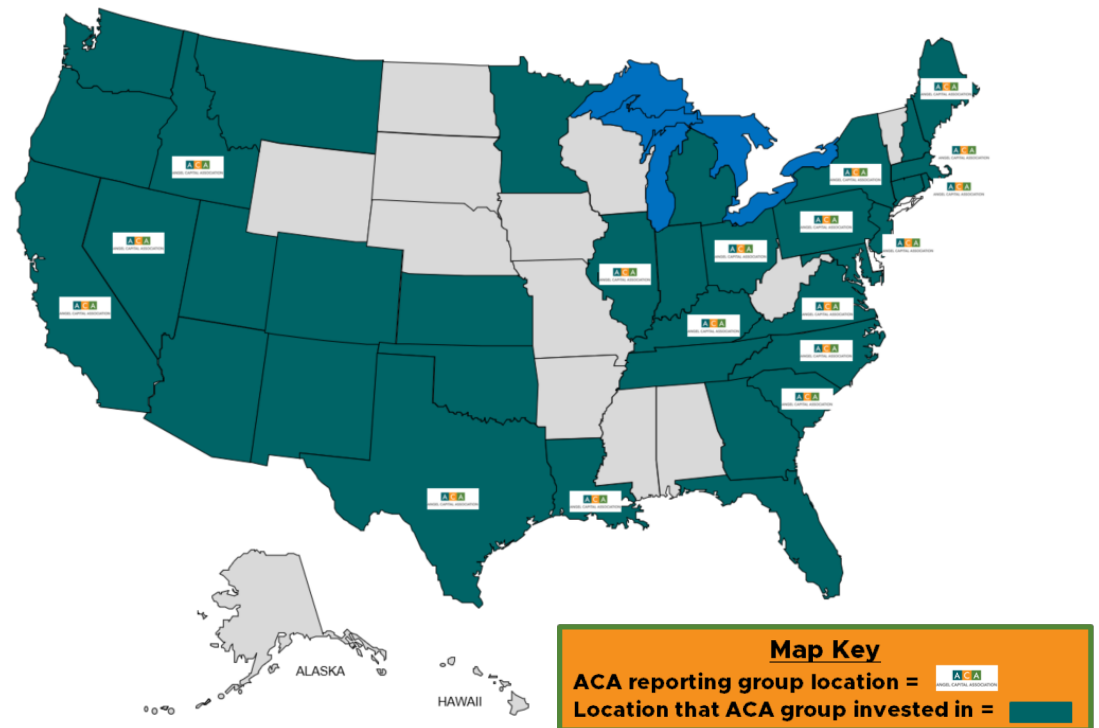


Median Number of Angels = 10



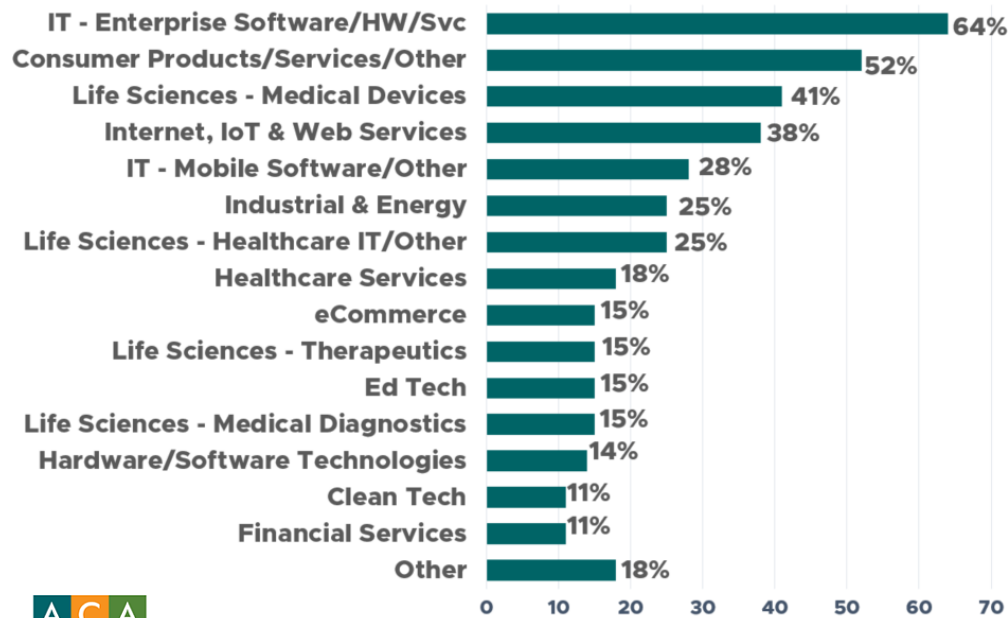
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## Angel Groups Based in 17 States, While Portfolio Companies in 36+

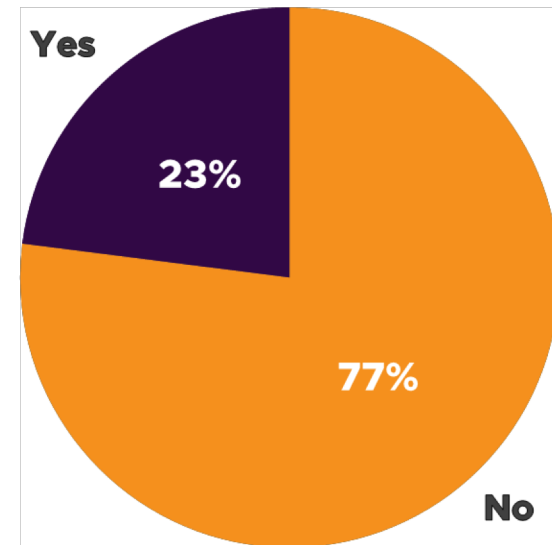


# Angel Groups on Industry Sectors and Board Service

## Percentage of Angel Groups Investing in Sectors



## Is Group Member Serving on Company Board?



# Participating Angel Groups – Thanks!



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# The Future of the Angel Funders Report - What's to Come

The Angel Funders Report is an evolving part of ACA's Data Analytics Initiative. This pilot report provides important knowledge about angel groups, investment decisions, and future reports will also focus on the outcomes of these investments.

Here are some examples of insights currently being gained by large individual groups that we plan to learn more about in future Angel Funders Reports:

- **CEO Experience Counts** – Those who led startup before more than 2X likely to have positive exit
- **Successful Exit Secrets** – 2% of exits created 74% of return, waiting past early exits increased returns 2X
- **Follow-ons Can Bring Higher Returns** – IRR for later rounds often higher, with reduced risks







# The Central Texas Angel Network (CTAN) – Data Learnings

Rick Timmins

Director, CTAN

Director, Angel Capital Association



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# CTAN Financial Metrics Tracking

- CTAN has been doing metrics tracking for the last 7 years
- This is 161 investments totaling \$94M with 25 exits and 45 OOB
- Our portfolio is 12 years old with 67% invested in last 5 years
- We track 83 metrics and are expanding with new ones
- We share results with all members each year. The important thing:

**WE ARE LEARNING**

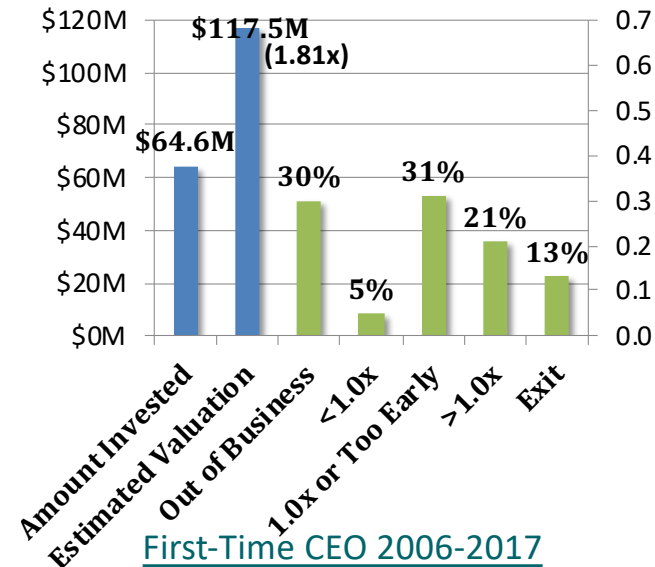
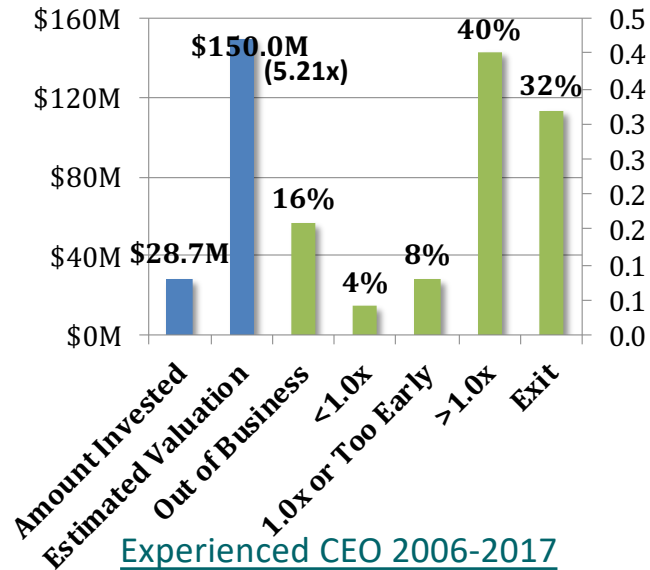


## From Just A Few Metrics, We Are Learning:

- The value of an experienced CEO versus a first-time CEO
- The importance of follow-on investing in your strategy
- How important is it to create a diversified portfolio
- Bonus---data on male-led versus female-led companies



## Experienced CEO Vs. First-Time CEO: CTAN Portfolio Companies - 2017



	Out of Business	< 1.0 x	1.0x or Too Early	> 1.0x	Exit	Total
Experienced CEO	4	1	2	7	8	25
First-Time CEO	41	7	42	32	17	136
<b>Total</b>	<b>45</b>	<b>8</b>	<b>44</b>	<b>39</b>	<b>25</b>	<b>161</b>



## CTAN Key Valuation Multiple Metrics (2006-2017)

### Not in Portfolio

Exits Only (25)

4.9x

\$15.6M / \$76M

Exits and Out of Business (70)

2.7x

\$28.1M / \$76M

### Still in Portfolio

Single Investment (42)

1.76x

\$10.2M / \$18M

One Follow-on

2.48x

\$13M / \$32M

Investment (22)

3.40x

\$42M / \$142M

Multiple Follow-on Investments (27)

2.94x

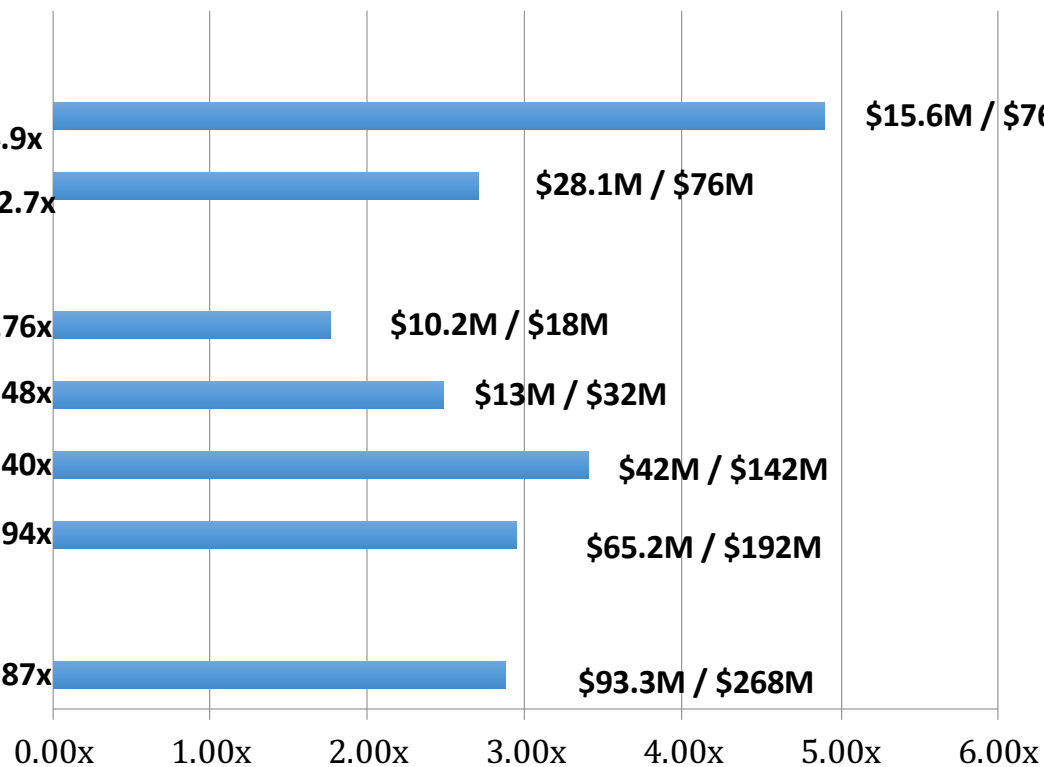
\$65.2M / \$192M

Total Remaining Portfolio (91)

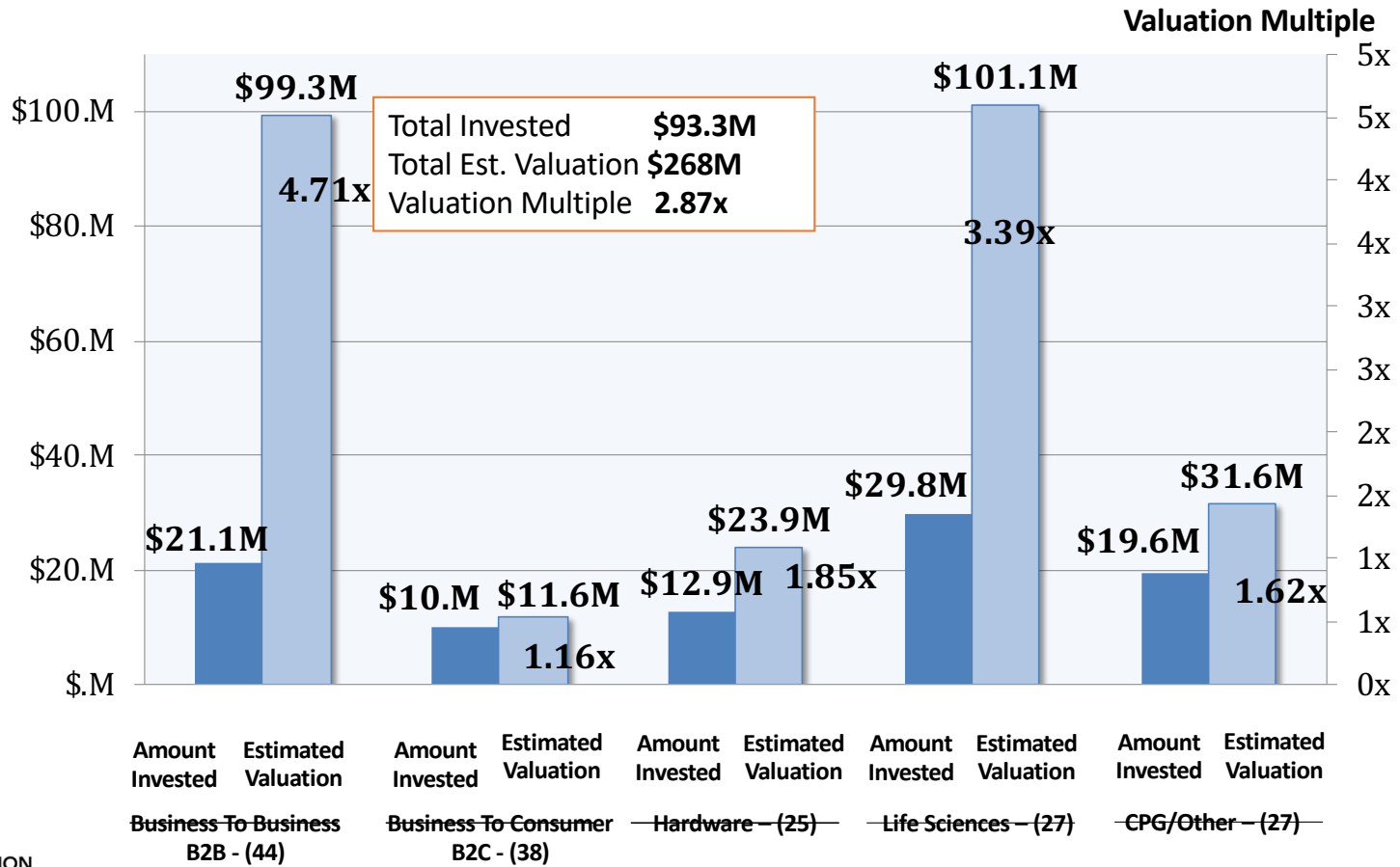
2.87x

\$93.3M / \$268M

### Total Portfolio (161)

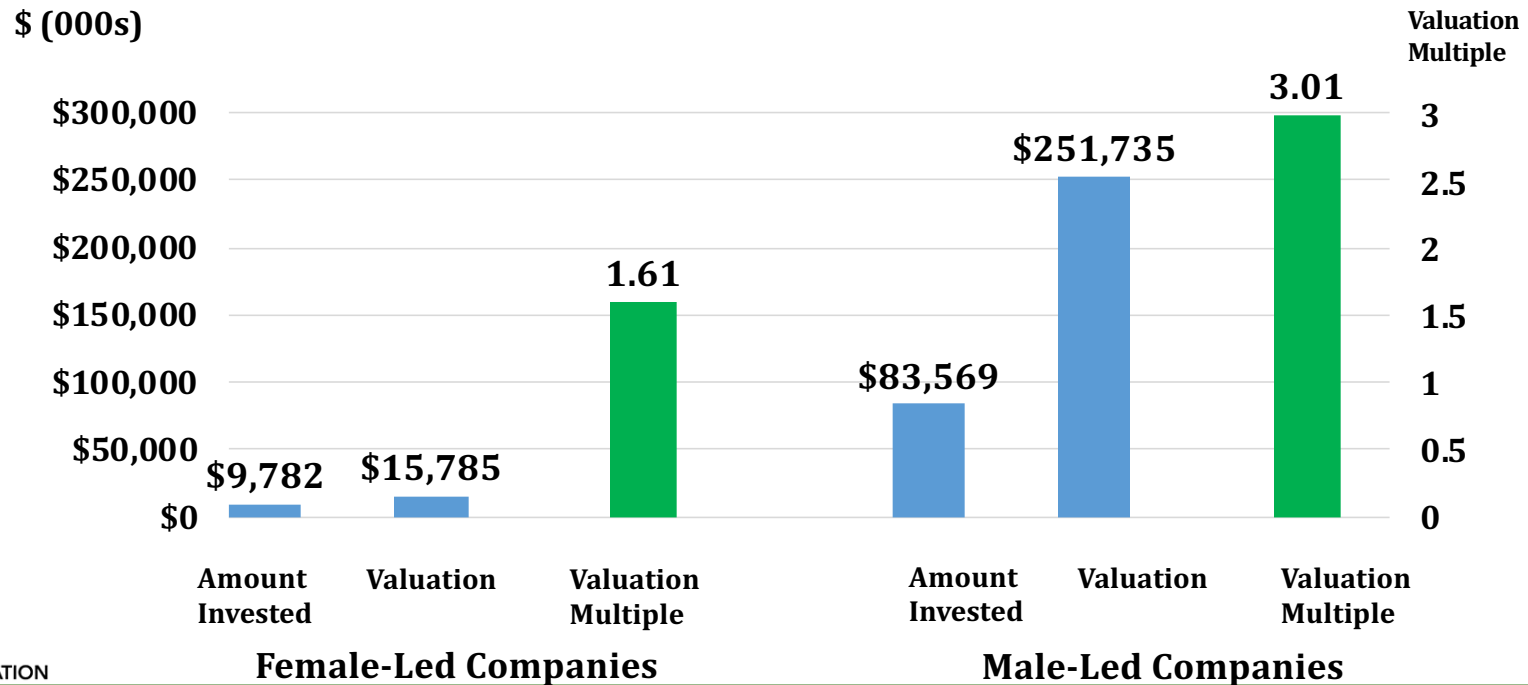


## 2017 CTAN-Estimated Valuation Multiple by SIGs



## CTAN Portfolio - 2006 - 2017 Female Led or Co-Led Companies

	#Co	% of Portfolio	#Exits	#OOB	%Exits	%OOB
Female-Led	28	20%	3	8	11%	29%
Male-Led	133	80%	22	37	17%	28%





# The *Hockeystick* Platform

Raymond Luk

Founder & CEO

Hockeystick, Inc.



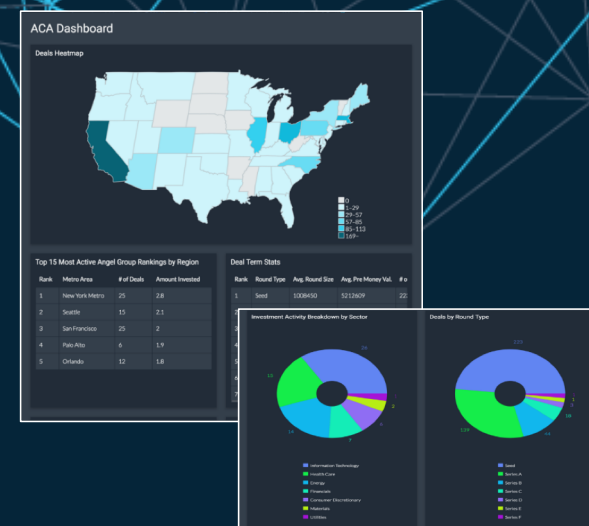
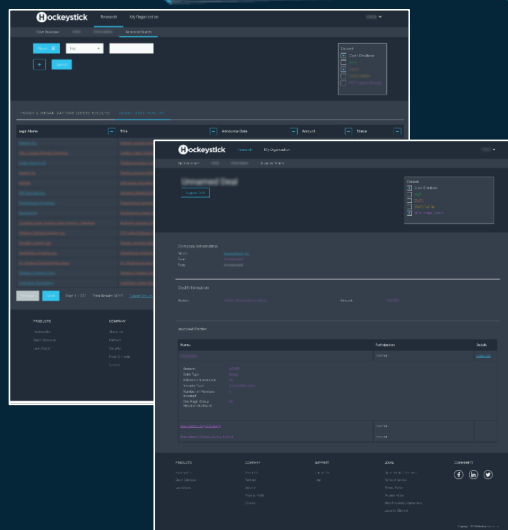
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# Overview – ACA Data Analytics on Hockeystick

Company Name	Industry Sector	Percentage of Total of Round	# of Rounds of Financing
General Company #1	Software	10.0%	1
General Company #2	Software	8.0%	1
General Company #3	Software	7.0%	1
General Company #4	Software	6.0%	1
General Company #5	Software	5.0%	1
General Company #6	Software	4.0%	1
General Company #7	Software	3.0%	1
General Company #8	Software	2.0%	1
General Company #9	Software	1.0%	1
General Company #10	Software	1.0%	1



1. Submit Data

2. Access Proprietary ACA Database on Hockeystick

3. Utilize Powerful Tools to Perform Research

# Private Data Submission Tool

The screenshot shows a Google Sheets spreadsheet titled "ACA Data Rink". The spreadsheet is organized into two main sections: "1. Portfolio Company Information" and "2. Portfolio Co...". The first section contains a table with the following columns: Company Name, Headquarters City, State / Province, Zip / Postal Code, Industry Sector, Verticals, Website, Tax Structure, Revenue at Time of Funding (in USD), # Employees at Investment (FTEs), and Gender. The first row of data is for "Example Company XYZ" located in Toronto, Ontario, with a revenue of \$10,000,000 and 25 employees. The spreadsheet interface includes a menu bar (File, Edit, View, Insert, Format, Data, Tools, Add-ons, Help, Scripts), a toolbar with various icons, and a bottom navigation bar with tabs for "Data Submission'18", "Instructions", "2017->", "Data Submission'17", "Enhanced Data'17", "Company Data'17", and "2018->".

Company Name	Headquarters City	State / Province	Zip / Postal Code	Industry Sector	Verticals	Website	Tax Structure	Revenue at Time of Funding (in USD)	# Employees at Investment (FTEs)	Gender
Example Company XYZ	Toronto	Ontario	M5T0B3	Information Technology	SaaS	www.examplecompany.com	C Corporation	\$10,000,000	25	Female
Company A	Austin	Texas	78701	Software	SaaS	www.example.com	C Corporation	\$5,000,000	10	Male
Company B	Austin	Texas	78702	Software	SaaS	www.example.com	C Corporation	\$3,000,000	5	Female
Company C	Austin	Texas	78703	Software	SaaS	www.example.com	C Corporation	\$2,000,000	3	Male
Company D	Austin	Texas	78704	Software	SaaS	www.example.com	C Corporation	\$1,500,000	2	Female
Company E	Austin	Texas	78705	Software	SaaS	www.example.com	C Corporation	\$1,000,000	1	Male
Company F	Austin	Texas	78706	Software	SaaS	www.example.com	C Corporation	\$800,000	1	Female
Company G	Austin	Texas	78707	Software	SaaS	www.example.com	C Corporation	\$700,000	1	Male
Company H	Austin	Texas	78708	Software	SaaS	www.example.com	C Corporation	\$600,000	1	Female
Company I	Austin	Texas	78709	Software	SaaS	www.example.com	C Corporation	\$500,000	1	Male
Company J	Austin	Texas	78710	Software	SaaS	www.example.com	C Corporation	\$400,000	1	Female
Company K	Austin	Texas	78711	Software	SaaS	www.example.com	C Corporation	\$300,000	1	Male
Company L	Austin	Texas	78712	Software	SaaS	www.example.com	C Corporation	\$200,000	1	Female
Company M	Austin	Texas	78713	Software	SaaS	www.example.com	C Corporation	\$150,000	1	Male
Company N	Austin	Texas	78714	Software	SaaS	www.example.com	C Corporation	\$100,000	1	Female
Company O	Austin	Texas	78715	Software	SaaS	www.example.com	C Corporation	\$80,000	1	Male
Company P	Austin	Texas	78716	Software	SaaS	www.example.com	C Corporation	\$70,000	1	Female
Company Q	Austin	Texas	78717	Software	SaaS	www.example.com	C Corporation	\$60,000	1	Male
Company R	Austin	Texas	78718	Software	SaaS	www.example.com	C Corporation	\$50,000	1	Female
Company S	Austin	Texas	78719	Software	SaaS	www.example.com	C Corporation	\$40,000	1	Male
Company T	Austin	Texas	78720	Software	SaaS	www.example.com	C Corporation	\$30,000	1	Female
Company U	Austin	Texas	78721	Software	SaaS	www.example.com	C Corporation	\$20,000	1	Male
Company V	Austin	Texas	78722	Software	SaaS	www.example.com	C Corporation	\$15,000	1	Female
Company W	Austin	Texas	78723	Software	SaaS	www.example.com	C Corporation	\$10,000	1	Male
Company X	Austin	Texas	78724	Software	SaaS	www.example.com	C Corporation	\$8,000	1	Female
Company Y	Austin	Texas	78725	Software	SaaS	www.example.com	C Corporation	\$7,000	1	Male
Company Z	Austin	Texas	78726	Software	SaaS	www.example.com	C Corporation	\$6,000	1	Female

## Key Points:

- Secure link for each group
- Easy to collaborate internally
- Easy to keep up-to-date

# Access Your Private on ACA Data Platform

The screenshot displays the Hockeystick Open Database interface. At the top, there is a navigation bar with the Hockeystick logo, a 'Research' tab, and a 'My Organization' dropdown. Below the navigation bar, there is a search bar and a 'Search Deals' button. The main content area is divided into several sections: 'Company Information' (Name: Hockeystick Inc., Type: Incorporated), 'Deal Information' (Sector: Public, Subsector: Software, Amount: \$100M), and 'Involved Parties' (a table listing names, participation, and details). The footer contains links for Products, Company, Support, Legal, and Community.

Names	Participation	Details
Hockeystick Inc.	Investor	<a href="#">View Deal</a>

Amount	Deal Type	Follow-on Investment	Security Type	Number of Members Invested	First Angel Group Member On Board
\$100M	Range	No	Convertible Note	1	No

## Key Points:

- View all submitted data (private to each member group)
- Share data with your group members
- View enriched dataset by ACA and Hockeystick data research team

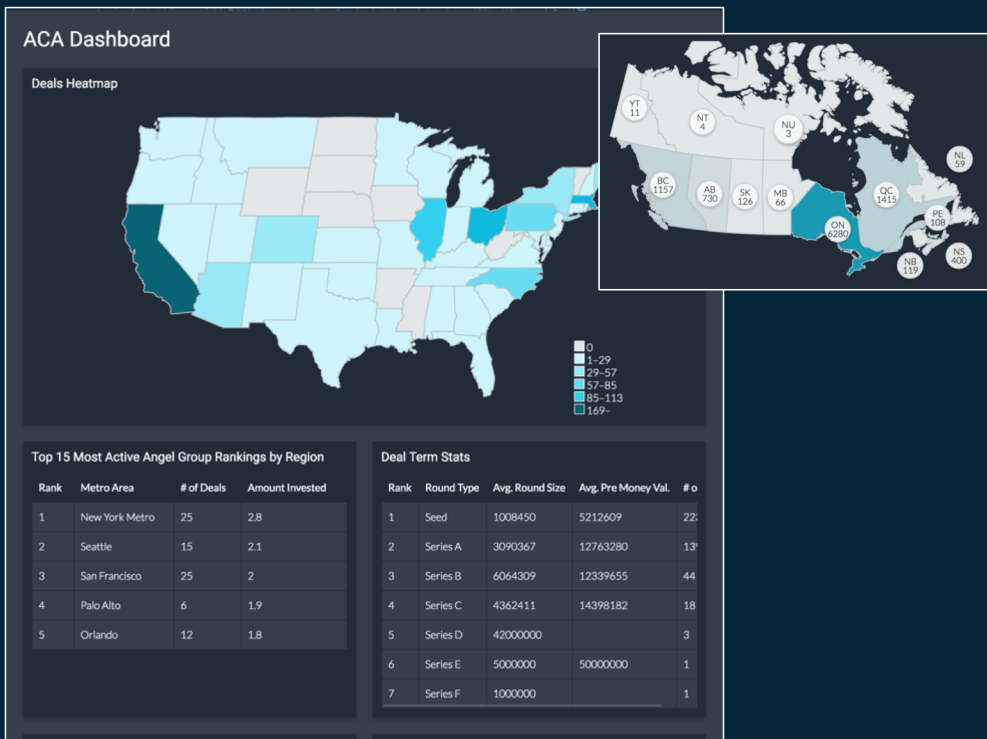
# Access Shared Datasets on ACA Data Platform

The screenshot displays the Hockeystick ACA Data Platform interface. At the top, there is a navigation bar with the Hockeystick logo and tabs for 'Research' and 'My Organization'. Below this, there are tabs for 'Open Database', 'Data', 'Advanced Search', and 'Advanced Search'. A search bar is present with a 'Filter' dropdown and a 'Search' button. To the right, there is a 'Dataset' sidebar with options for 'Open Database', 'Data', 'Advanced Search', and 'Advanced Search'. The main content area shows a table of deals with columns for 'Legal Name', 'Title', 'Announce Date', 'Amount', and 'Status'. The table is filtered to show 'FUNDS & ORGANIZATIONS (26830 RESULTS)' and 'DEALS (8245 RESULTS)'. The table contains several rows of deal information. At the bottom of the table, there is a pagination bar showing 'Page 1 / 551' and 'Total Results: 8245'. Below the table, there is a footer with navigation links for 'PRODUCTS', 'COMPANY', 'SUPPORT', 'LEGAL', and 'COMMUNITY'. The footer also includes social media icons for Facebook, LinkedIn, and Twitter, and a copyright notice for 2018 Hockeystick.co Inc.

## Key Points:

- **Members-only portal to track startups, investors and deals**
- **High-level aggregate data**

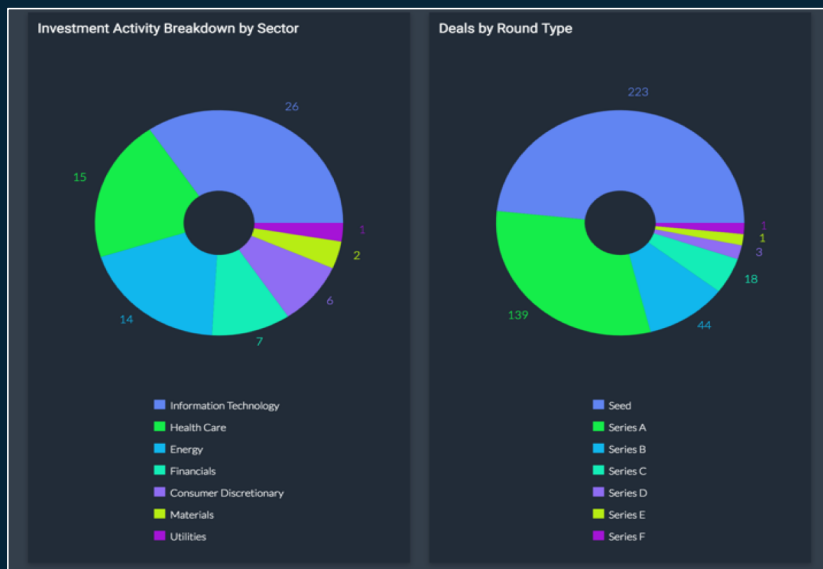
# Leverage ACA Aggregate Data



## Key Points:

- International, national & regional investment trends and statistics
- Incorporating aggregate data from ACA Angel Funder's Report
- Coming soon: ability to create & customize dashboards

# Leverage ACA Aggregate Data



## Key Points:

- Data on leading investment sectors, deal terms, syndication etc.
- Constantly updated by ACA and member groups
- Ability to generate and export reports

# Value to Angel Groups

## High-level investment trends

- Investments by industries, verticals, stage and round
- Investments by geographical region

## Aggregate Angel group statistics

- Average # and amount invested per group
- Syndication statistics

*Analyze your angel group's private data.  
Access aggregate statistics across ACA.*

## Investment deal statistics

- Pre-money valuation by round, industry/vertical
- Type of security: eg notes, preferred shares
- Number of companies receiving VC funding

## Company data

- Total employees and sales of companies
- Exit data (positive, negative, group IRR)
- Influence of CEO experience on exit multiples

# Key Points and Next Steps

- **Members and ACA own the data**
- **Hockeystick is a provider of data platforms and does not sell or share private datasets**
- **Get started: contact ACA to receive a link to your private account**



## Comments From a Person Loading Data Into *Hockeystick*

- I have loaded data for all 12 years of CTAN investments
- This is 189 individual investments
- Based on my experience doing this, it is taking between 5-7 minutes per investment to load all of the data into Hockeystick
- In many cases I did not have all of the data (31) for the 189 investments
- The 31 data elements are broken out as basic items (12), financial data (7), people/CEO information (6) and exits/out of business data (6)



# Angel Investing by the Numbers: ACA's Angel Funders Report



The initial ACA report on angel group investment, the startups they support and the [ACA Data Analytics Platform](#)

*Wednesday, December 5, 12:00 to 1:00 PM Eastern*



# QUESTIONS



## UPCOMING WEBINARS

**December 12, 2018**

Investment and Company Structures:  
Making Sense of the Alphabet Soup

Speakers:

Heather Miles, Foley Hoag

Ron Weissman, Band of Angels

<https://www.angelcapitalassociation.org/webinars/>



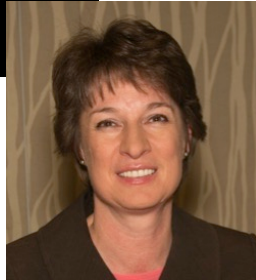
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## ADDITIONAL RESOURCES



**Forbes**

Marianne Hudson  
Executive Director  
Angel Capital Association

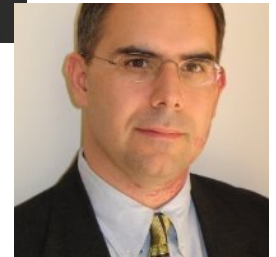


<http://www.angelcapitalassociation.org/news-forbes/>



**Inc.**  
Handbook of the American Entrepreneur

Christopher Mirabile  
Managing Director, Launchpad;  
Past Chair, Angel Capital Association



<http://www.angelcapitalassociation.org/news-inc/>



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## EDUCATIONAL SEMINARS

### Fundamentals of Angel Investing

- In one-hour, two-hour and half-day formats
- One-hour on-demand webinar

### Term Sheets

- One-hour on-demand Basics webinar
- 3.5 hour Fundamentals in-person session
  - Available for license by ACA members thereafter

<https://www.angelcapitalassociation.org/seminars/>



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# ACA HAS GOLD STANDARD EVENTS & EDUCATION

- April 24-26, 2019, ACA Summit, Chicago, IL
- <http://www.angelcapitalassociation.org/events/> ...



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