



Good News for Startups: Angel Investment Remains Stable

Halo Report Reveals Angel Group Investment Trends for the Full Year 2012

Kansas City, MO, Santa Clara, CA, New York City, April 16, 2013 – [The Angel Resource Institute \(ARI\)](#), [Silicon Valley Bank \(SVB\)](#) and [CB Insights](#) released the 2012 [Halo Report](#) today, a national survey of angel group investment activity, as the Angel Capital Association gears up for its biggest event of the year in San Francisco this week.

The report shows angel investing for the year was stable with prior years. Pre money valuations for early-stage companies remained steady at \$2.5M and round sizes were relatively consistent. The sectors and geographies getting funding are shifting, however, most notably with mobile and telecom companies gaining share of angel investment deals and dollars, while healthcare companies are losing share of angel investments. Companies in the Northwest and the Southwest US are gaining ground on the number of deals and total investments they receive over companies in California and New England.

“Angel investors continue to play an important role in funding startups,” said Rob Wiltbank, Vice Chairman of Research, Angel Resource Institute. “The steady valuation, growth in investment size, and wide geographic activity among angel investors is more evidence that angels are a reliable and a critical part of growing the next generation of great new companies in this country.”

Wiltbank will present the 2012 Halo Report during [the 2013 Angel Capital Association Summit](#), taking place April 17-19 in San Francisco. The Summit, with the theme, “Navigating Change for Angel Success,” is the largest worldwide gathering of angel investors and will host 600 attendees from 27 countries, 38 states and five Canadian provinces.

One new company in the mobile sector benefitting from angel investment is GlobeSherpa, based in Portland, Oregon. “We are entirely angel funded,” said [Nat Parker](#), CEO of [GlobeSherpa](#), a mobile ticketing software company. “We are disrupting legacy payment systems and ticket machines with extremely convenient mobile tickets that consumers can purchase and use with their smart phones. In the process we’re helping transit systems save millions of dollars and we are able to do this on the backs of our angel investors who put their trust in us.”

Halo Report 2012 Highlights: ([View Infographic](#))

Round Sizes

Median angel round sizes hit a five quarter high at \$690K in Q4 2012 for the second quarter in a row, and ended the year at \$600K, down from \$625K in 2011 and up from \$500K in 2010. When angel groups co-invest with other types of investors, the median round size is higher at \$1.5M.

Valuations

Pre-money valuations in early stage companies remain steady at \$2.5M for both 2012 and 2011.

Sectors

Mobile and telecom companies gained share of angel investment deals and dollars in 2012, responsible for 13% of all investment deals and receiving 14% of angel group dollars, which was more than doubled its share in 2011. Internet and healthcare companies still receive more than half of angel group investments, although healthcare investments dropped significantly from 35% share in 2011 to 27% in 2012.

Startups

Sixty three percent of companies that received angel group investment had revenue and 44% were follow-on rounds, as opposed to new investments.

Most Active Angel Groups 2012 – Deals

2012/2011 Rank	Group	Hometown
1/ New	New York Angels	New York, NY
2 /1	Tech Coast Angels	Southern California
3 /2	Launchpad Venture Group	Boston, MA
4/6	Central Texas Angel Network	Austin, TX
5 /5	Golden Seeds	New York, NY; Boston, MA; San Francisco, CA
6 / New	Sand Hill Angels	Sunnyvale, CA
7 /9	Investors' Circle	National Group
8 /4	Alliance of Angels	Seattle, WA
9 /7	CommonAngels	Boston, MA
10 /New	Maine Angels	Portland, ME

Geography

Companies in the Northwest and Southwest regions of the US grew their share of both angel deals and dollars over 2011. California and New England continue to see the majority of deals and investments,

yet 69% of angel investment deals are done outside those regions. Share of investments in California companies dropped from 31% in 2011 to 23% in 2012. Investments in New York remained flat.

The Halo Report includes aggregate analysis of investment activity by angels and angel groups and highlights trends in round sizes, location and industry preferences. The data is collected via survey and aggregation of public data using CB Insights innovative data analyses. The 2012 Halo Report data is based on 783 deals totaling \$1.1 billion dollars invested. The transaction details are available in the [CB Insights subscription database](#) for users to review and analyze themselves. Academics may also access some of the data through ARI.

Angel groups and individual angel investors interested in including their data in the Halo Report should contact Sarah Dickey, ARI Research Director, for details. She can be reached at 913-894-4700 and sdickey@angelcapitalassociation.org.

The **Angel Resource Institute** (ARI) is a charitable organization devoted to education, mentoring and research in the field of angel investing, a growing driver of our entrepreneurial economy. ARI was founded by the Ewing Marion Kauffman Foundation. The programs of ARI include educational workshops and seminars, research projects and reports, and information about angel investing for the general public. ARI is affiliated with the Angel Capital Association, the professional association of angel groups in North America. More information is available at www.angelresourceinstitute.org.

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