



Silicon Valley Bank



Angel Groups Invest More Per Deal, Stay Local

Halo Report Reveals Angel Group Investment Trends for Q1 2013

Kansas City, MO, Santa Clara, CA, New York City, July 18, 2013 – [The Angel Resource Institute \(ARI\)](#), [Silicon Valley Bank \(SVB\)](#) and [CB Insights](#) released the Q1 2013 [Halo Report](#) today, a national survey of angel group investment activity, which finds round sizes are trending up to a median of \$680K per deal, pre-money valuations remain stable at \$2.5 million and most angel investment happens in angel groups' home states.

[Infographic.](#)

US angel investment continues to be dispersed nationwide, and in the first quarter entrepreneurs in the Southwest region of the country received a slightly larger share of dollars than startups in California, for the first time. The sectors getting funding remain concentrated in Internet, healthcare and mobile, with 72% of completed Q1 deals in these categories.

“The market for angel investing is solid: pre-money valuations are stable, round sizes are trending up, and market activity is spread widely throughout the U.S.,” said Rob Wiltbank, Vice Chairman of Research, Angel Resource Institute. “The key trends over the last few years have been syndication and broader geographic distribution of investment; both of which suggest that attractive new ventures are finding places to start all over the country.”

Halo Report Q1 2013 Highlights:

Round Sizes

Median angel round sizes reached another five quarter high at \$680K in Q1 2013 up from \$550K a year ago and \$650K last quarter. When angel groups co-invest with other types of investors, the median round size is higher at \$1.5M. Seventy-five percent of angel deals are syndicated.

Valuations

Pre-money valuations in early stage companies remain steady at \$2.5M.

Locations

For the first time the Halo Report compares the location of angel groups with the location of their investments. Eighty-one percent of deals were completed in the angel groups' home state over the past 12 months.

Sectors

Together, Internet, healthcare and mobile companies completed 72% of angel group deals and received 64% of angel group dollars. All three sectors closed more deals than one year ago and healthcare companies received a slightly larger share of angel group dollars than in Q1 2012.

Most Active Angel Groups

Based on total deals, the most active angel groups in Q1 are (alphabetic order) Alliance of Angels, Desert Angels, Golden Seeds, New York Angels, Sand Hill Angels and St. Louis Arch Angels.

Angel groups that invested the most per deal in the last 12 months are (alphabetic order) Golden Angels Investors, Golden Seeds, Houston Angel Network, JumpStart New Jersey Angel Network, Nashville Capital Network, Oregon Angel Fund and Tech Coast Angels.

Geography

Angel group investment deals are more evenly distributed across the US than in years past. Seventy-three percent of angel group deals are now done outside California and New England, although 30% of dollars are invested in these regions. The Southwest region edged out California for the first time, with 18.1% share of angel group dollars. Year over year, companies in the Great Plains region and New York saw the largest increase in angel group deals. Declines of equal proportion are in New England and the Southeast over the same time period.

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 Q1 2013 Halo Report data is based on 207 deals totaling \$222 million 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, Vice President of research for ARI, 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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media publications including the *New York Times*, *Forbes*, *Bloomberg BusinessWeek* and *Fast Company* among others. For more information, visit <http://www.cbinsights.com>.

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