

# ACA Angel Funders Report - Pilot



The initial ACA report on angel group investment and the startups they support.

August 2018

# 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**

432

**# of  
Companies**

393

**Total Invested  
by Groups**

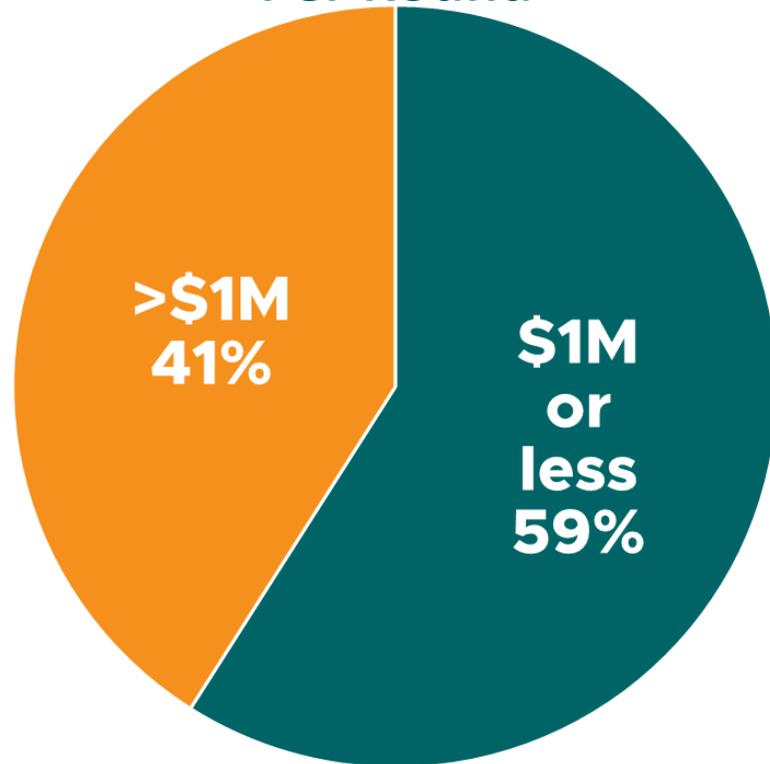
\$102M

**Total Raised by  
Companies**

\$534M

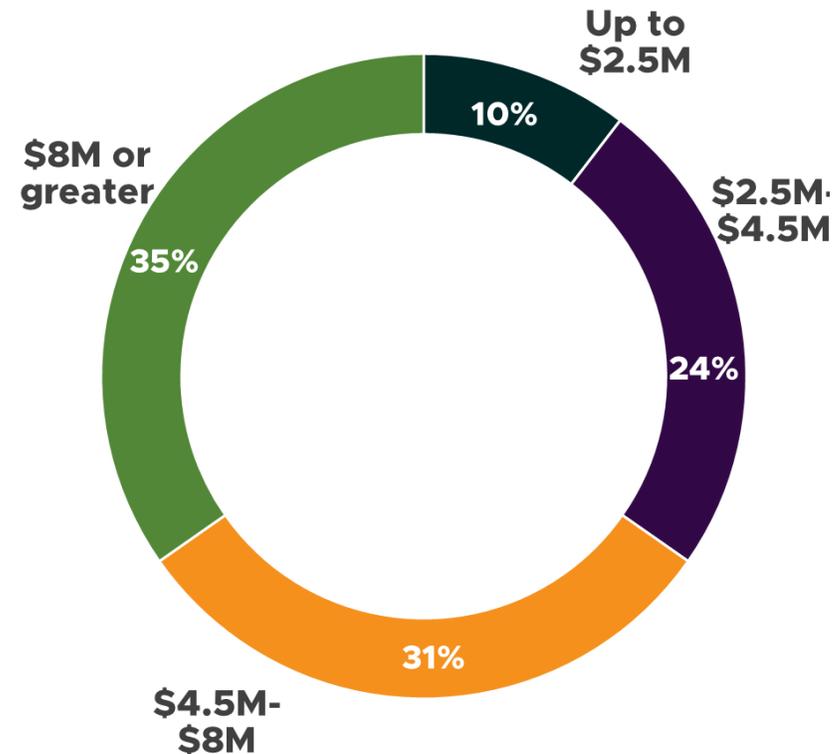
# Investments by the Numbers – Round Size and Median Overall Valuation

Total Amount Raised  
Per Round



Median Round Size = \$1M

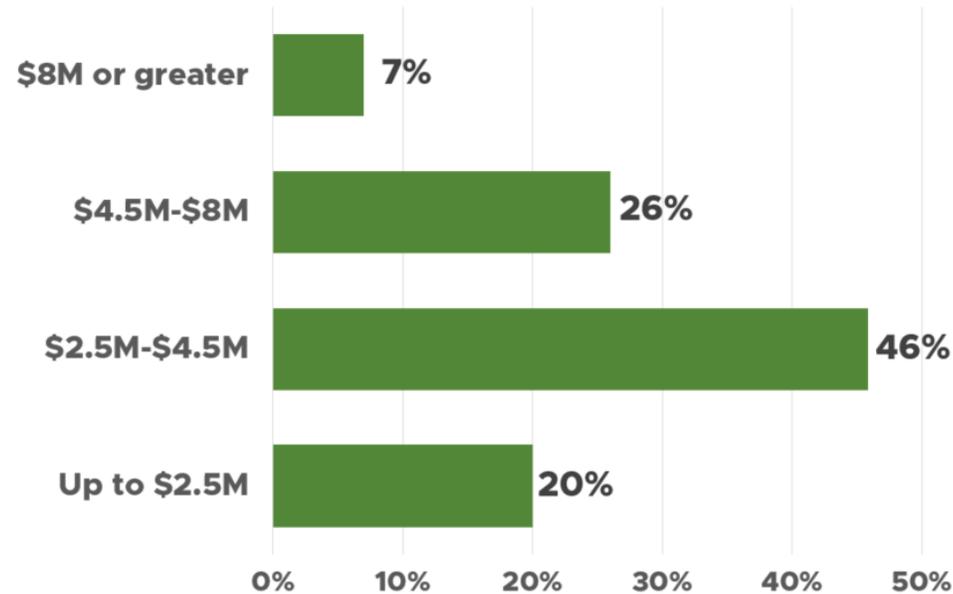
Pre-Money Valuation  
or Cap on Note



Median Valuation = \$5M

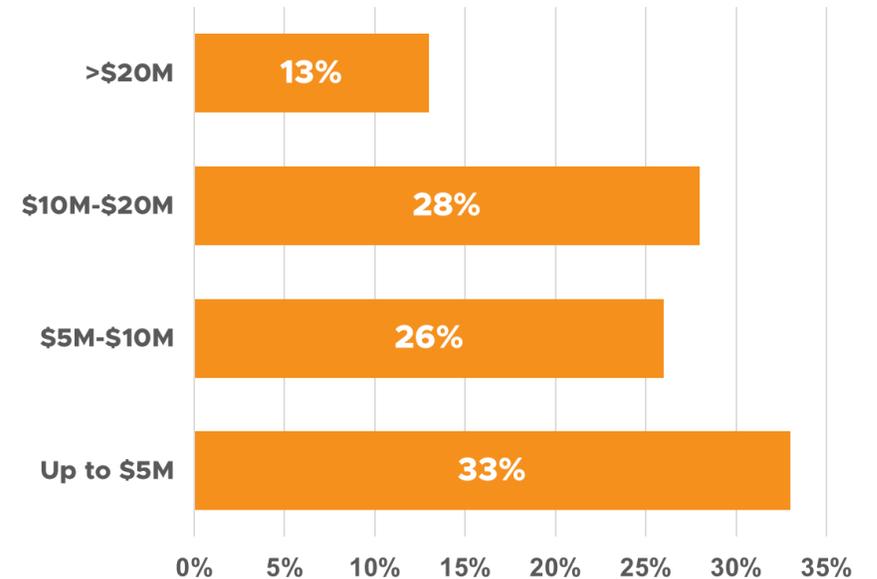
# Valuations Change by Round Stage

## Pre-Money Valuation - Angel Round



**Median Valuation = \$4M**

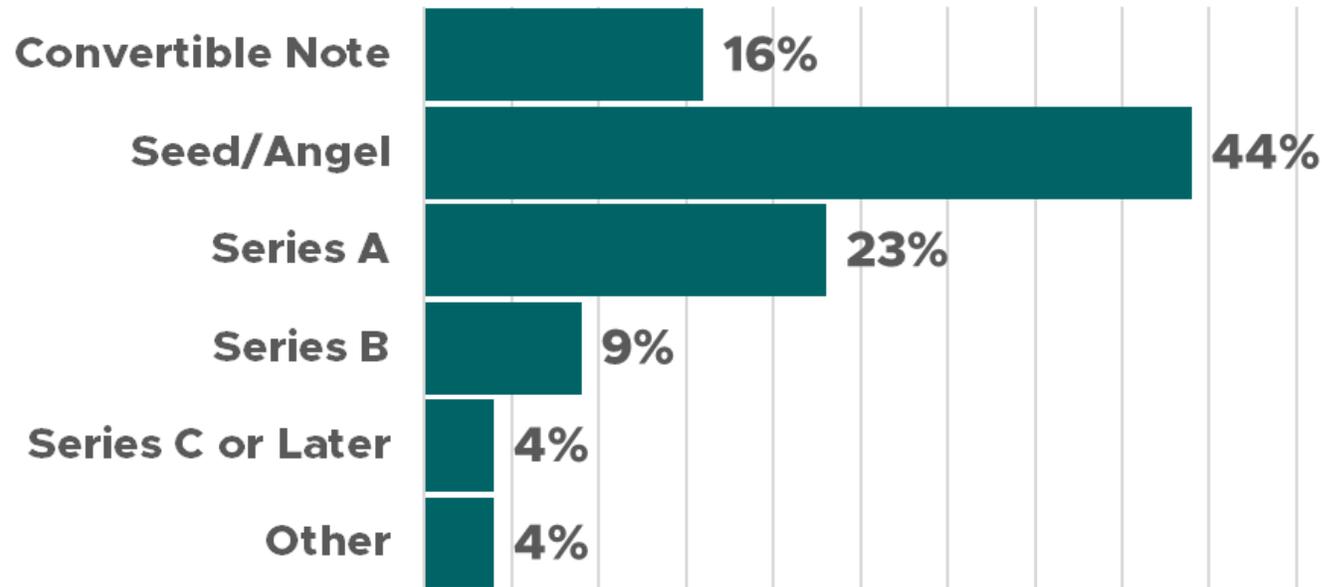
## Pre-Money Valuation – Series A Round



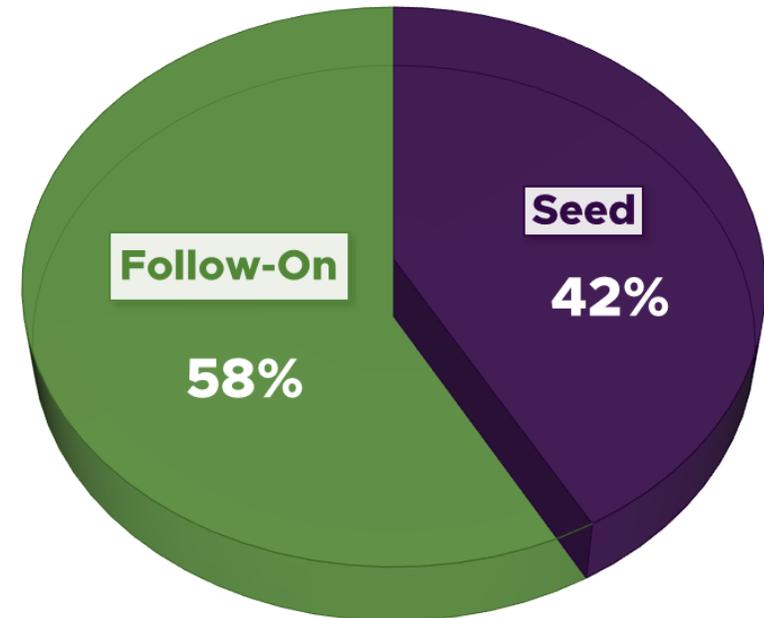
**Median Valuation = \$8.5M**

# Investments Generally Early, But Follow-Ons Rule

## Round Classification

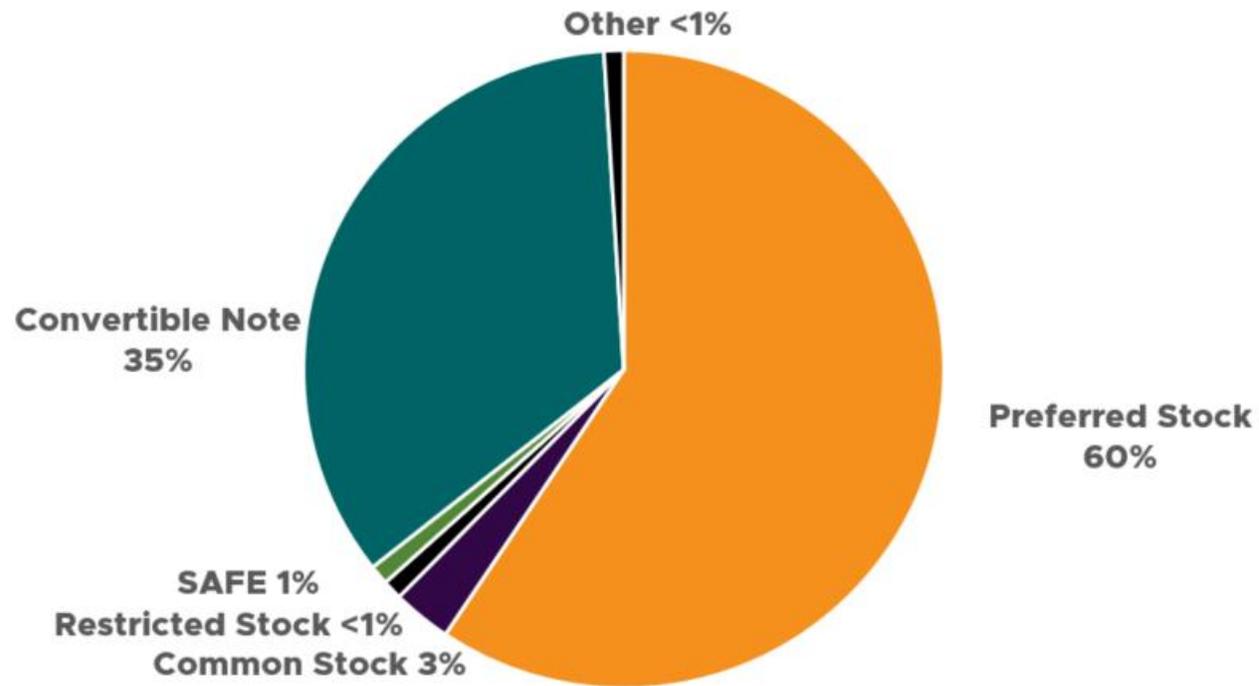


## More Than Half of Rounds Are Follow-Ons

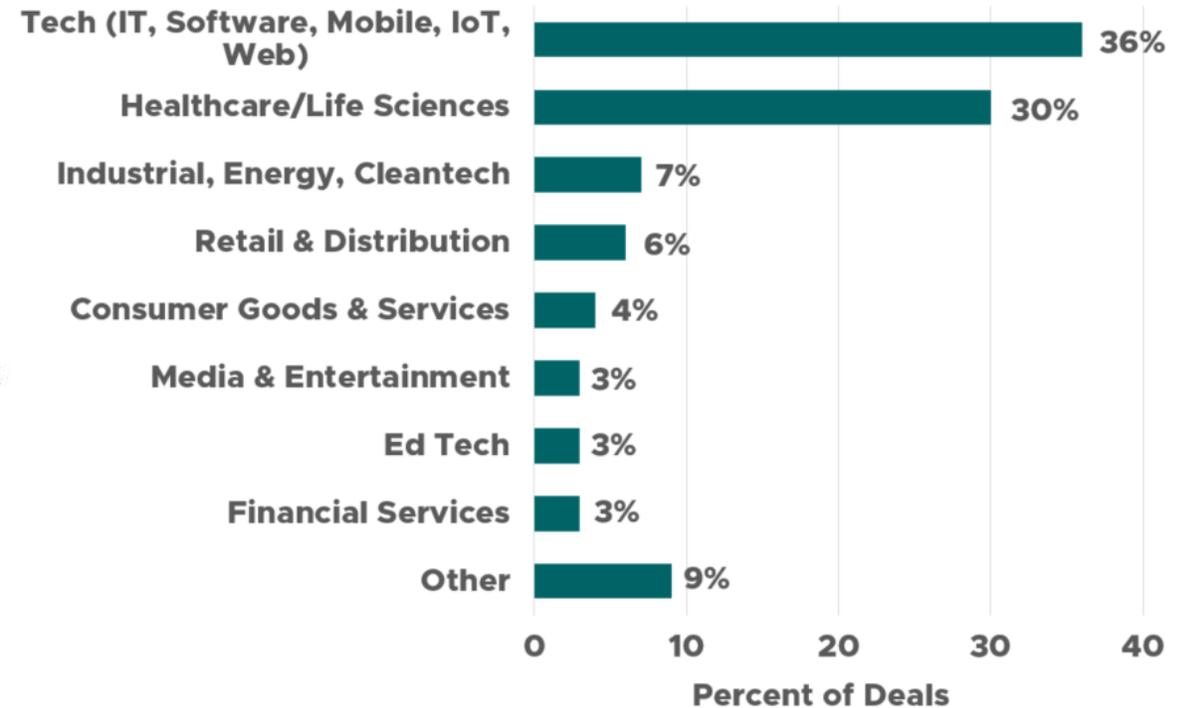


# Deals by Investment Structure and Industry

## Deal Structure



## Deals by Industry Sector



# Syndication – Working Together Is Important

**73% of deals were syndicated**

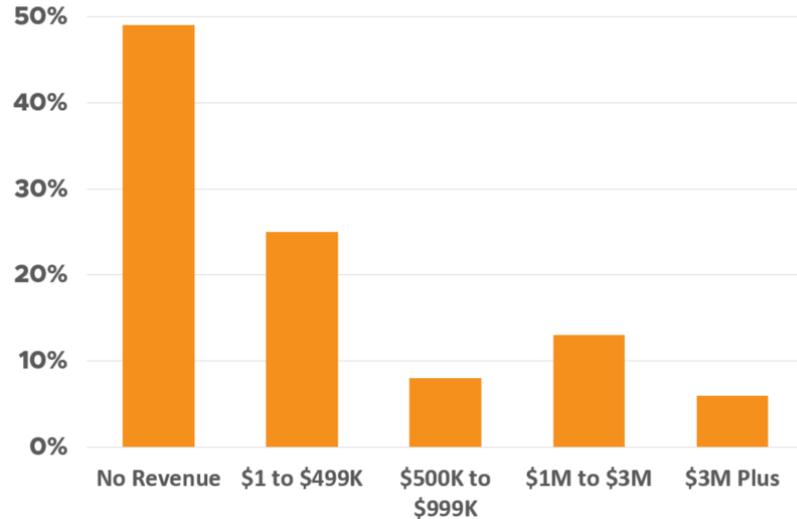
## Deal Syndication

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

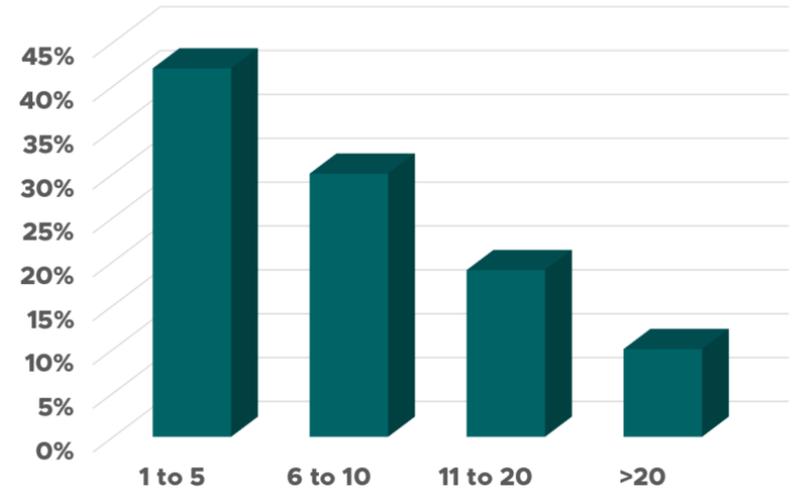


# About the Portfolio Companies

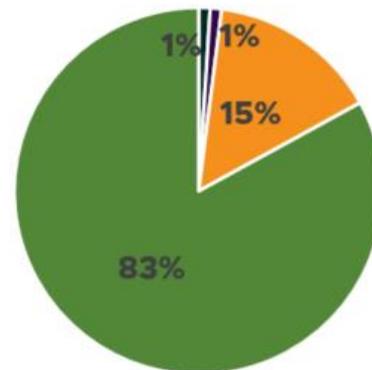
## Revenue at Time of Funding



## Number of Employees at Time of Funding



## Tax Structure



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

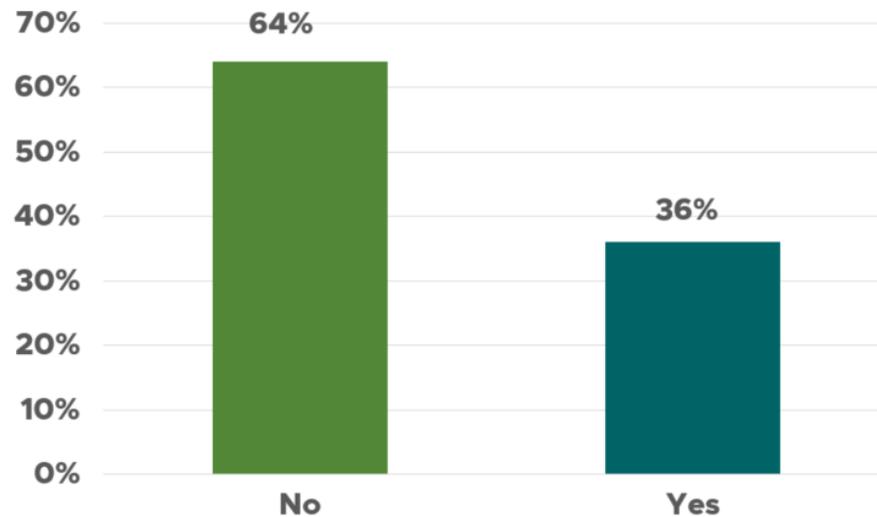
# CEO Profile

## By Gender

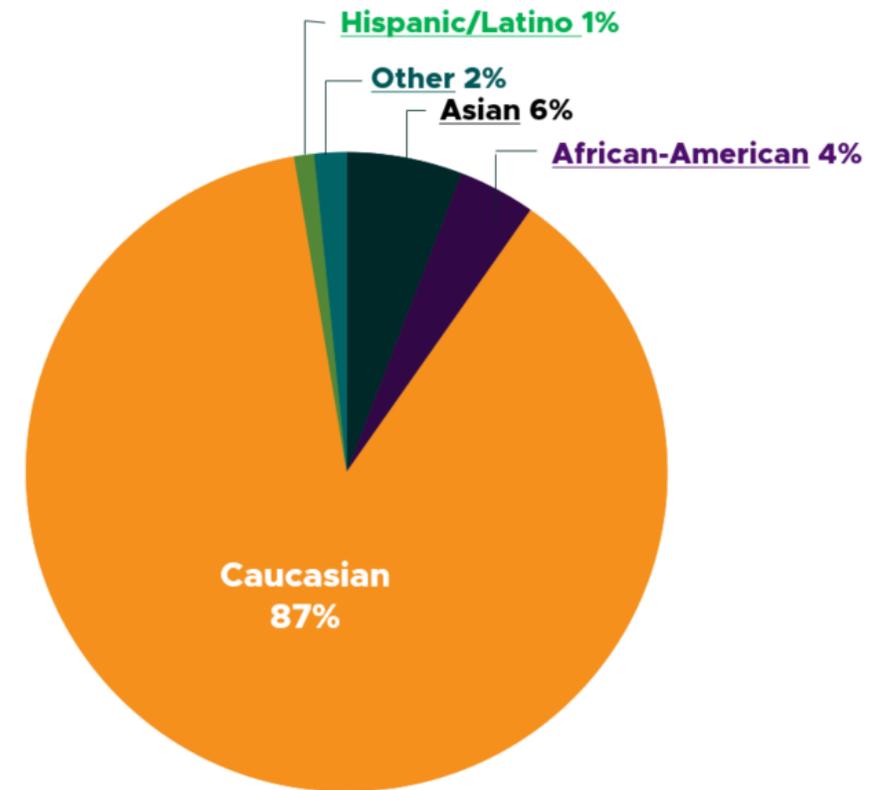


21% of CEOs were female

## Previous Experience in Leading Startups

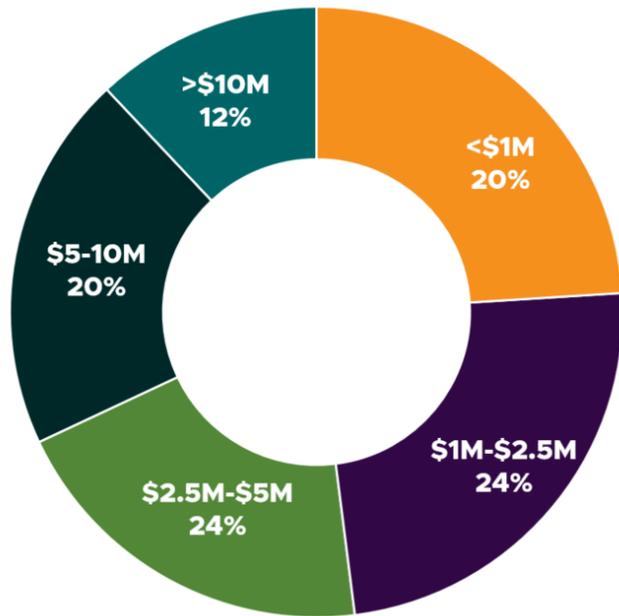


## By Race



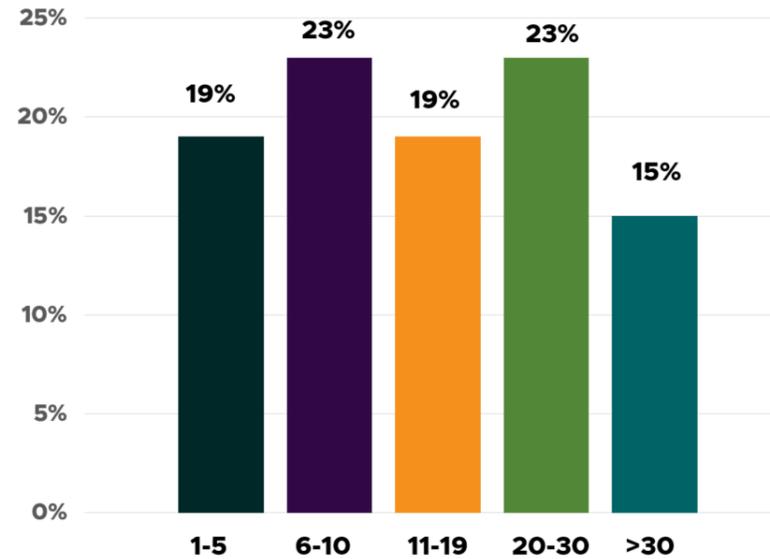
# Angel Group Activity Varies

Total Dollars  
Invested  
Per Group in 2017



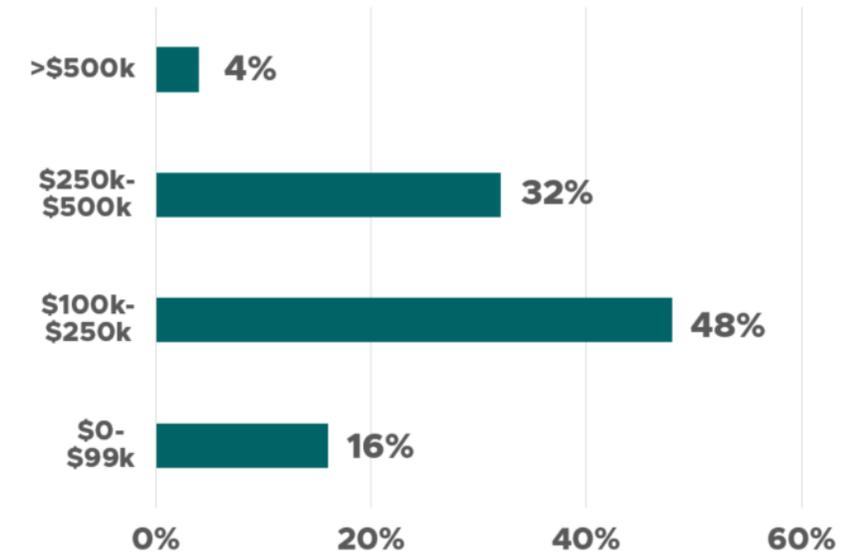
Median Amount = \$2.85M

Total Number of Deals  
Per Group in 2017



Median Deals = 16

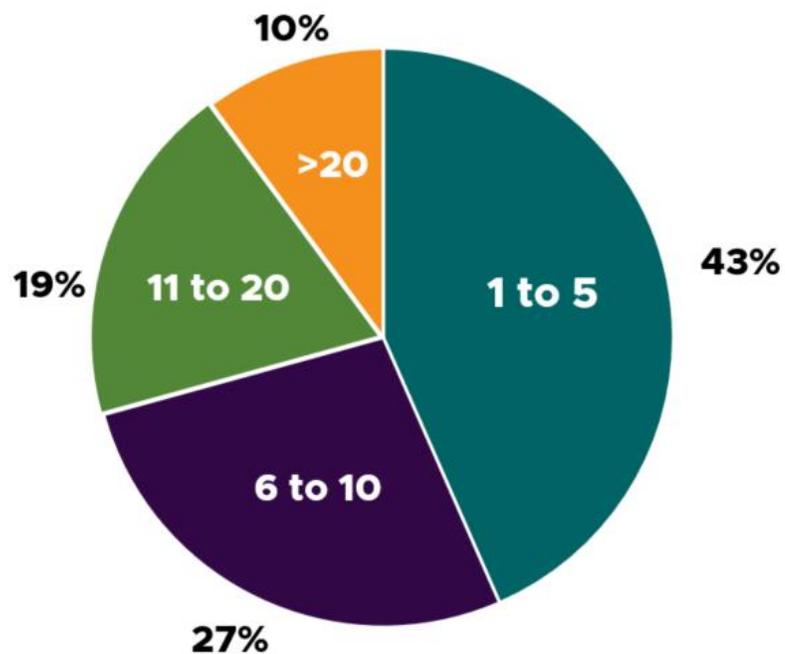
Investment Amount Per  
Group Per Round



Median Amount = \$202K

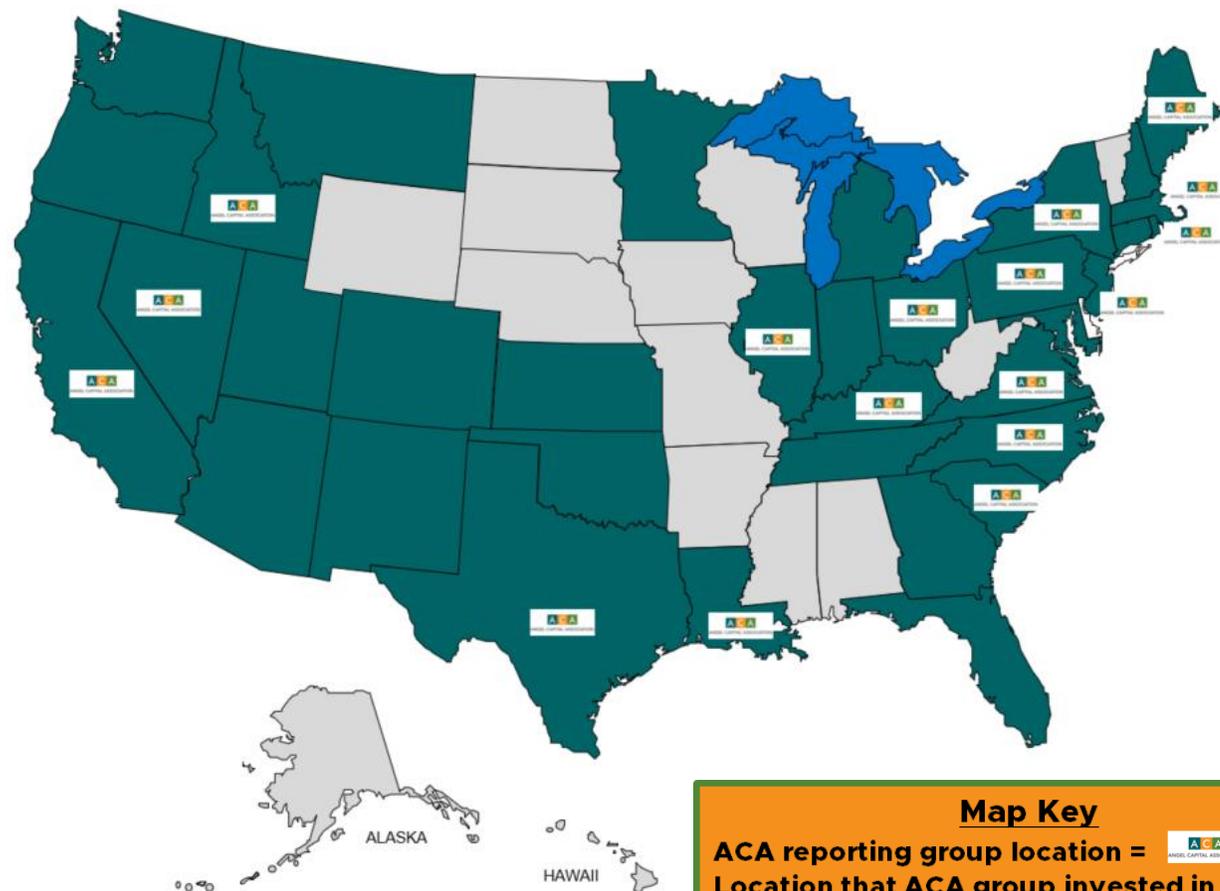
# More About Angel Group Activity

## Number of Network Members in Each Deal



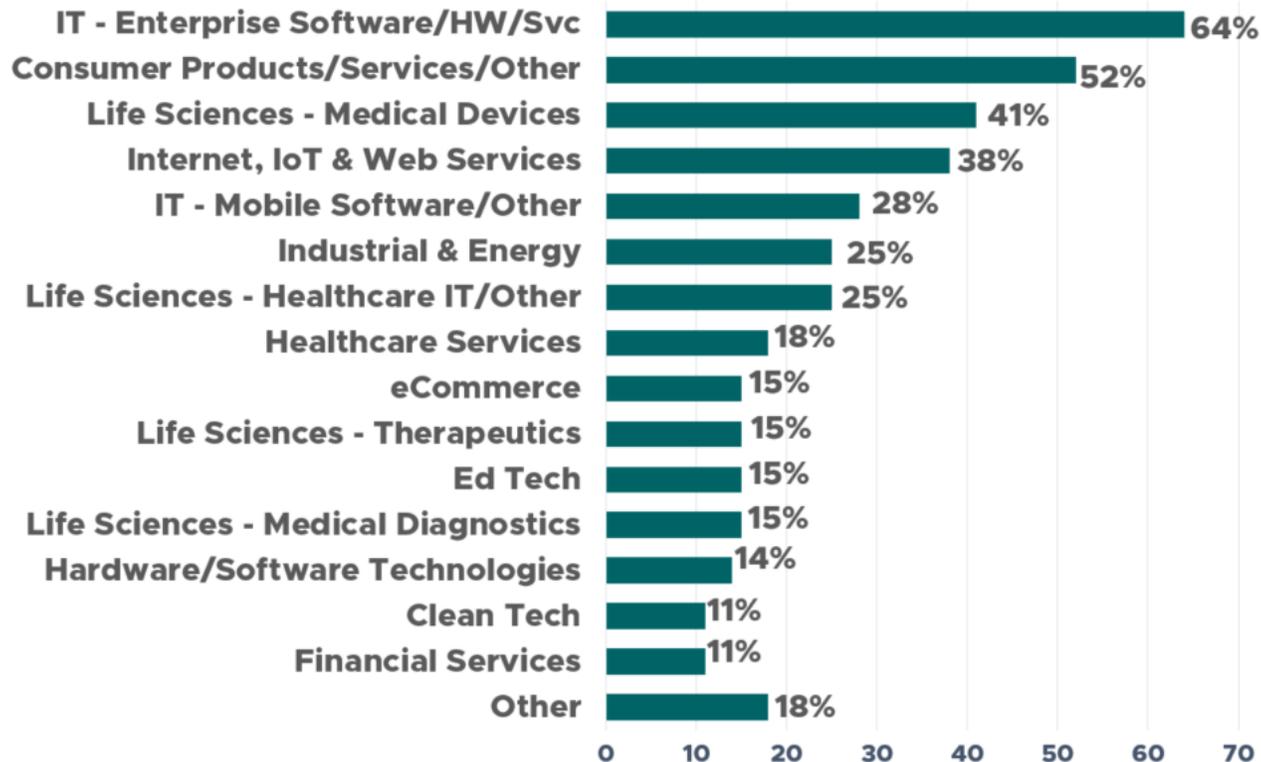
Median Number of Angels = 10

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

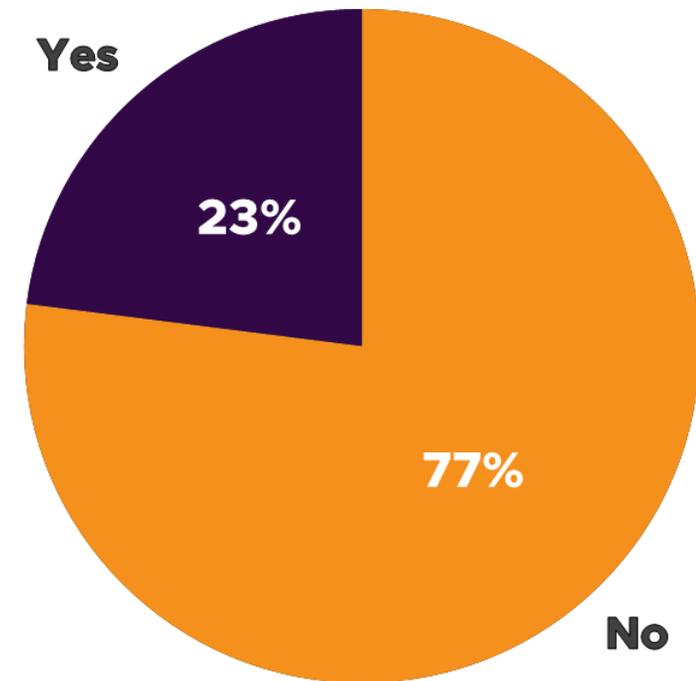


# Angel Groups on Industry Sectors and Board Service

## Percentage of Angel Groups Investing in Sectors



## Is Group Member Serving on Company Board?



# Participating Angel Groups – Thanks!



LIFE SCIENCE ANGELS



# 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