



Silicon Valley Bank



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# HWLO Report™

**Angel Group Update**

**2012 Year in Review**

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# 2012 Highlights

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# Angel Group Update: Halo Report 2012

## 2012 Highlights

- Median Angel Round Size is \$600K, a dip from 2011, but trending up at year end
- Early Stage Pre-Money Valuations Remain Steady from 2011
- Mobile Sector Gains Share, Healthcare Drops in Deals and Dollars
- Angels Diversify: Northwest and Southwest Regions Gain Share of Deals and Dollars, California Loses Share

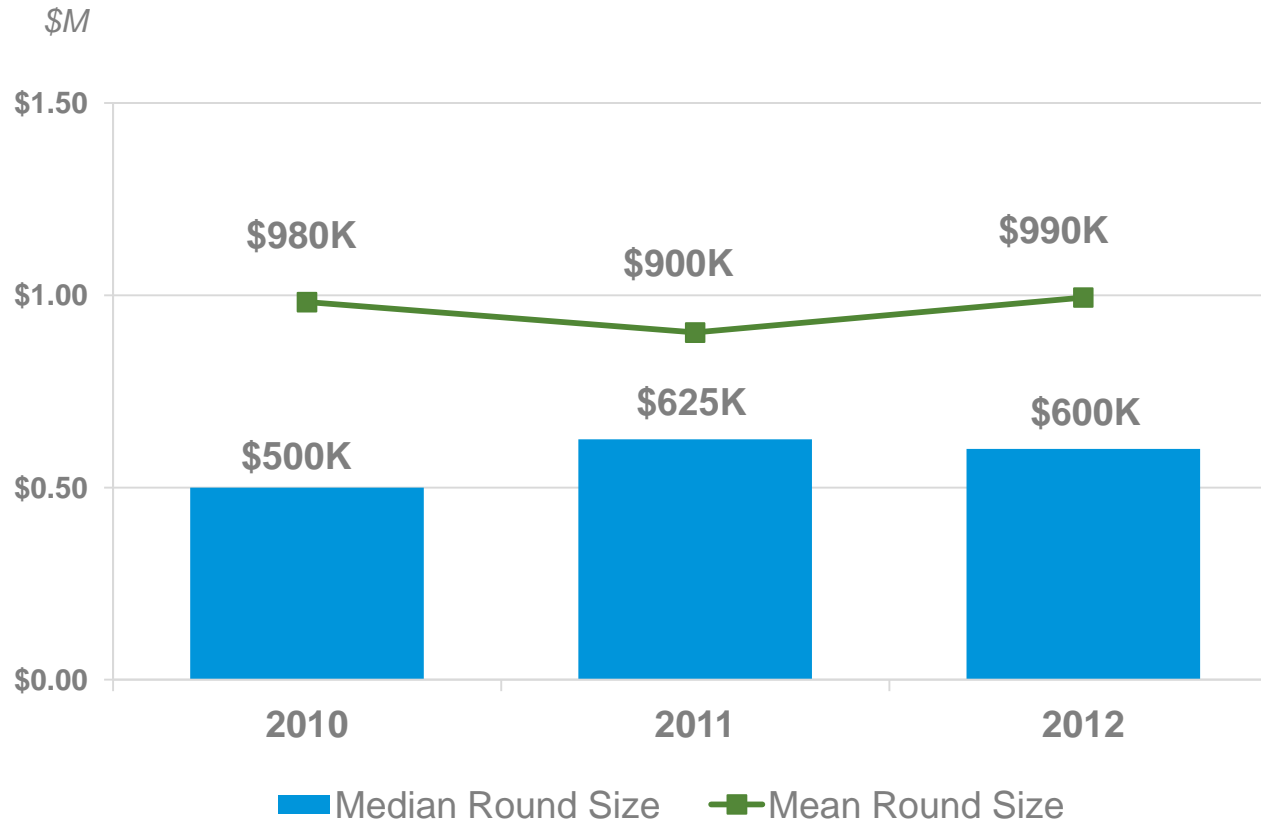
## Most Active Angel Groups

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

# National Trends

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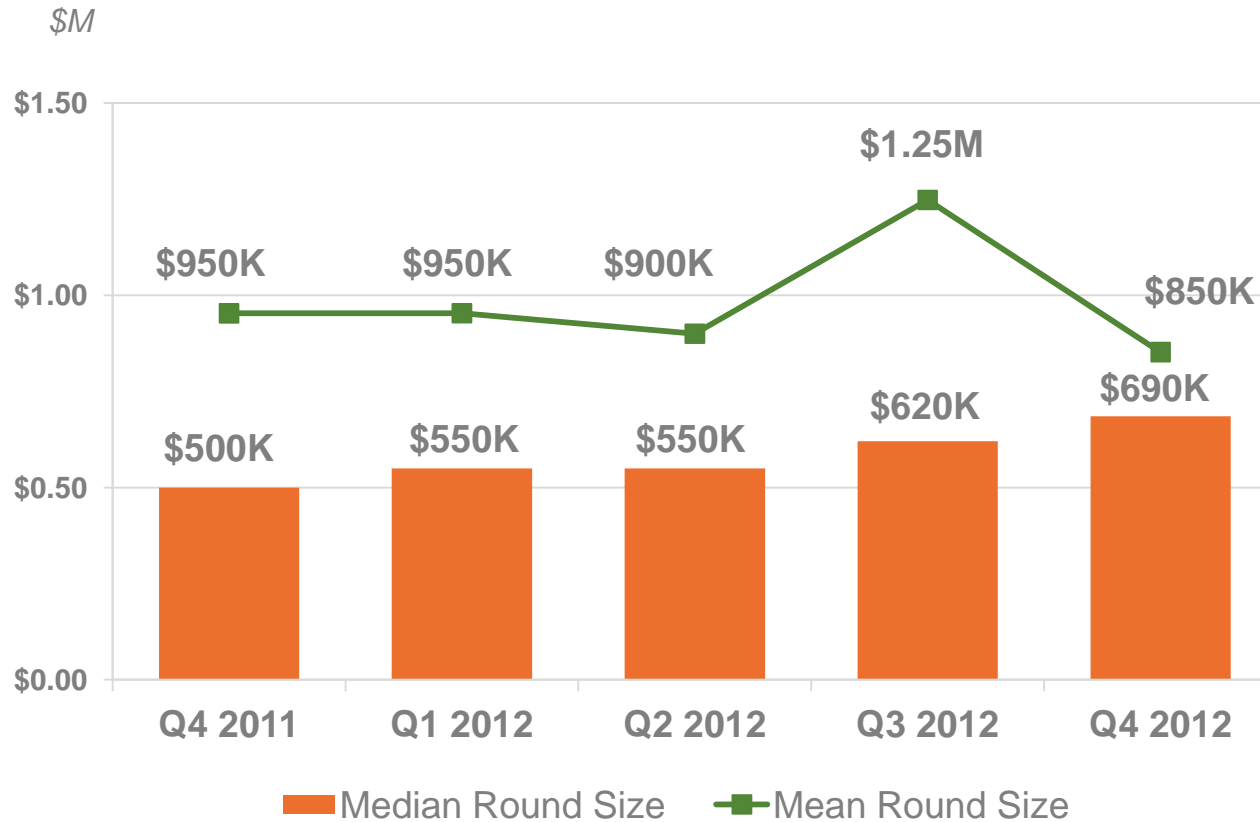
## Median Angel Round Size Dips Slightly for the Year...



\*Angel rounds include angels & angel groups only

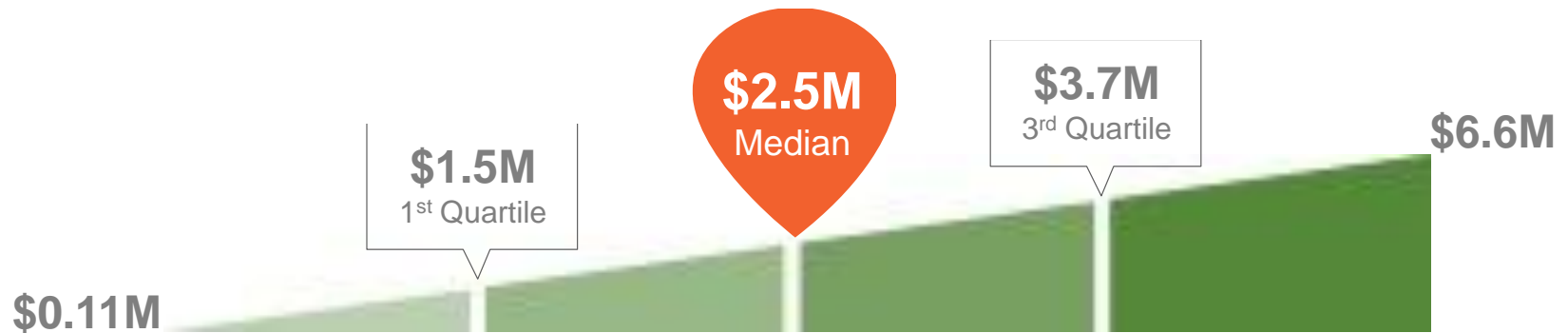
## ... But Trending Up at Year End

Median Angel Round Size Reaches Five Quarter High in Q4 2012



\*Angel rounds include angels & angel groups only

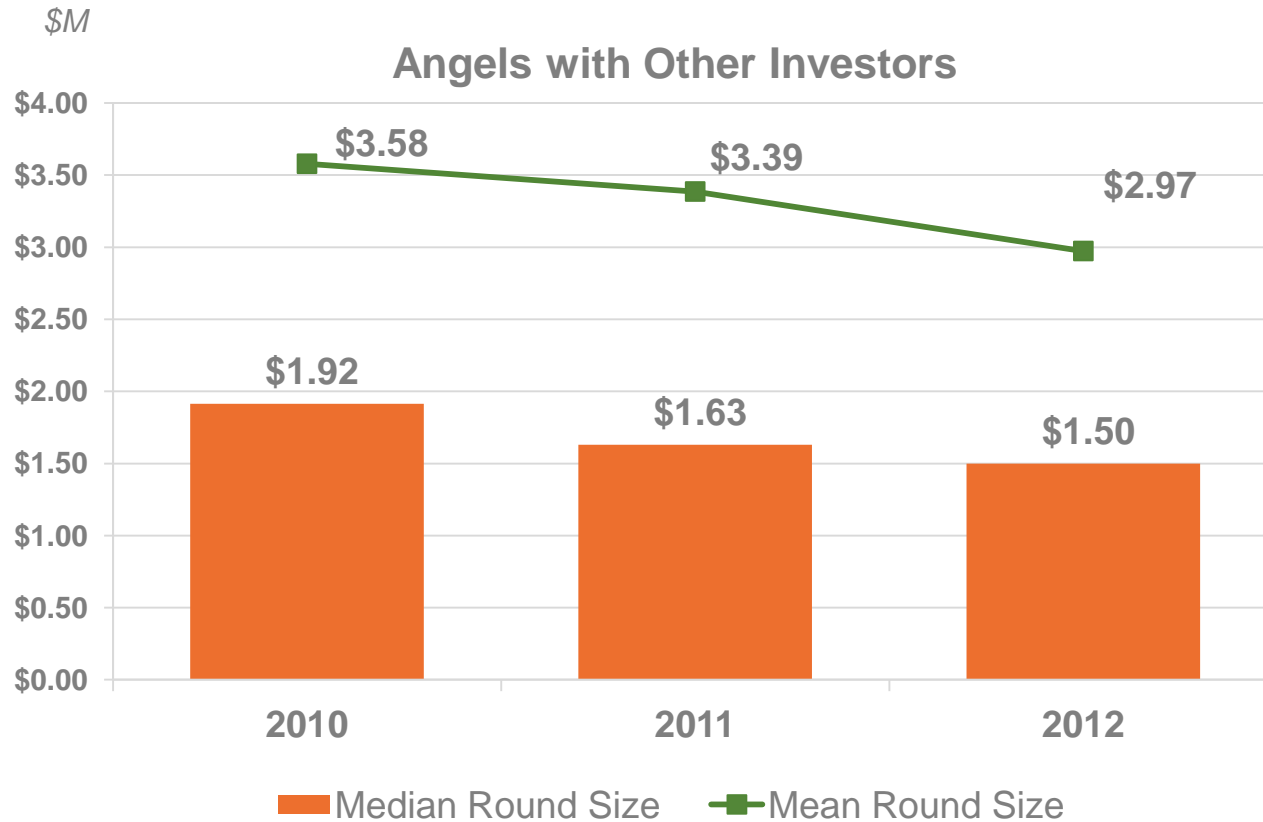
## Median Early Stage Pre-Money Valuation Stays the Same in 2012



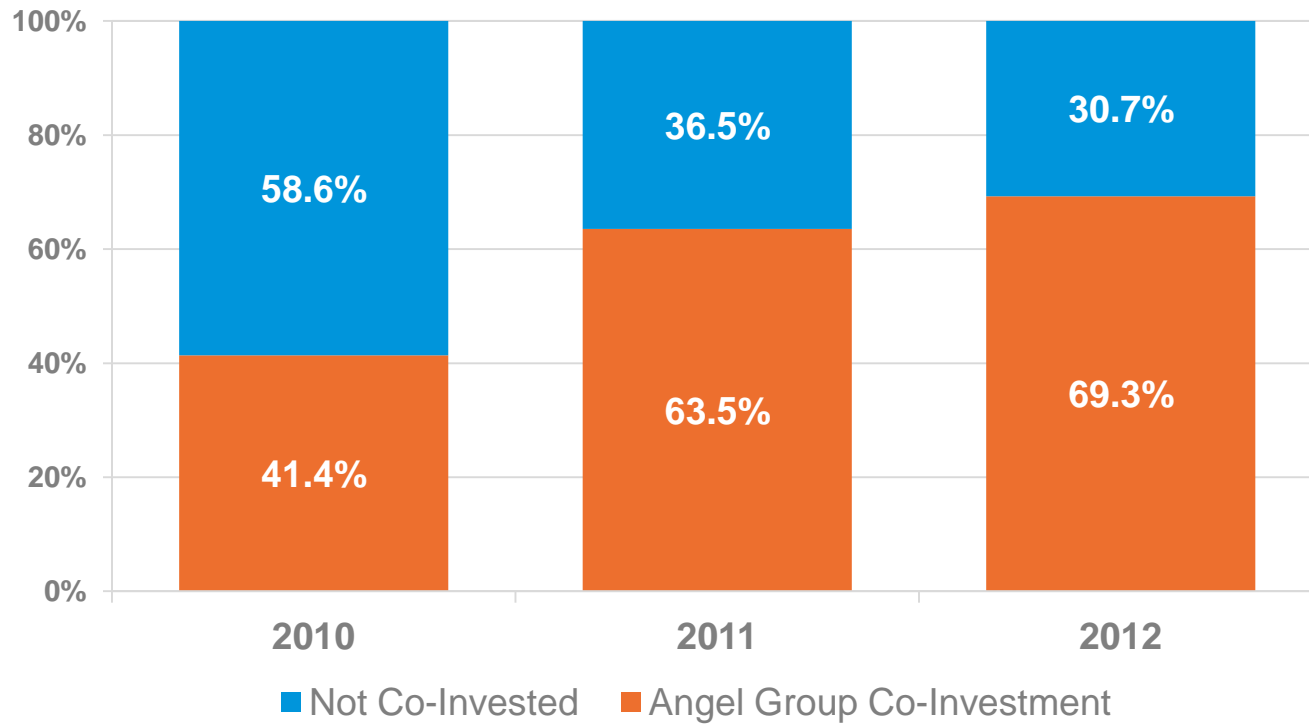
\*Including all rounds with angel groups before Series A



# Median Round Size Dips to \$1.5M when Angel Groups Co-Invest with Other Types of Investors



## Share of Co-Invested Angel Group Deals Increases



## Also of Note

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### More Convertible Debt Deals in 2012

11% of 2012 Deals were Convertible Debt; up from 6% in 2011

### Majority of Invested Companies Have Revenue

63% of 2012 angel group deals were in companies with revenue

### Angel Groups Invest in New Companies in 2012

56% of 2012 angel group deals are in new companies; stable with 55% in 2011

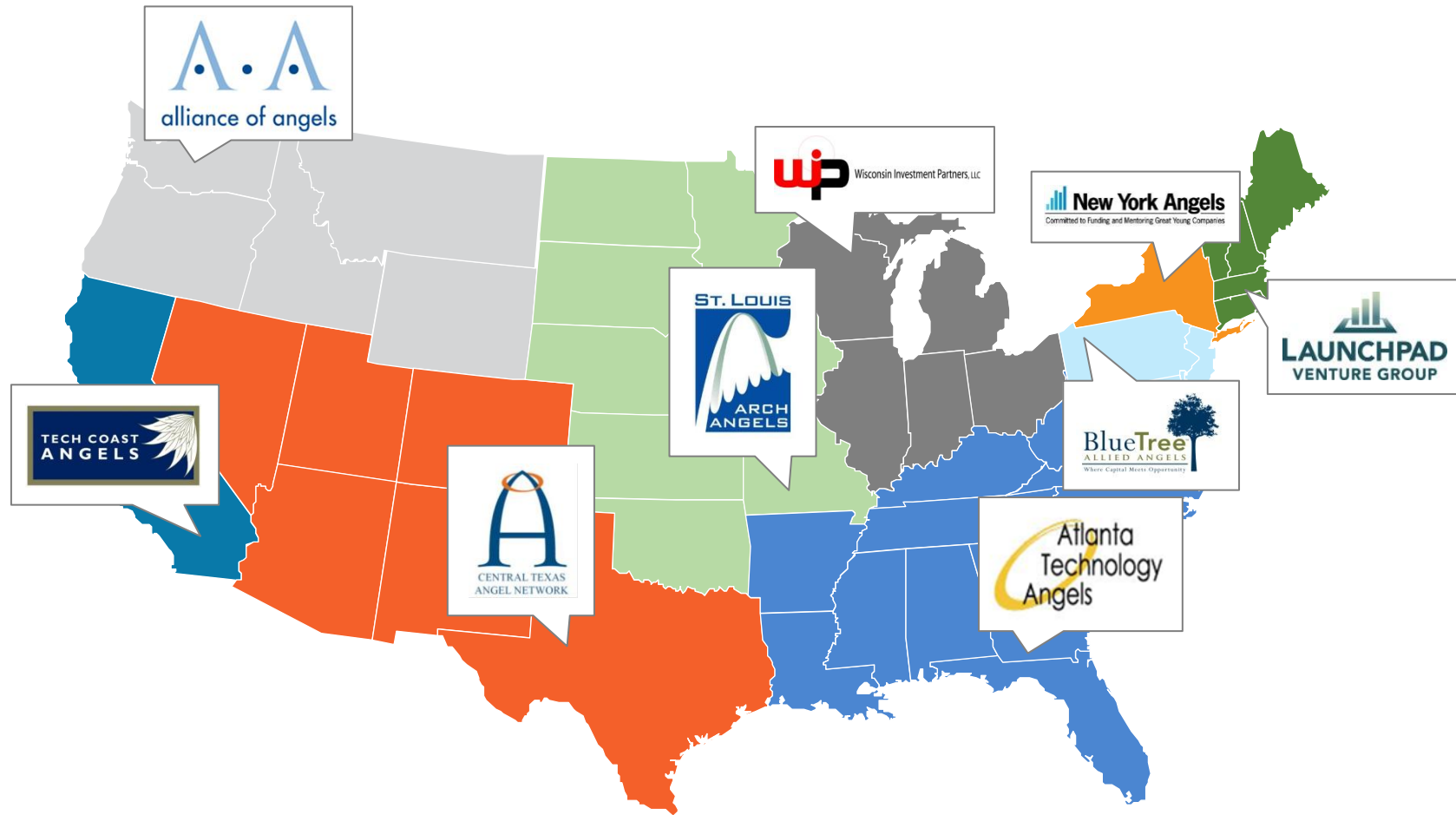
# Top Ten Angel Groups 2012

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# Most Active Angel Groups 2012 - Deals

1 <sup>st</sup>	<b>New York Angels</b> New York, NY	New 2011
2 <sup>nd</sup>	<b>Tech Coast Angels</b> Southern California	1 <sup>st</sup> 2011
3 <sup>rd</sup>	<b>Launchpad Venture Group</b> Boston, MA	2 <sup>nd</sup> 2011
4 <sup>th</sup>	<b>Central Texas Angel Network</b> Austin, TX	6 <sup>th</sup> 2011
5 <sup>th</sup>	<b>Golden Seeds</b> NY, MA, CA	5 <sup>th</sup> 2011
6 <sup>th</sup>	<b>Sand Hill Angels</b> Sunnyvale, CA	New 2011
7 <sup>th</sup>	<b>Investors' Circle</b> National Group	9 <sup>th</sup> 2011
8 <sup>th</sup>	<b>Alliance of Angels</b> Seattle, WA	4 <sup>th</sup> 2011
9 <sup>th</sup>	<b>CommonAngels</b> Boston, MA	7 <sup>th</sup> 2011
10 <sup>th</sup>	<b>Maine Angels</b> Portland, ME	New 2011

# Most Active Angel Groups in Each Region 2012 - Deals

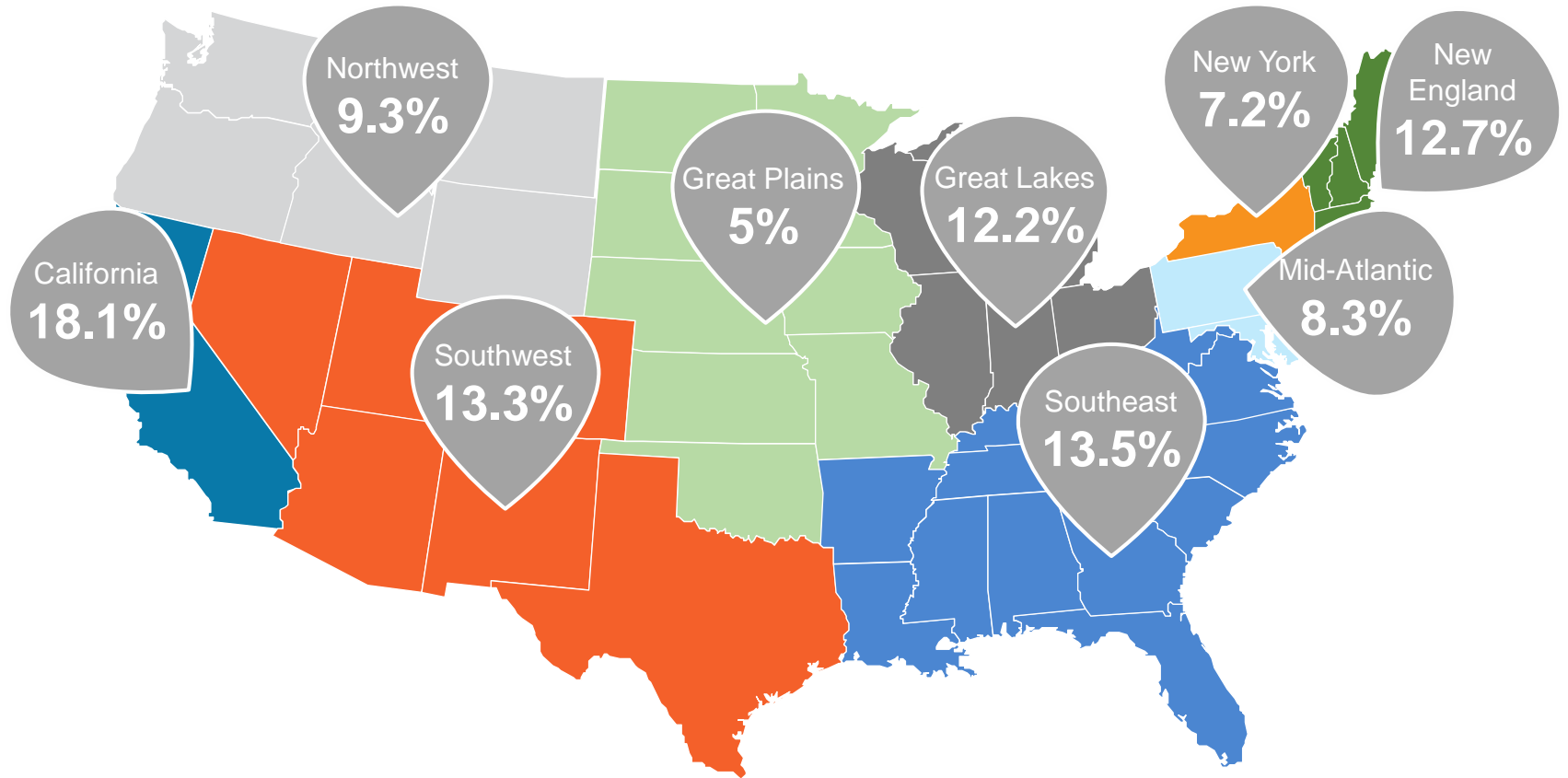


# Regional Trends

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# Angel Investment Deals Distributed Nationally

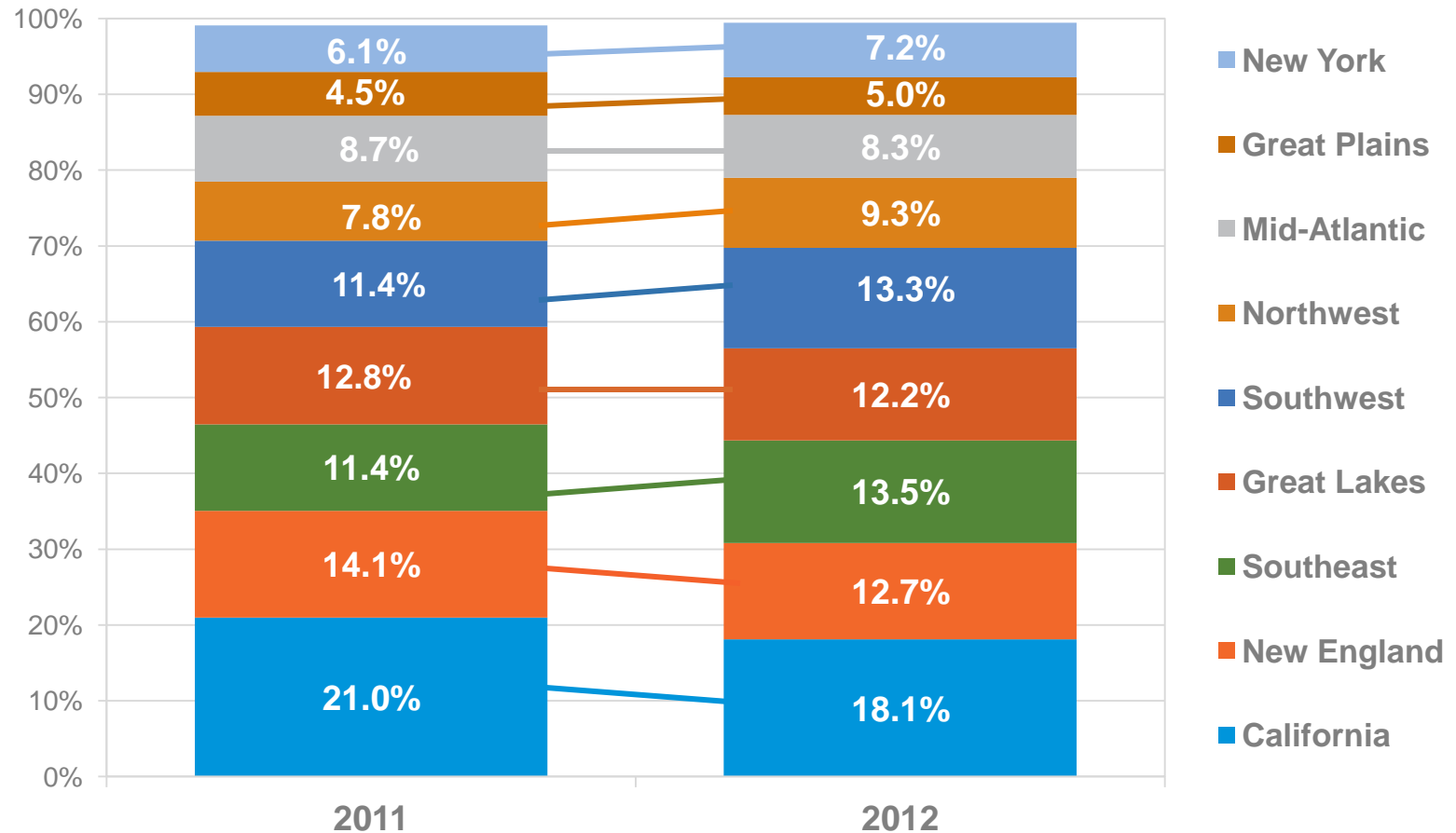
## Share of Angel Group Deals by Region 2012





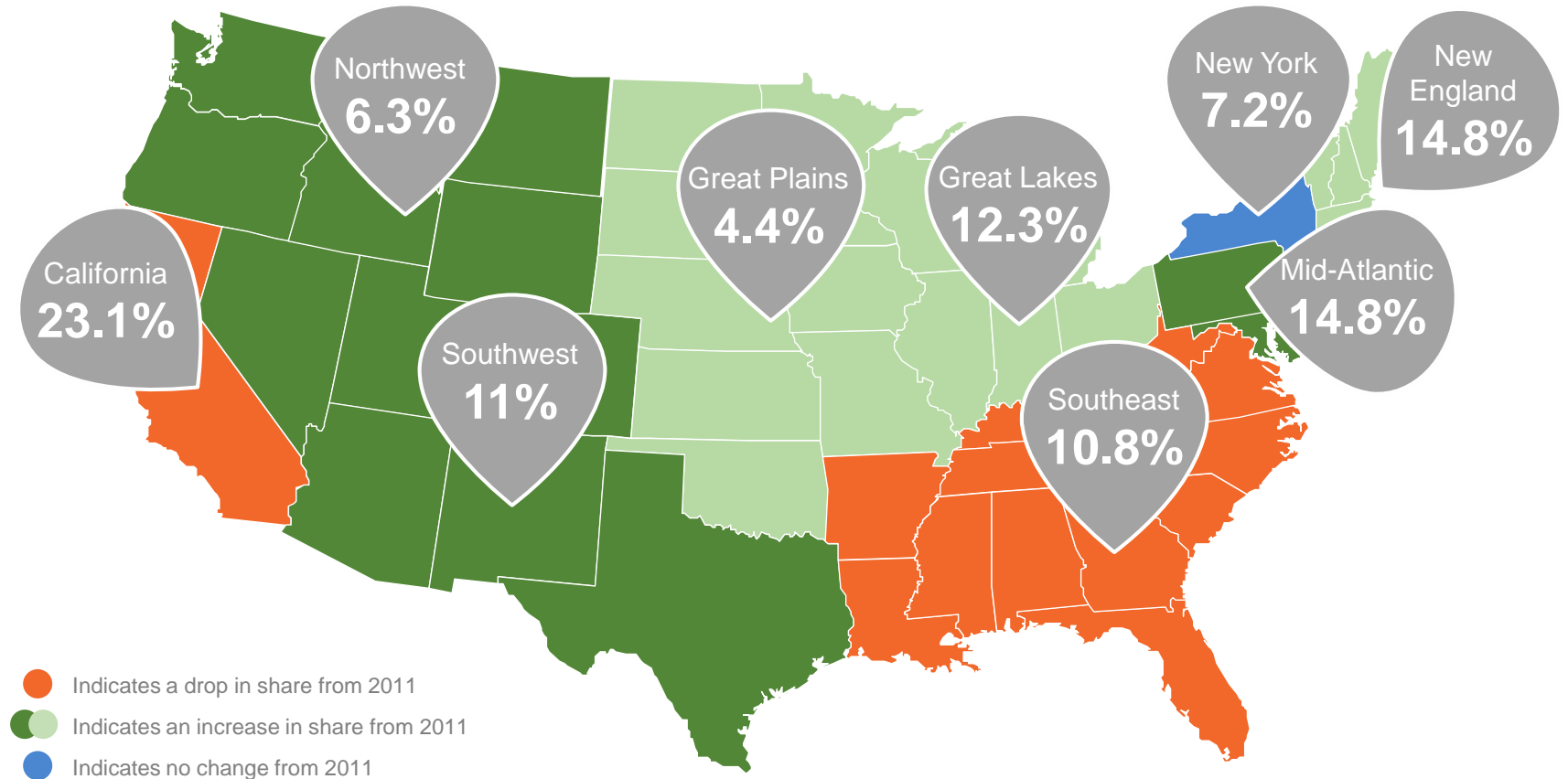
# Regional Deal Activity Stable: Some growth in Southeast, Southwest & Northwest

Share of Angel Group Deals by Region 2012 vs 2011

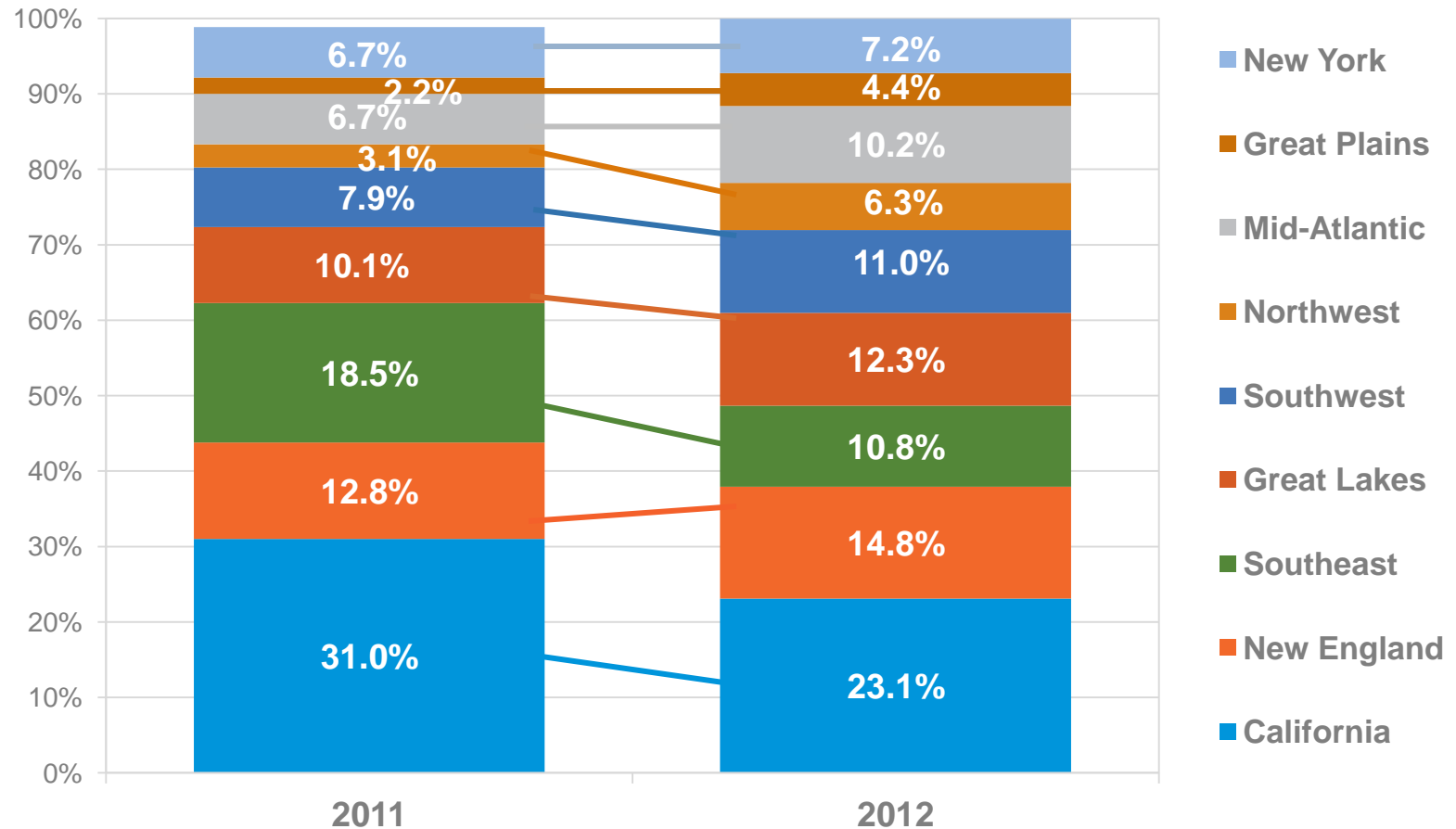


# Investment Dollars Spreading Further Outside of California

## Share of Angel Group Dollars by Region 2012



## Regional Share of Investment Dollars Up For Most; Declines in California & Southeast Share of Angel Group Dollars by Region 2012 vs 2011

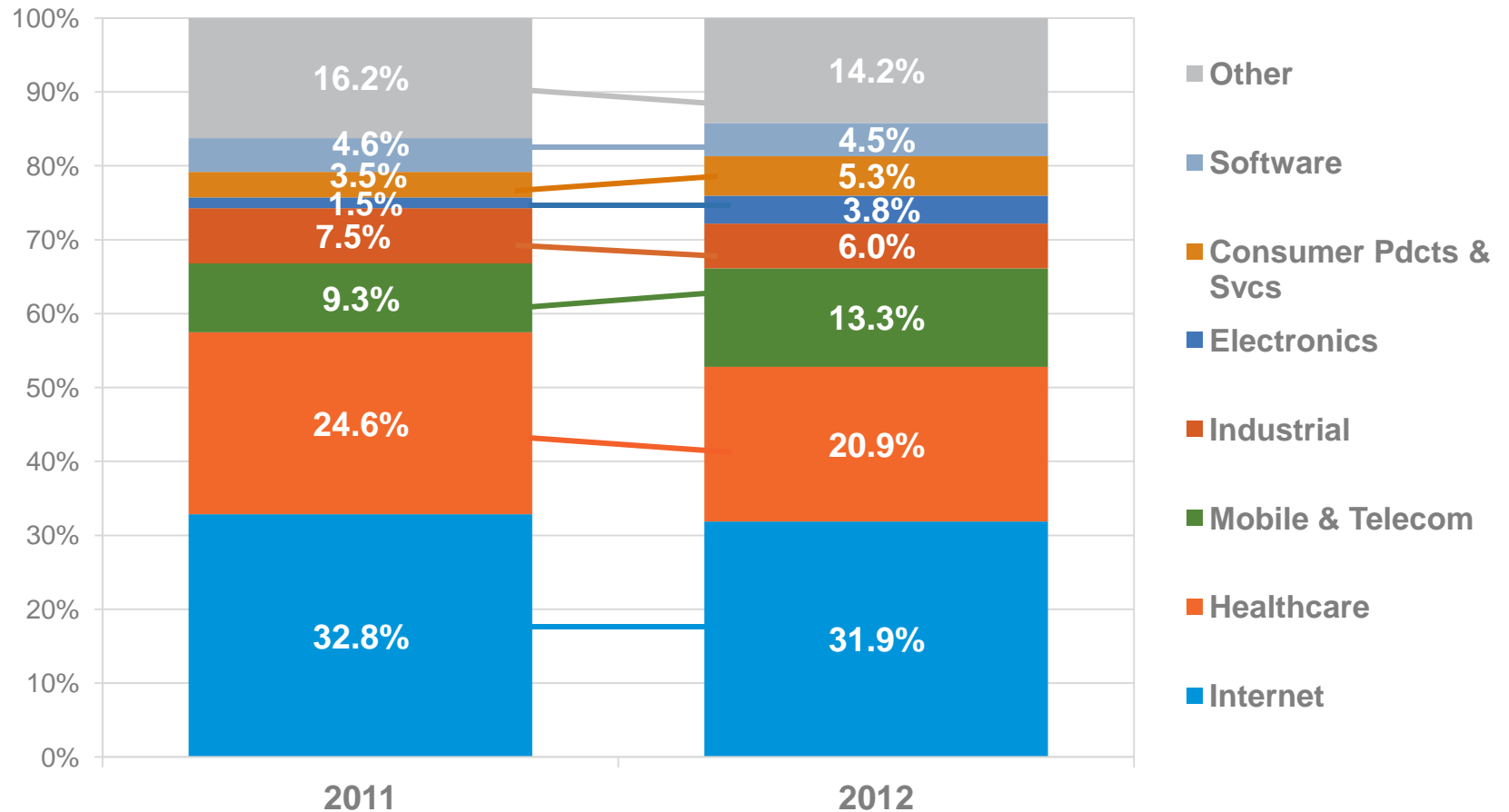


# Sector Trends

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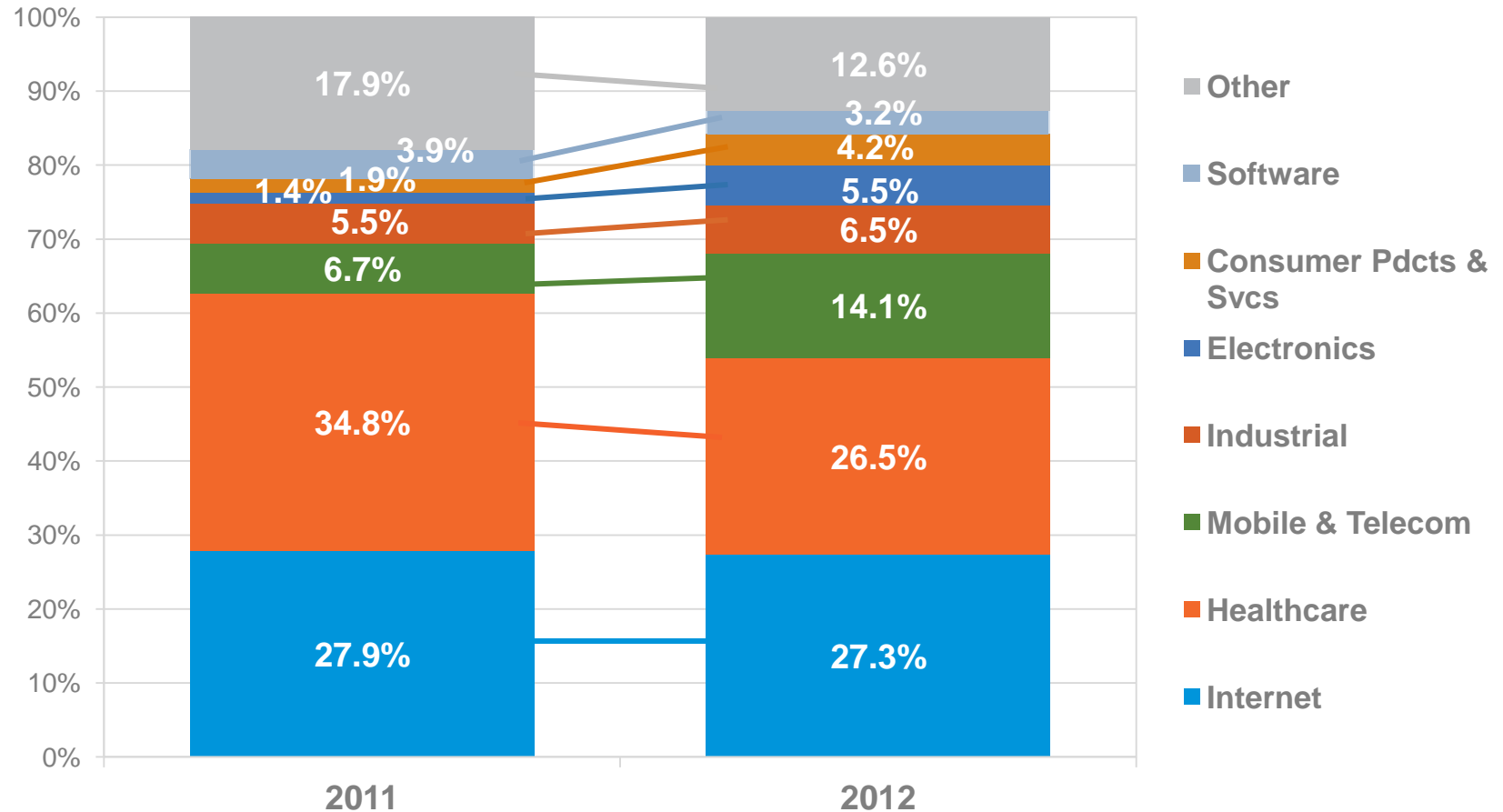
# Share of Mobile Deals Grows, Healthcare Shrinks

## Share of Angel Group Deals by Sector 2012 vs 2011



# Mobile Doubles Share of Dollars, Healthcare Moves to #2

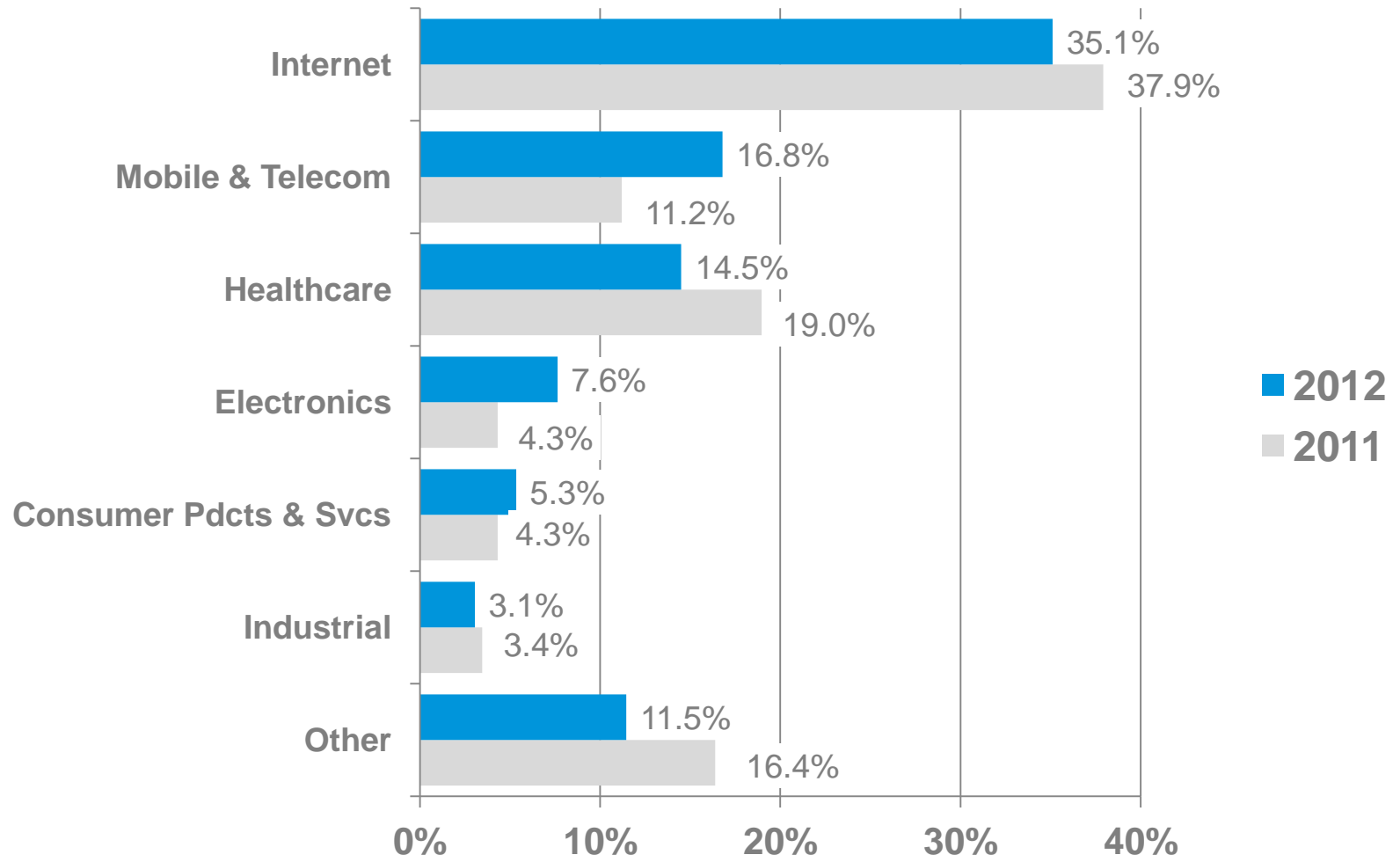
## Share of Angel Group Dollars by Sector 2012 vs 2011



# Super Regional – State Trends

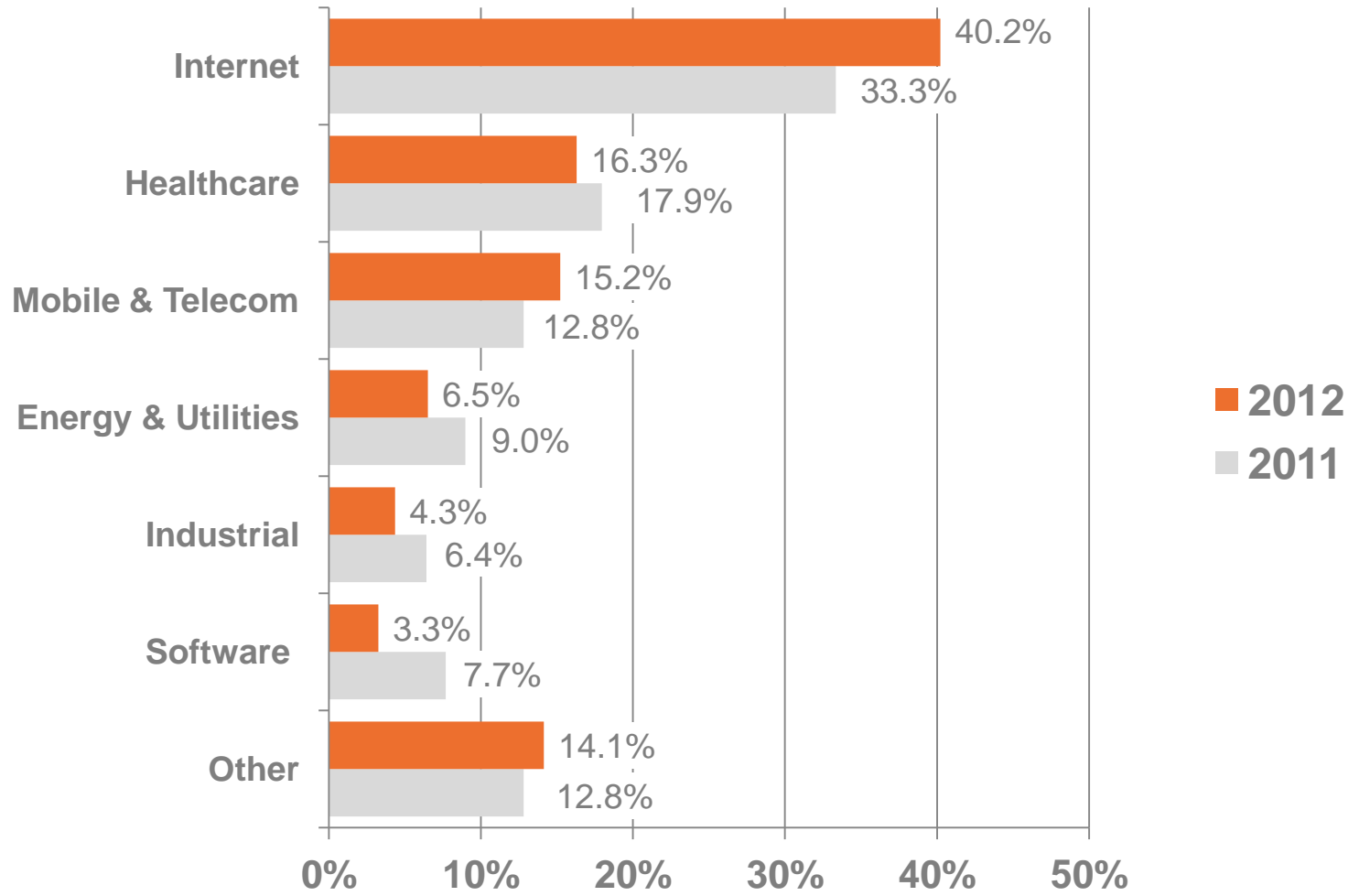
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## California 2012 Deals: Internet Down Slightly & Mobile Moves to #2

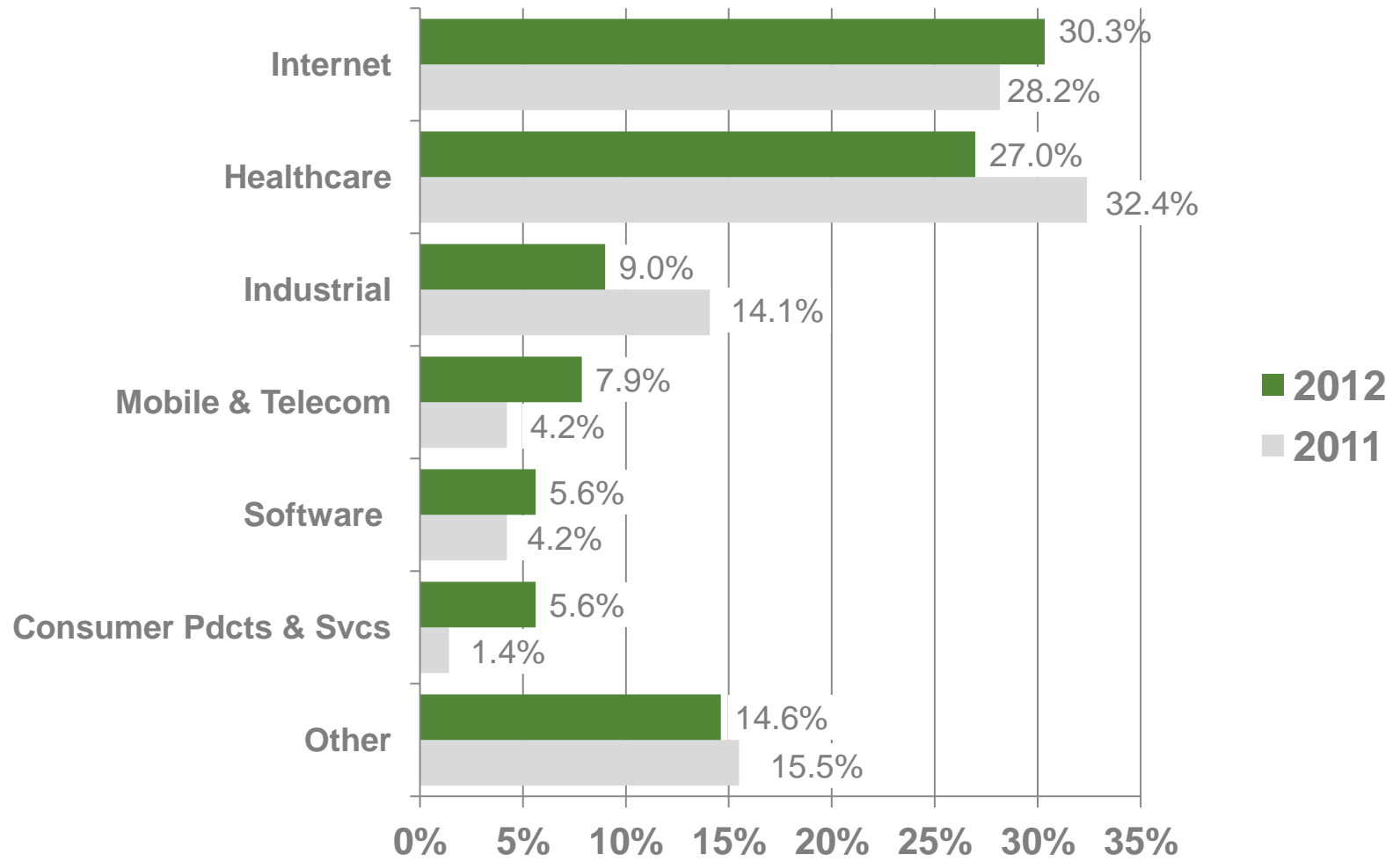




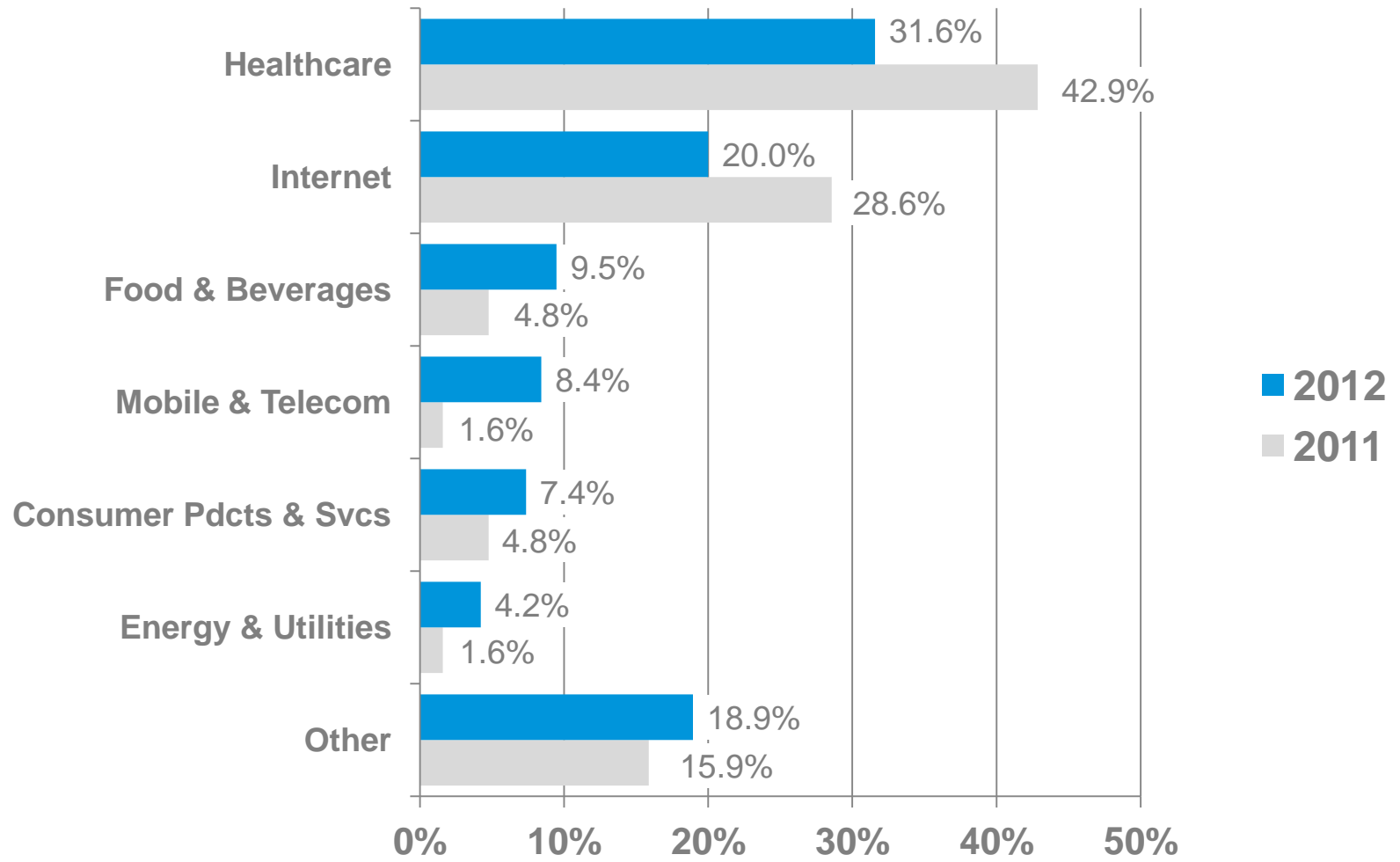
## New England 2012 Deals: Internet Deals are 40% of Activity



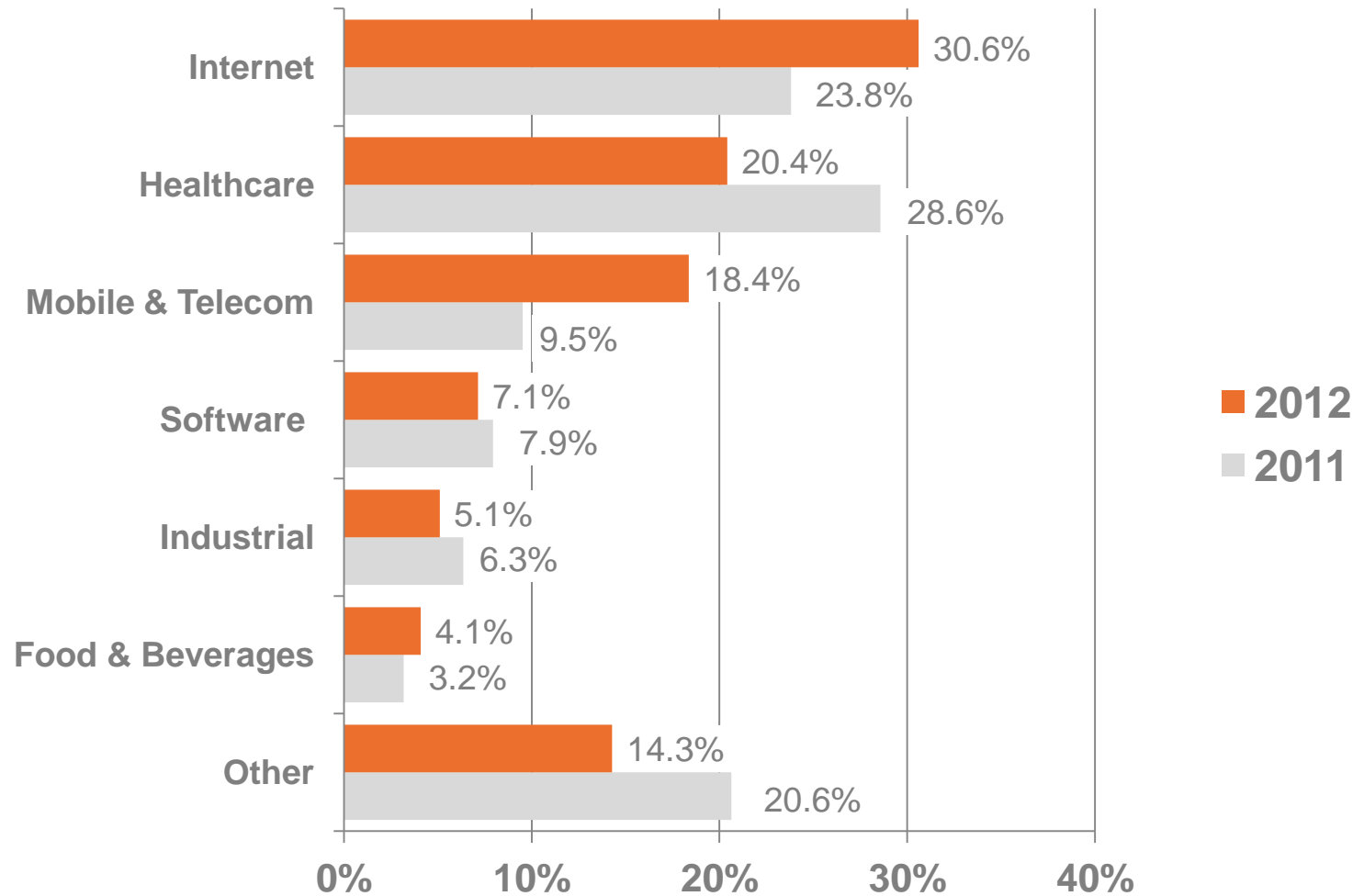
# Great Lakes 2012 Deals: Internet Grows a Bit, Healthcare & Industrial Cool



## Southwest 2012 Deals: Regional Investments Diversify, Healthcare & Internet are Down



## Southeast 2012 Deals: Internet Deals Replace Healthcare at #1, Mobile Deals Double



# About the Halo Report™

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## What is the Halo Report™?

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**Angel Group Investment Trends:** The Angel Resource Institute, Silicon Valley Bank and CB Insights set out to raise awareness of early stage investment activities by angel investment groups. The Halo Report is the result. The research series highlights angel investment activity and trends in North America and provides much sought after data that has not been previously available to entrepreneurs or early stage investors.

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.

**Get Involved:** Angel groups and individual angel investors interested in including their data in the Halo Report should contact Sarah Dickey, ARI Research Director: 913-894-4700 and [sdickey@angelcapitalassociation.org](mailto:sdickey@angelcapitalassociation.org).

## Understanding the Data: Special Round Types and Industry Sectors

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The Halo Report™ provides analysis and trends on US angel and angel group activity.

Angels and angel groups invest alone, together, and with many other types of investors. Unless otherwise noted the Halo Report data includes all rounds that have at least one angel group participating and may include other types of investors in those rounds.

This report discusses angel group investment trends for 2012 representing a total of 783 deals and \$1.1B in total rounds including co-investors

A few slides report on an “Angel Round”, a special classification of investment for when angel groups invest alone or just with other angels and angel groups.

Unless otherwise noted, values of less than <1% are included, but are not labeled or noted as a change in activity.

### Halo Report Industry Sectors

Internet	Industrial	Financial Services
Mobile & Telecom	Automotive & Transportation	Food & Beverages
Software	Business Products & Services	Leisure
Energy & Utilities	Consumer Products & Services	Media
Computer Hardware & Services	Electronics	Metals & Mining
Healthcare	Environmental Services & Equipment	Retail
		Risk & Security

# Halo Report Contacts

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## Angel Resource Institute

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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](http://www.angelresourceinstitute.org).

## Silicon Valley Bank

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## CB Insights

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**CB Insights** is a National Science Foundation-backed data-as-a-service firm that collects information on private companies and their investors and acquirers. CB Insights data and technology is used by firms to make better marketing, procurement, lending, acquisition and equity investment decisions and to gather data-driven market and competitive intelligence. The firm's data is regularly cited by leading media publications including the *New York Times*, *Forbes*, *BusinessWeek* and *Fast Company* among others. For more information, visit <http://www.cbinsights.com>.



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