

# **Angel Investment Trends Latest Research**

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Alexander Graham Bell – 1874

“Well informed people know it is impossible to transmit the voice over wires, and were it possible to do so, the thing would be of no practical value” Boston Post

Gardiner Green Hubbard, Thomas Sanders

Anita Roddick 1976

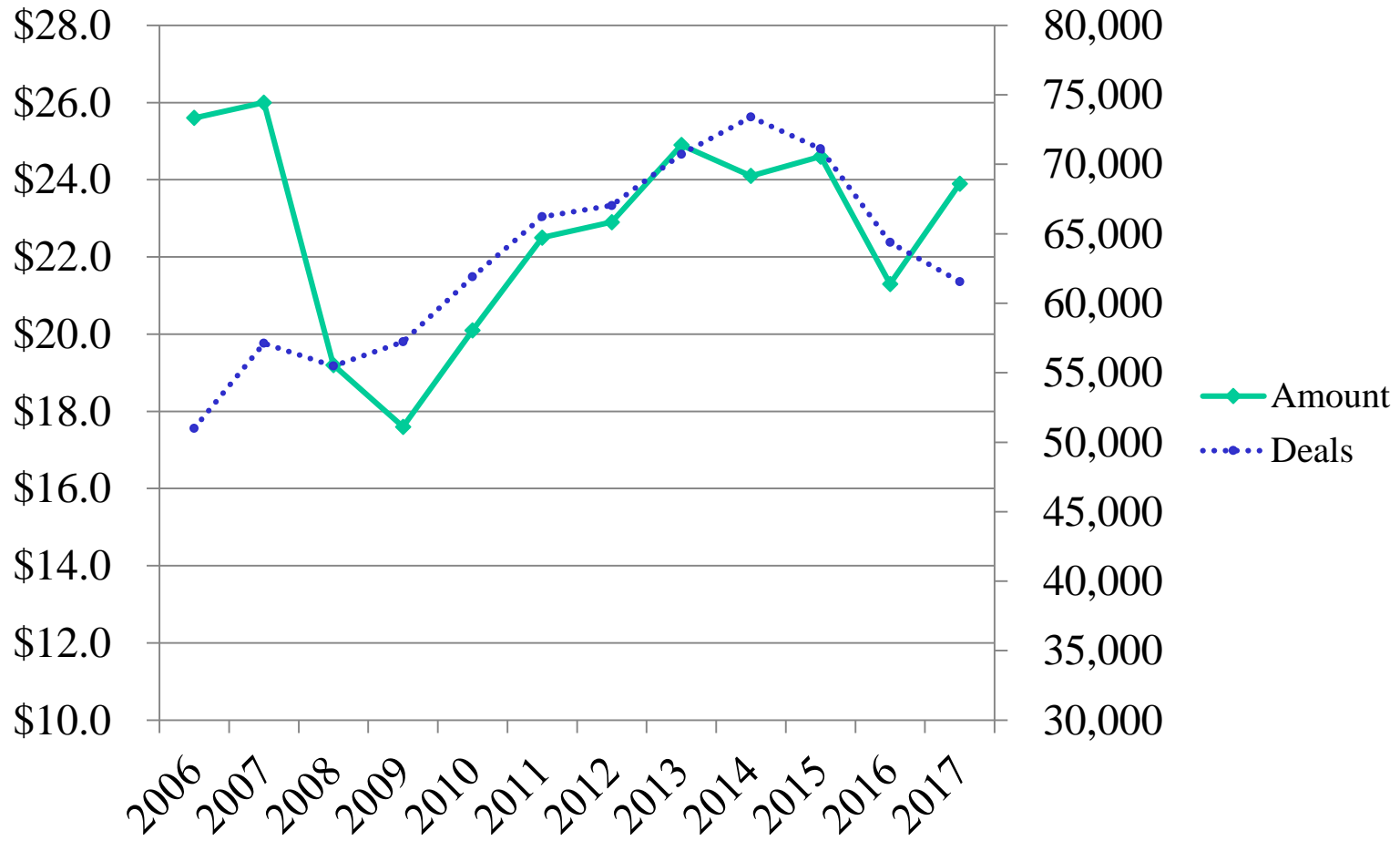
The Body Shop

Ian McGlenn

# Business Angels

- 2017: 288,380 angels invest \$23.9 billion in 61,560 ventures
- 2016: \$21.3 billion in 64,380 ventures
- 2015: \$24.6 billion in 71,110 ventures
- 2014: \$24.1 billion in 73,400 ventures
- 2013: \$24.9 billion in 70,730 ventures
- 2012: \$22.9 billion in 67,030 ventures
- 2011: \$22.5 billion in 66,230 ventures
- 2010: \$20.1 billion in 61,900 ventures
- 2009: \$17.6 billion in 57,225 ventures
- 2008: \$19.2 billion in 55,480 ventures
- 2007: \$26.0 billion in 57,120 ventures
- 2006: \$25.6 billion in 51,000 ventures

# Business Angels



# Angel Deals

<u>Sector</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Software	23%	23%	27%	18%	25%	30%
Health	14%	14%	16%	16%	20%	19%
Biotechnology	11%	11%	5%	13%	10%	10%
Retail	12%	7%	9%	11%	14%	10%
Media	7%	16%	1%	9%	2%	2%
IT Services	5%	5%	10%	6%	5%	4%
Industrial/Energy	7%	6%	5%	11%	8%	7%
Fin/Bus Products	6%	7%	8%	3%	4%	5%

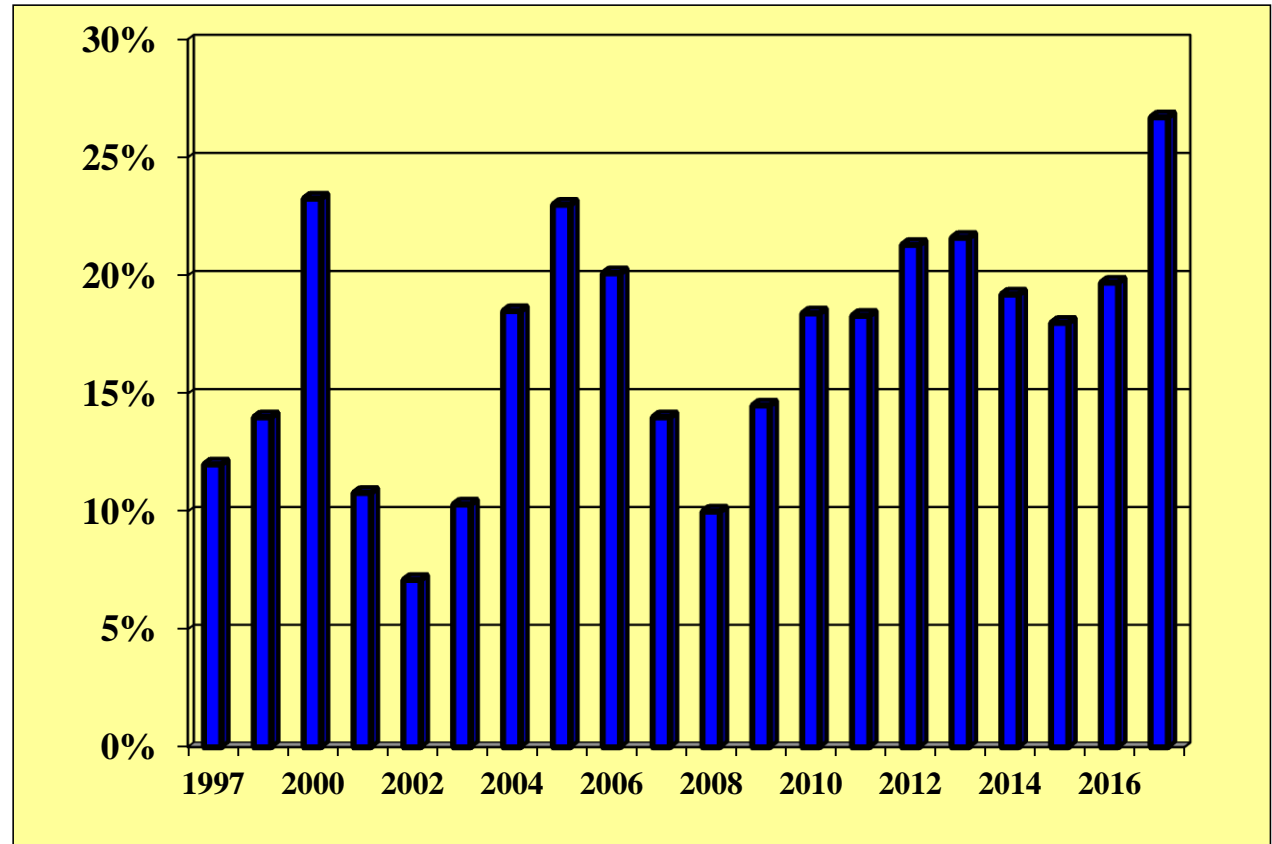
# Deal Size

	2011	2012	2013	2014	2015	2016	2017
Average deal size	\$339,890	\$341,800	\$350,830	\$328,500	\$345,390	\$330,185	\$388,860
\$ invested /investor	\$70,650	\$85,435	\$83,050	\$76,152	\$80,674	\$71,365	\$83,000
Avg. Equity Recvd.	13.4%	12.7%	12.5%	12.3%	14.9%	12.3%	12.2%
Implied valuation	\$2.5m	\$2.7m	\$2.8m	\$2.7m	\$2.3m	\$2.7m	\$3.2m

# Angel Yield Rates

# of deals funded / # proposals presented

- 1997: 12.00%
- 1998: 14.00%
- 2000: 23.26%
- 2001: 10.79%
- 2002: 7.10%
- 2003: 10.3%
- 2004: 18.5%
- 2005: 23.0%
- 2006: 20.1%
- 2007: 14.0%
- 2008: 10.0%
- 2009: 14.5%
- 2010: 18.4%
- 2011: 18.3%
- 2012: 21.3%
- 2013: 21.6%
- 2014: 19.2%
- 2015: 18.0%
- 2016: 19.7%
- 2017: 26.7%







“How can I get out of this house without going anywhere near your garage?” – VC Investor

<http://www.bvp.com/portfolio/antiportfolio>

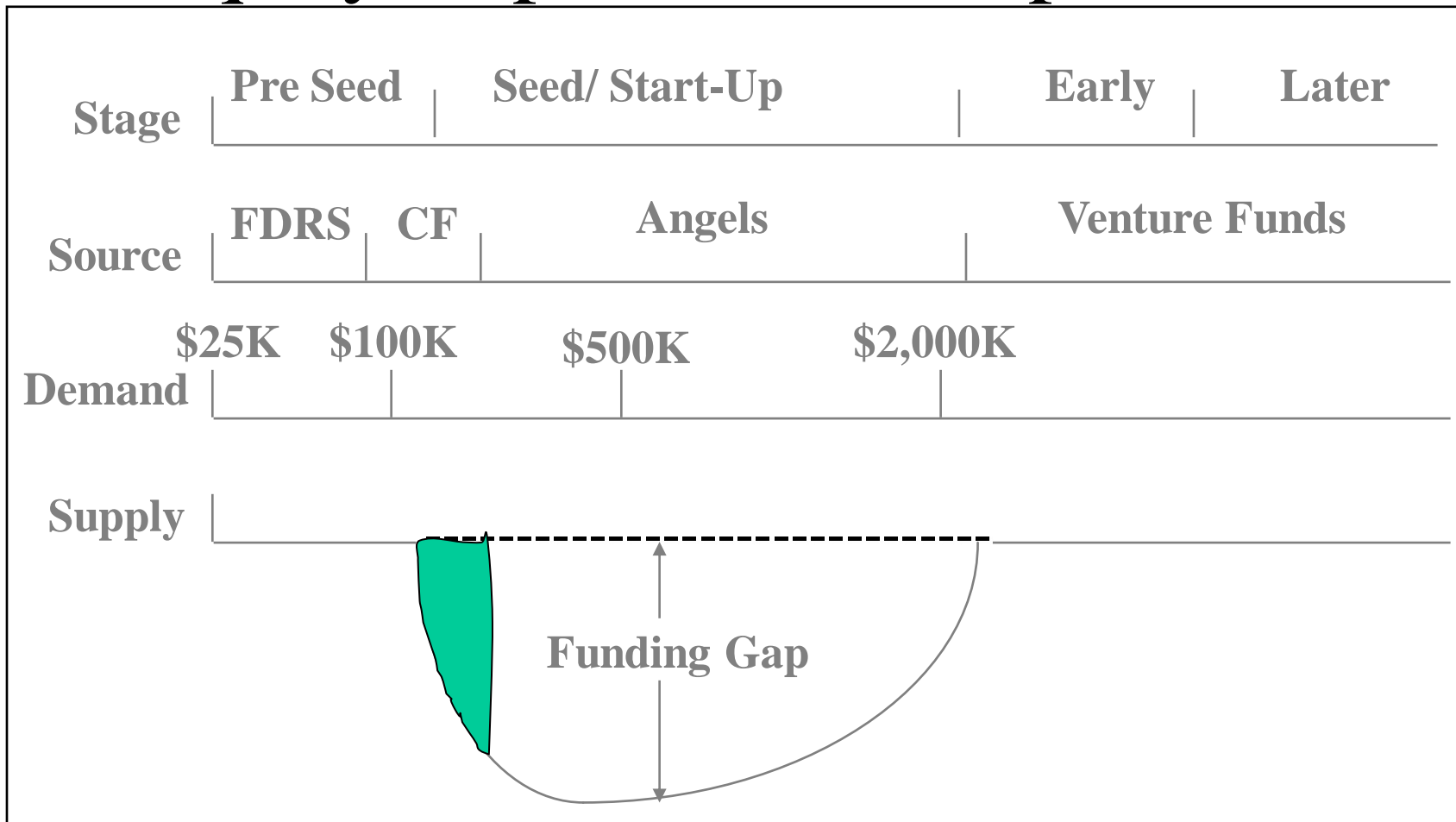
Larry Page and Sergey Brin 1998

Google

maxed out credit cards

Andy Bechtolsheim (co-founder – Sun  
Microsystems) \$100,000

# Equity Capital for Entrepreneurs



# The Gap Dilemma

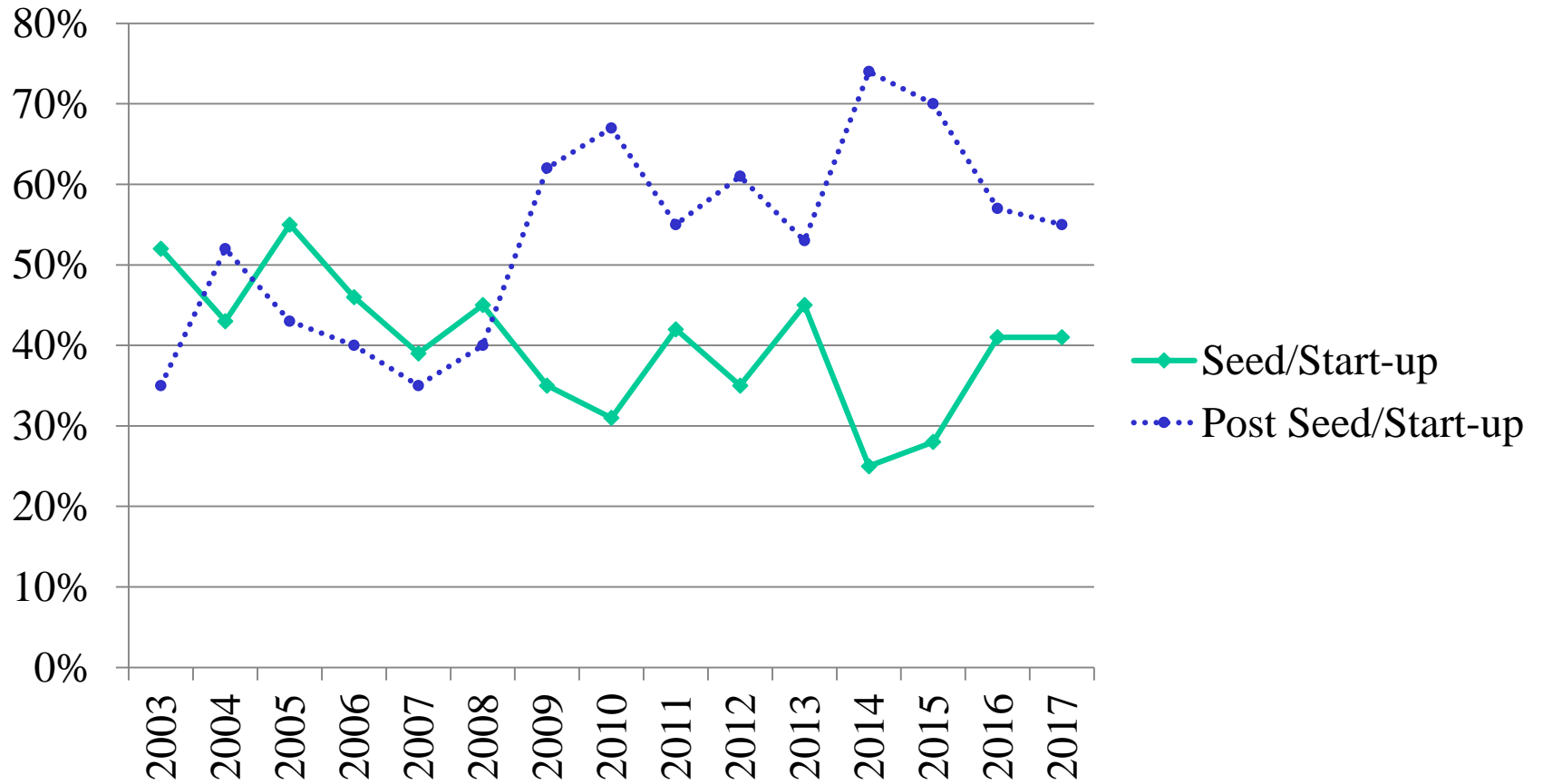
2017

41% angel : seed and start-up

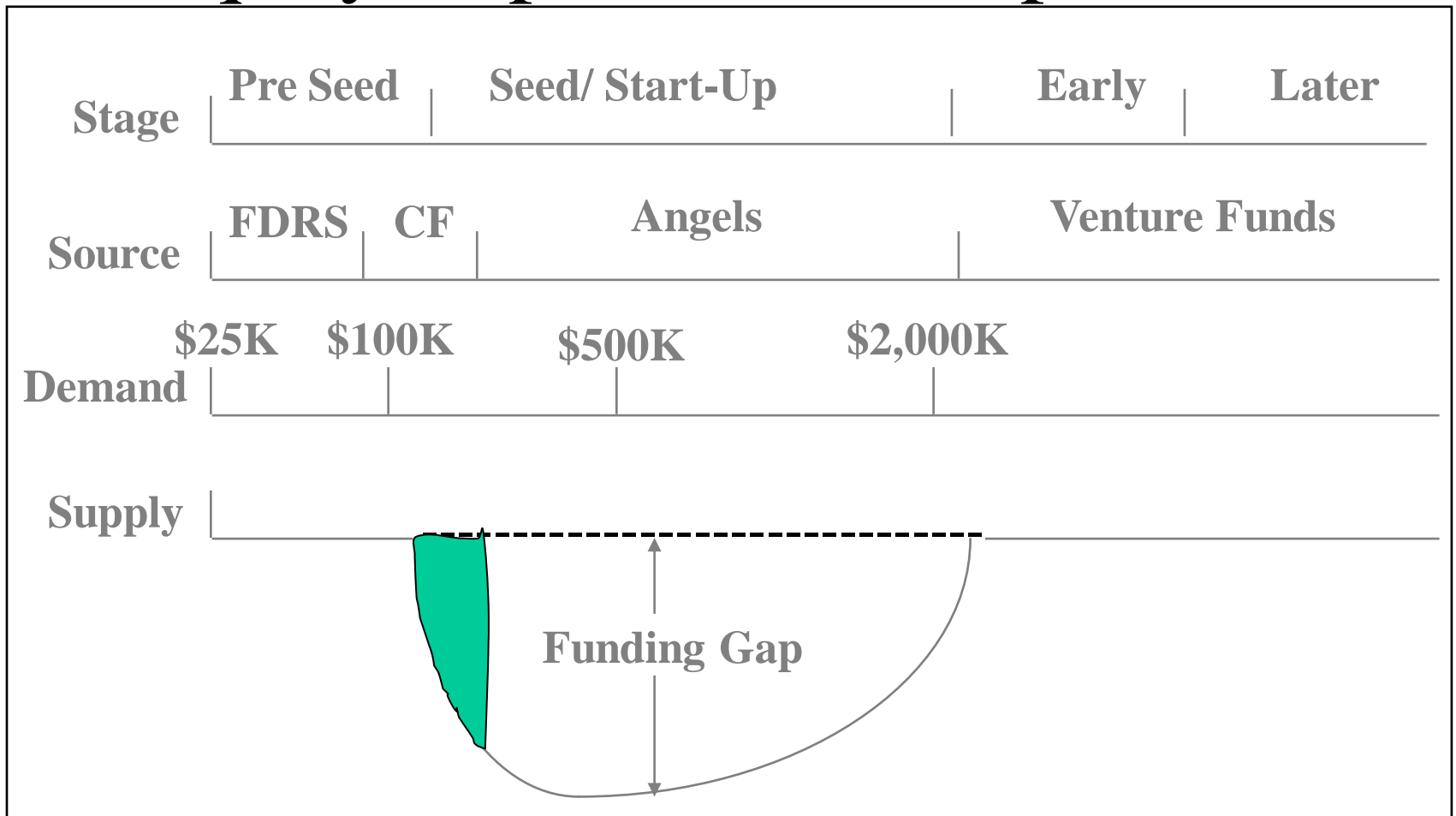
55% angel : post seed and start-up

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Seed/start-up	41%	28%	25%	45%	35%	42%	31%	35%	45%	39%	46%	55%	43%	52%
post seed/ start-up	57%	70%	74%	53%	61%	55%	67%	62%	40%	35%	40%	43%	52%	35%

# The Gap Dilemma



# Equity Capital for Entrepreneurs



# The Psychology of Past Inactions

*“Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do...”*  
– Mark Twain

## Applied to the Angel Context

### Implications:

1. Past Missed Opportunities Influence the Future
2. Often Irrational
3. Often sub-conscious

In the field of observation, chance favors only the prepared mind  
**Louis Pasteur, *lecture 1854***

