

# Business Angels Talks

Increase Financial  
Returns with Active  
Involvement

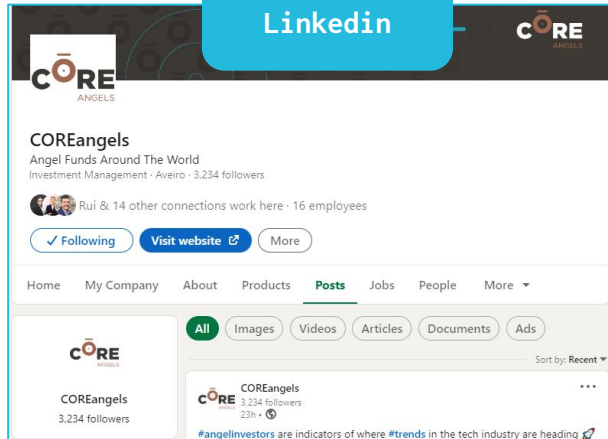


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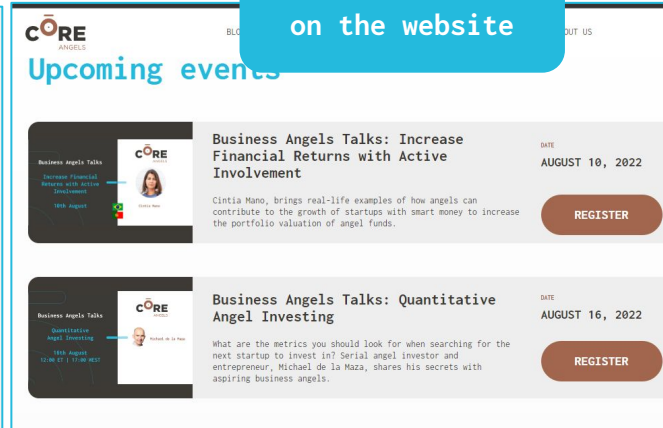
# Wanna know more about COREangels?



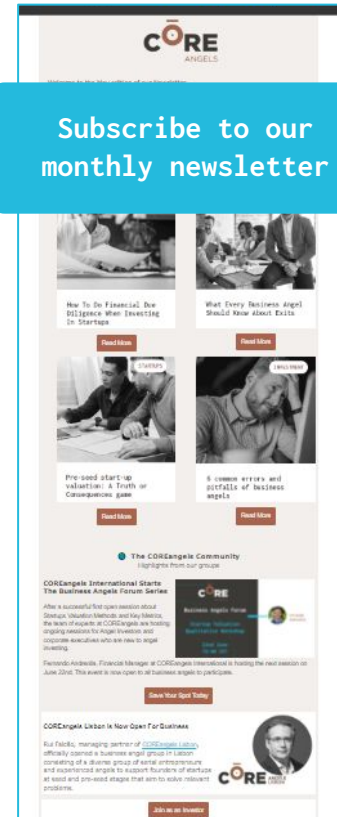
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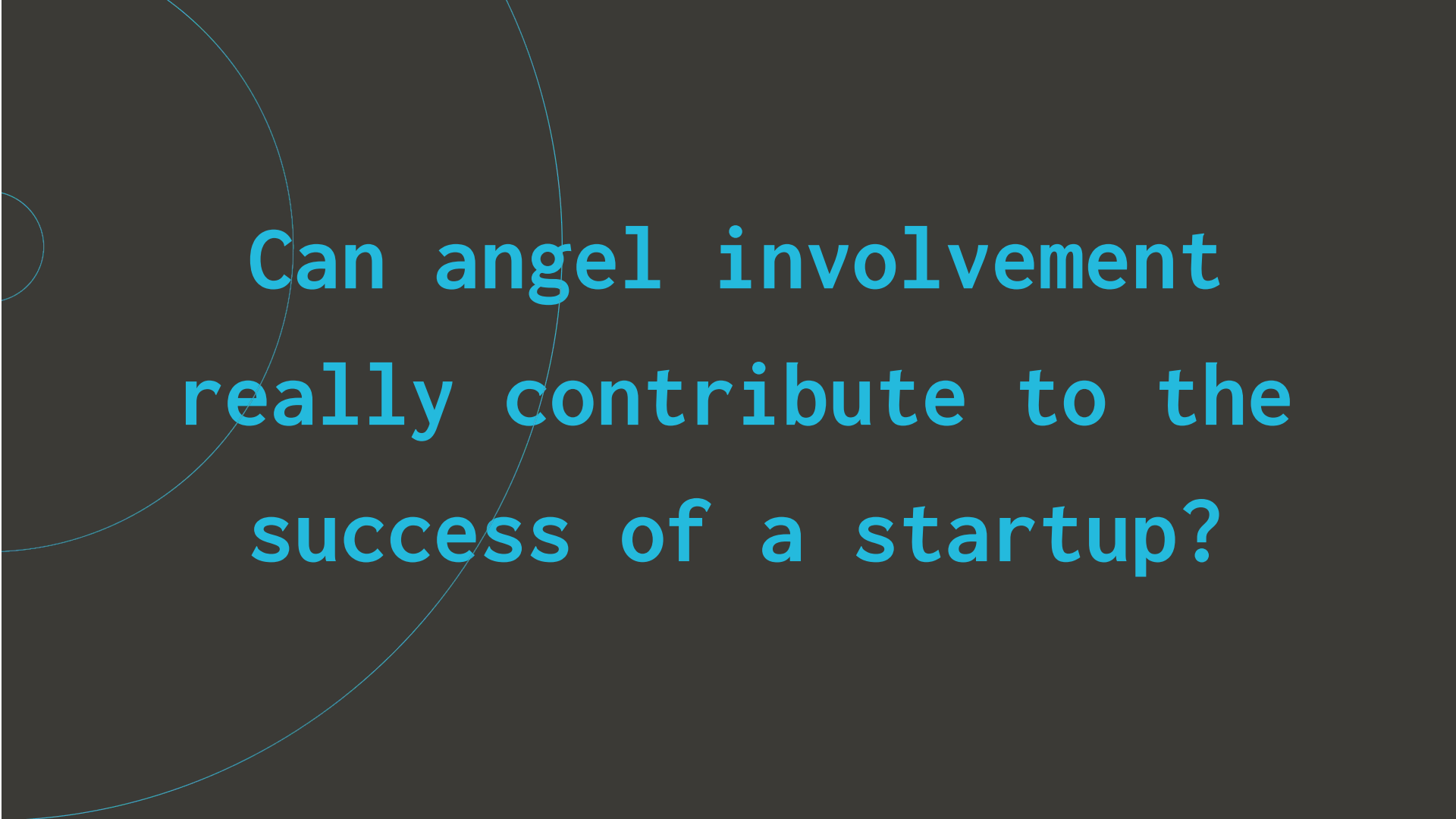
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Can angel involvement  
really contribute to the  
success of a startup?



# Does angel money impact?

Startup funded by angel groups in the US

- 25% more chances to survive after 4 years
- 11% increase in the chances of an exit
- 19% more chances to reach 75 employees

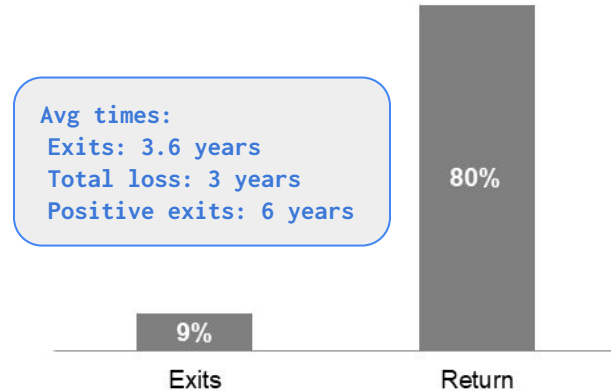
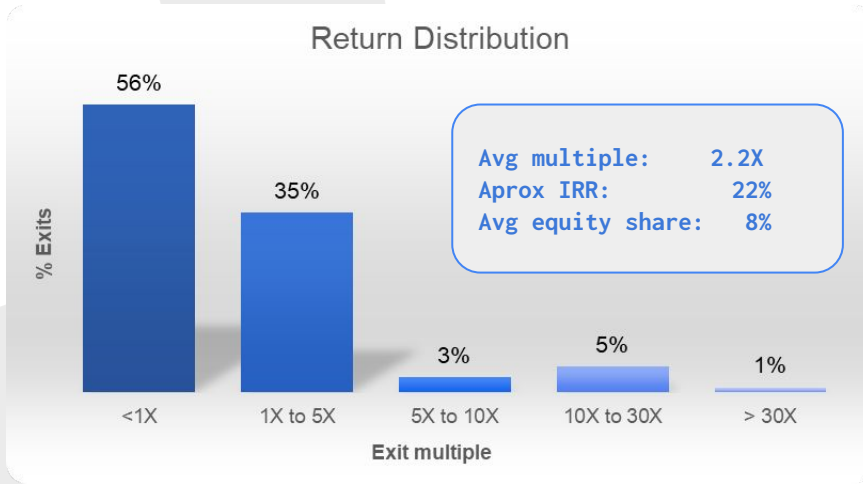
The same team of researchers conducted a study covering 13 angel groups in 11 countries, having similar results in terms of survival rates, exits and hiring



# Angel investing returns


Research with

- 158 angel investors, all member of a group or network
- 1,080 invested startups
- 406 exits





# Returns of angels, according to different studies

	Multiple	Hold	IRR	<1X	10% of exits to \$
2016  TRACKING ANGEL RETURNS	2.5X	4.5yrs	22%	70%	85%
2007 Returns to Angel Investors in Groups	2.6	3.5	27%	52%	90%
2009 Siding with the Angels Business angel investing – promising outcomes and effective strategies	2.2	3.6	22%	56%	80%

## Sources:

Wiltbank, R. (2009) Siding with the angels: Business angel investing – promising outcomes and effective strategies.  
Wiltbank, R; Boeker, W (2007) Siding with the angels: Business angel investing – promising outcomes and effective strategies.  
Wiltbank, R; Brooks, W (2016) Tracking angel returns



# Which factors contribute to higher multiple exits?

- Angel's expertise in the startup industry
- Angel's experience with entrepreneurship
- At least 20 hours of due diligence
- Angels participation after the investment
- Less or no follow-ons

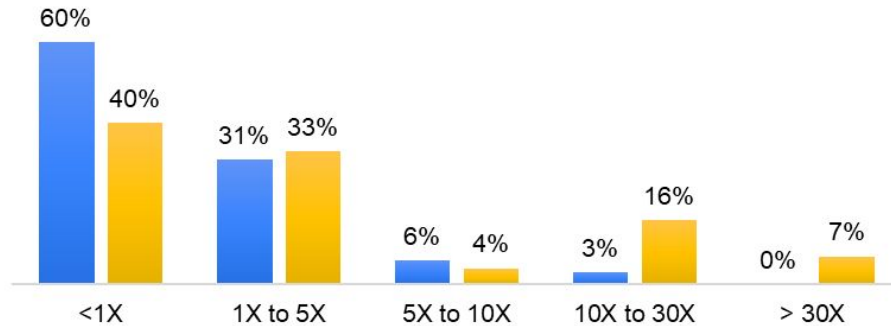
Source: Siding with angels



# Angels participation after investing

Return and involvement

■ Passive ■ Active



## Level of involvement:

- Active: board member or daily, weekly or monthly interaction
- Passive: no board seat and quarterly, yearly or rare interaction

## Ways of involvement:

- Coaching
- Board member
- Introductions to clients or partners
- Some level of operational involvement

## Limit to involvement:

When angels assumed a management role (13% of the investments), returns were lower

## Sources:

Wiltbank, R. (2009) Siding with the angels: Business angel investing - promising outcomes and effective strategies.

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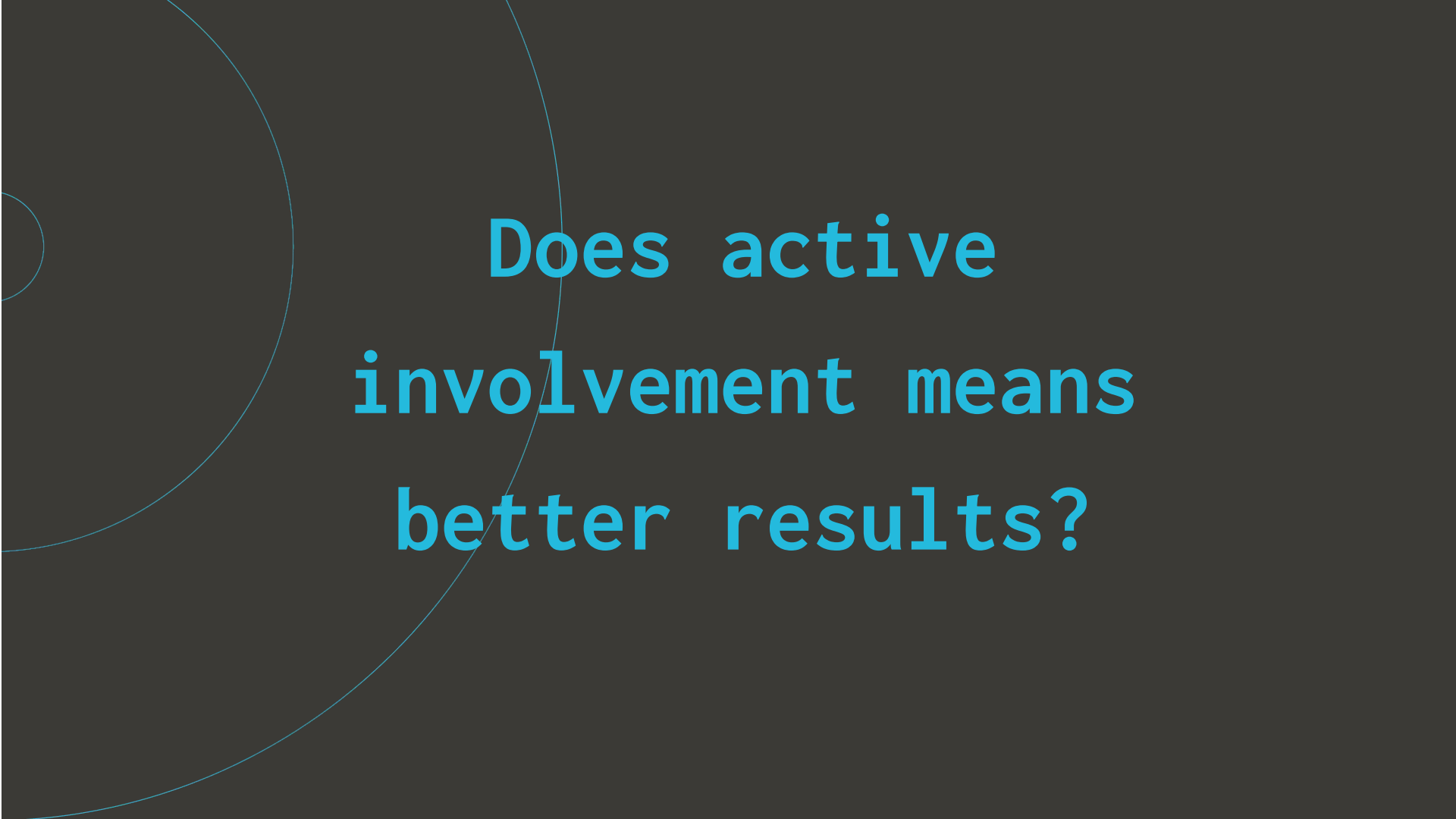


# Case Study

# Angel Fund Portfolio

- 27 startups early stage invested since 2015
- Wide variety of industry, founders profiles
- B2B and B2C
- Average investment time: 4.8 years

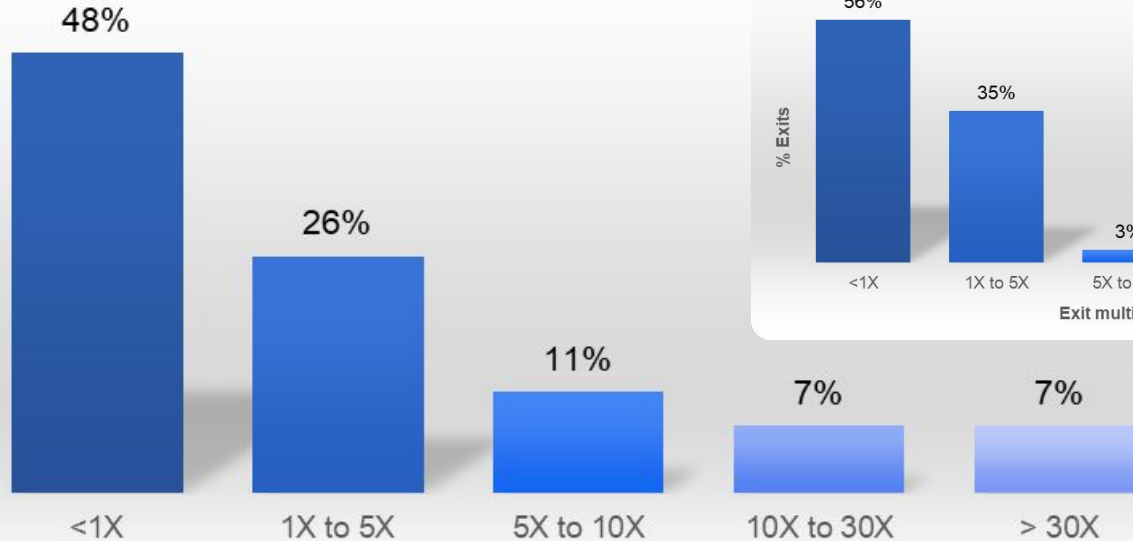




**Does active  
involvement means  
better results?**



# Distribution of potential returns



(\*) Return estimation:

for startups with exit, we use the value of the operation

for startups with no exit yet, we use the value of the last market price



# Returns<sup>(\*)</sup> according to the level of participation

Level of participation	Number of startups	Avg multiple
Active	10	8.26
Little active	3	4.00
Passive	14	0.78
Total	27	5.18

Active: angel actively involved with the startup

Little active: angel following up the startup with little interaction

Passive: rare or no involvement

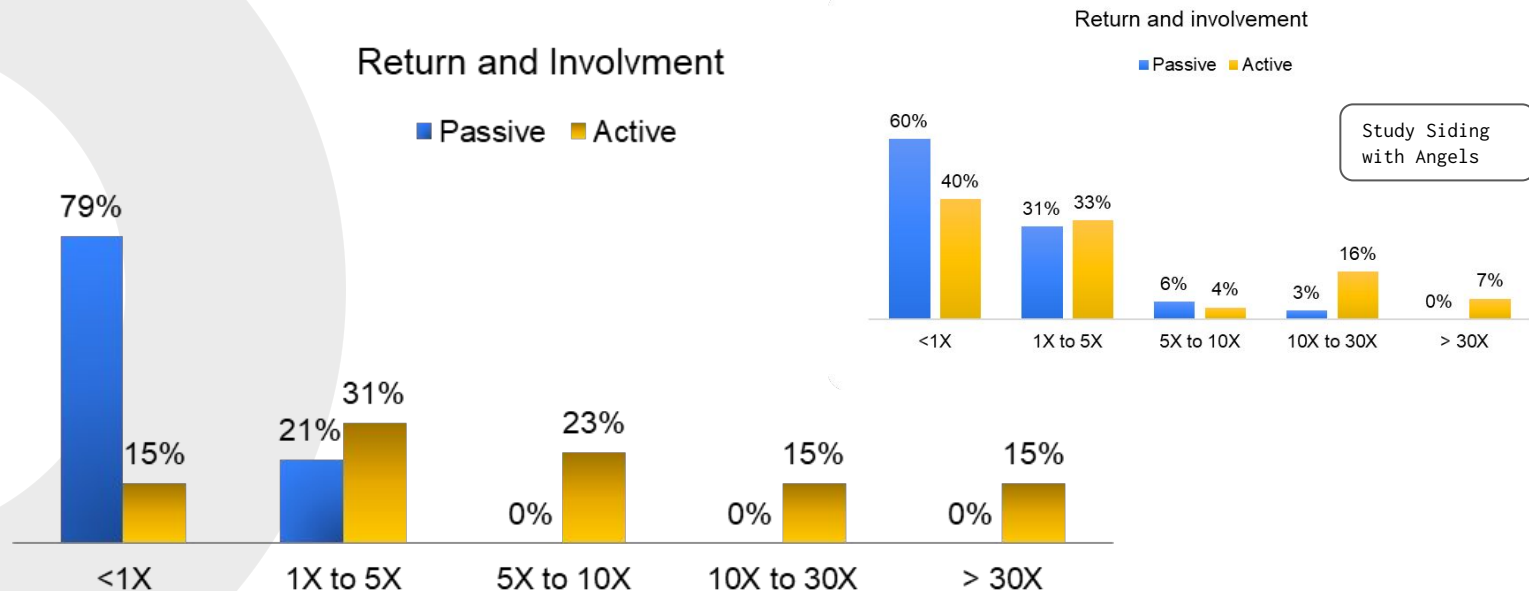
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# Returns and involvement



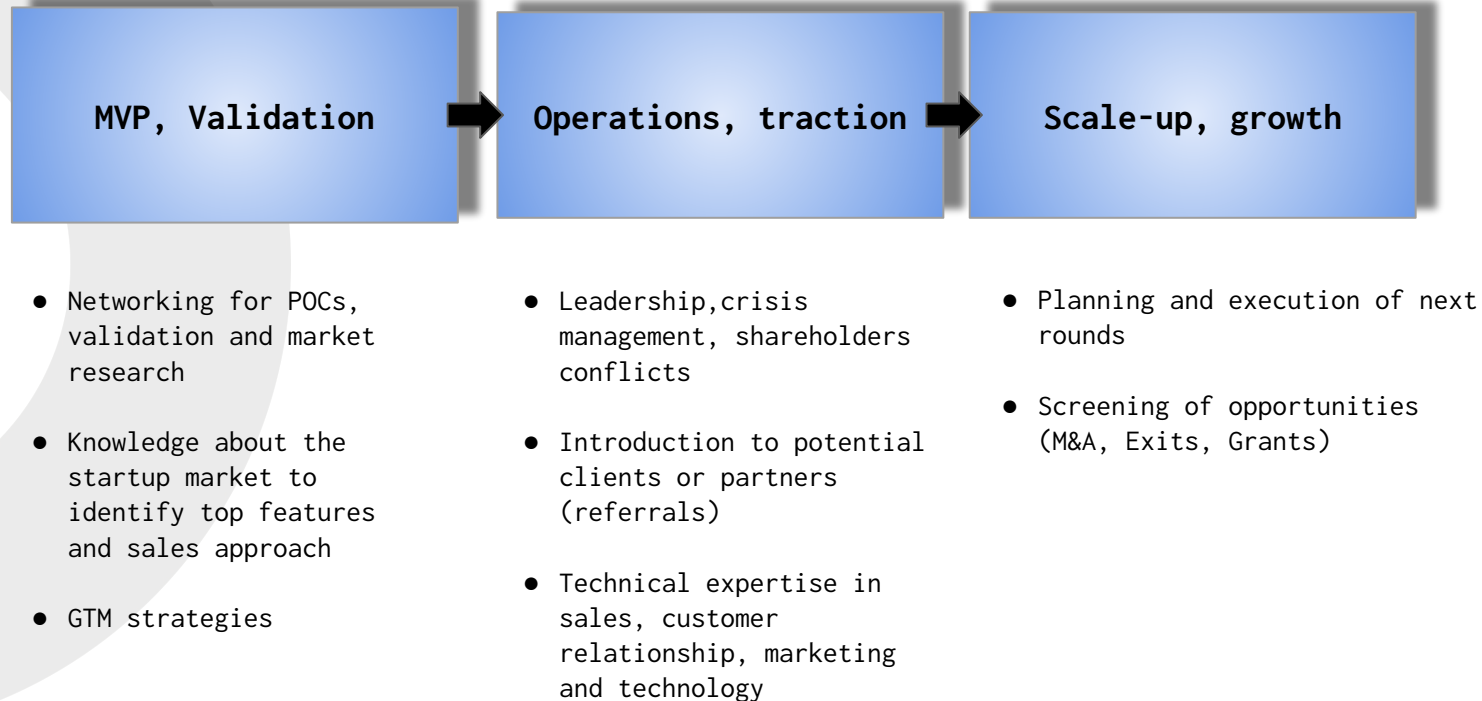
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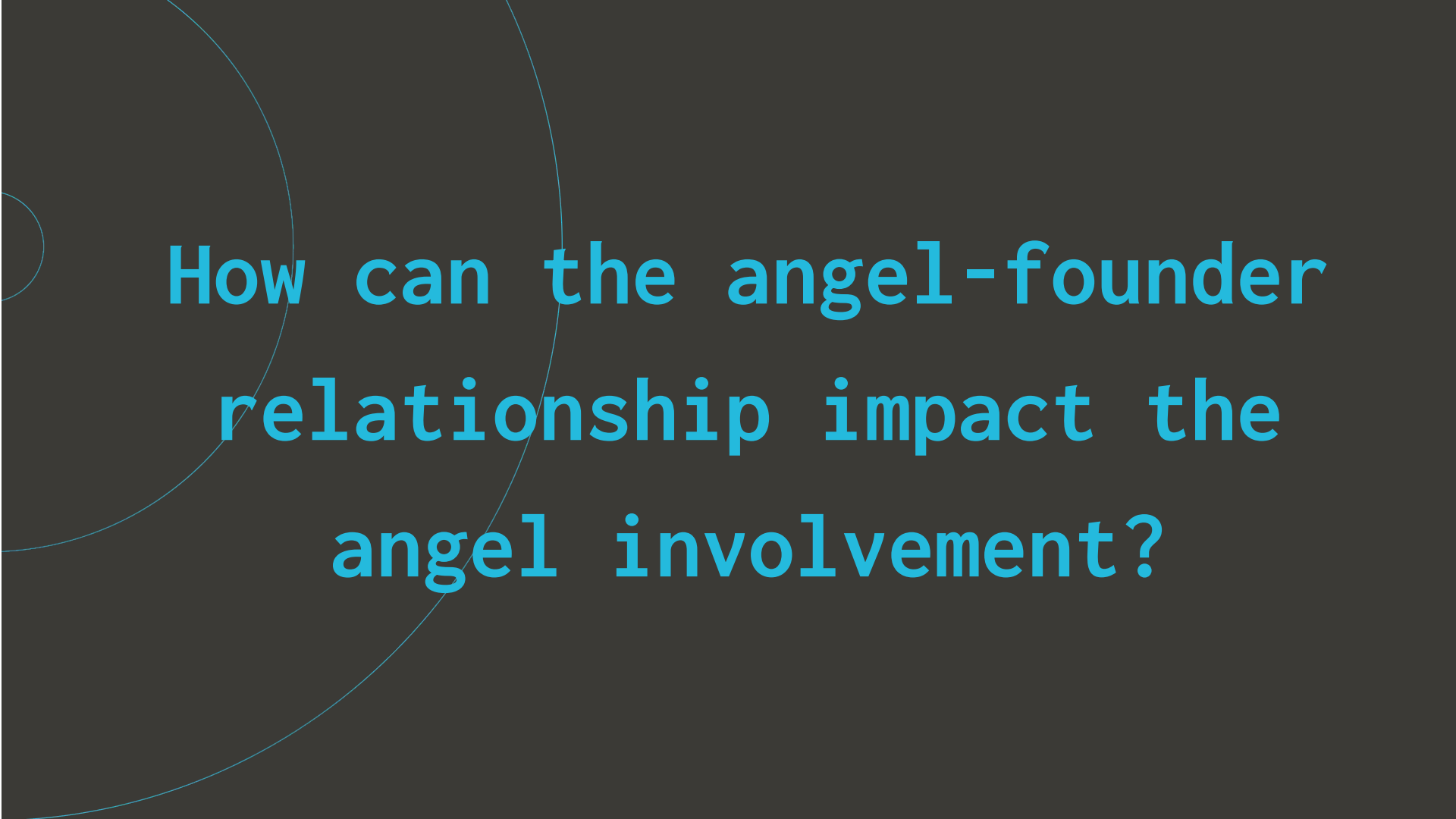
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# In which themes do angels contribute the most?





How can the angel-founder  
relationship impact the  
angel involvement?





# Key-factors that leverage the angel involvement

- Aligning expectations: the angel can influence, not decide or control
- Founder takes the initiative
- Coachable founder + impactful angel
- Define clear situations for support
- Build a trust-based relationship



# What can impact the angel involvement?

- Responsiveness: how much founders are open to the angel support
- Adequate communication: heard from a founder: “I don’t call her all the time to tell what's going on. If I would operate like this, I would be only communicating with everyone instead of doing something for the business”
- Reaction to information requests: founder overreacting, angel not understanding
- Initiative to interact: lack or excess of initiative can negatively impact

# What founders say

sizebay



“We have a work routine with the fund that allows us to share experience and frequently get feedback, suggestions and indications related to the investment market, and tips on partners that can help on our demands. It is a very simple, straightforward and proactive relationship with the investors.”

Marcelo Bastos, CEO

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“ To become part of the portfolio (...) was an inflection point to us. COREangels supports us with monthly meetings, advising and mentorship. This really contributes to better align our strategy, improve decision making and focusing on the key metrics.”

Eduardo Fiuza Lobo, CEO



