

# Angel investing what, why & where

  
UK Business Angels  
Association

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WE LOOK AFTER

# OVER 200 MEMBERS FROM ACROSS THE INDUSTRY

74

## ANGEL GROUPS

Over 15,000 angels  
represented by these  
groups

30

## VC FUNDS

From micro funds to major  
PE funds

17

## ONLINE PLATFORMS

And all the major crowd  
funding platforms

25

## ACCELERATORS

Including incubators and  
universities

62

## ASSOCIATES

Including government  
agencies, royal societies,  
corporates and  
intermediaries

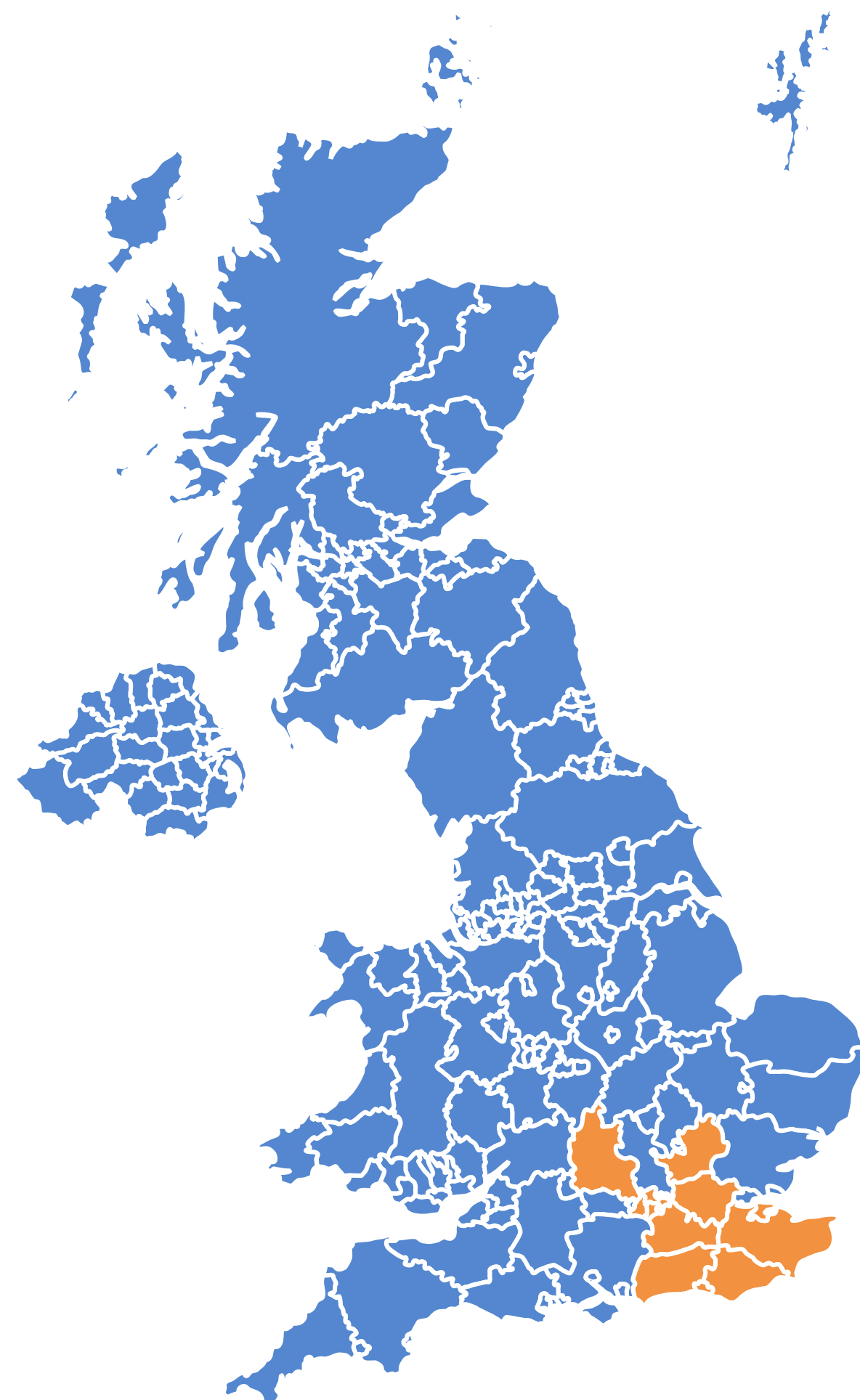


# WHAT IS A BUSINESS ANGEL?

- Angels invest their own money into small businesses and take shares in return for risk capital
- Average investment as an individual: £5k-£50k
- Angels make multiple rounds of follow-on investment before Series A– VC funding
- Angels co-invest alongside other angels and a wide range of different co-investment sources



# The Angel Market

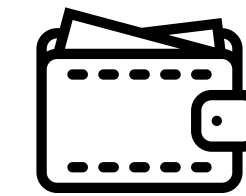


**£1.797bn** invested in EIS  
2017  
in 3,470 businesses

VC Market for same investment  
stage is 485M

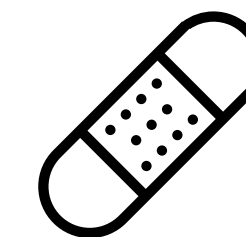
# ANGELS SUPPORT THEIR INVESTMENTS

It's the only asset class where you can have a meaningful impact on the outcomes of your investments



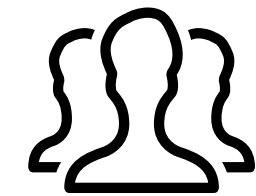
## RE-INVEST

Make sure you can follow your money



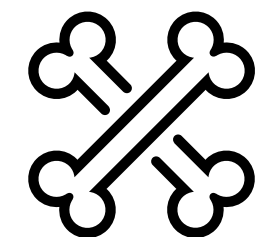
## ADVISE

It's tough starting a business, they'll need guidance from people who've done it before



## INTRODUCTIONS

Other investors, potential customers



## LEAVE THEM ALONE

If you can't bring real value then leave them alone to focus on building a business

# 80% OF ANGEL DEALS ARE DONE IN SYNDICATES

Being part of a group increases your access to skills and finance

- **SHARE DUE DILIGENCE and RISKS**
- **POOL FINANCE SO CAN MAKE LARGER INVESTMENTS**
- **ACCESS TO WIDER SKILLS**
- **MORE CAPACITY TO FOLLOW ON**





# WHY ANGELS INVEST?



## FUN & EXCITING

And occasionally hair-raising too



## ALTRUISTIC

By supporting early stage businesses, you're supporting your local region and the next generation of entrepreneurs.



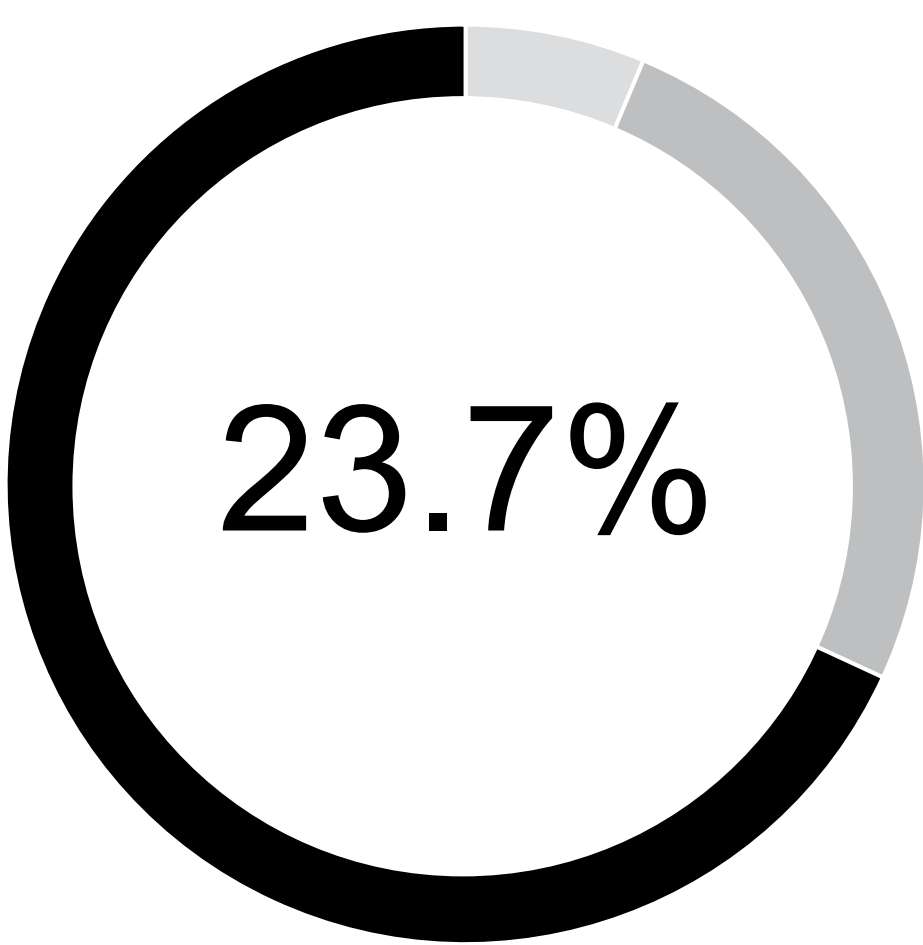
## PROFITABLE

You can make amazing returns by angel investing, backed up with incredible tax breaks

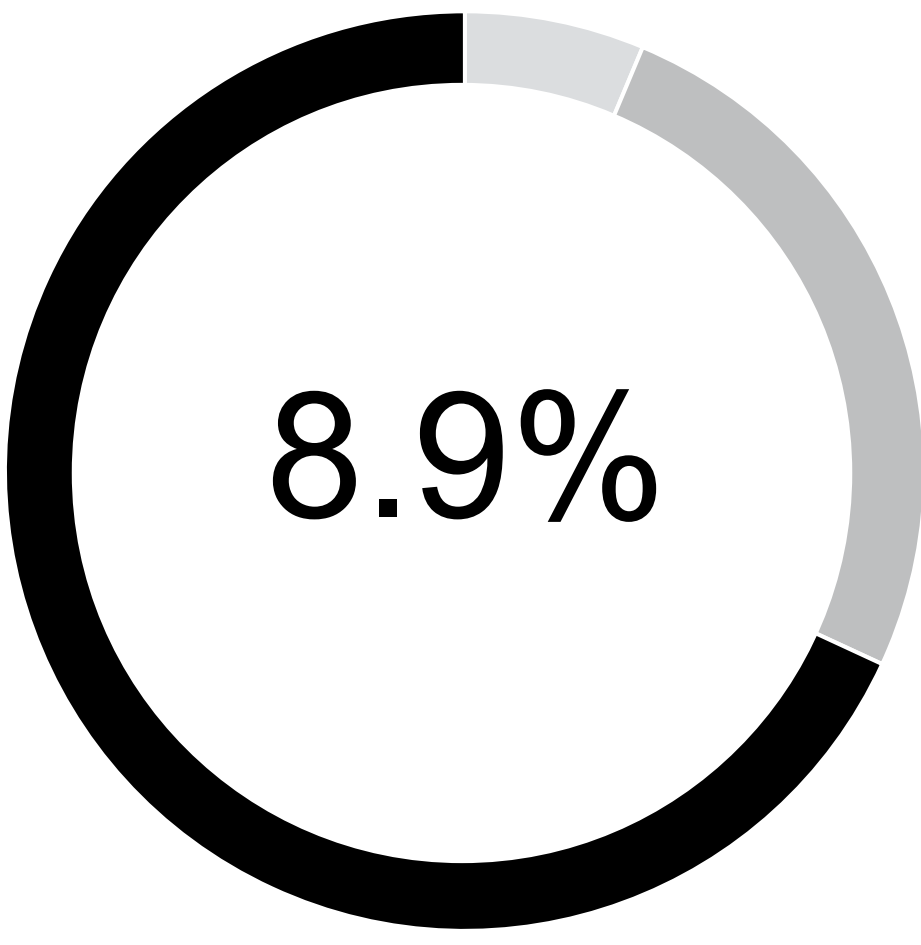


ANGELS CAN ACHIEVE

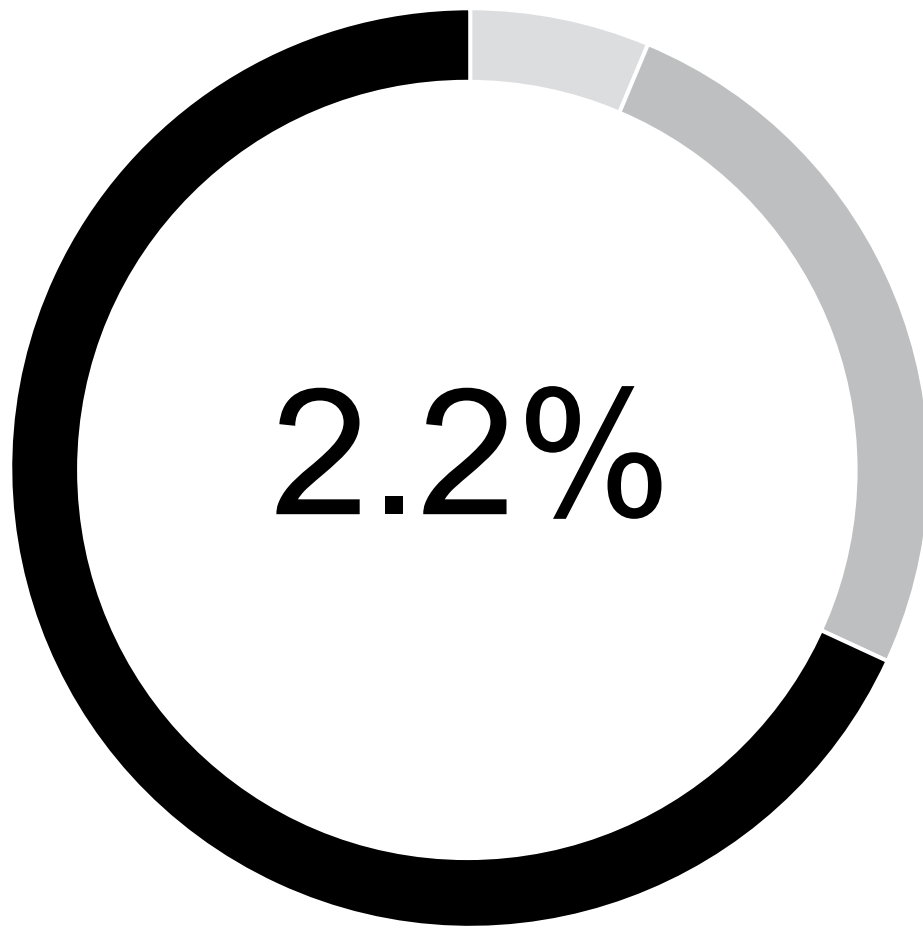
# POTENTIALLY HIGH RETURNS



■ Private investment/  
Angel/EIS Funds



■ AIM



■ FTSE 100



# ANGEL INVESTORS GET GREAT TAX BREAKS



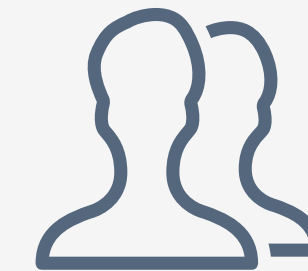
## SEIS

- Invest up to £100k per year
  - 50% tax relief
  - Loss relief
  - CGT relief
  - IHT relief



## EIS

- Invest up to £1m per year
  - 30% tax relief
  - Loss relief
  - CGT relief
  - IHT relief

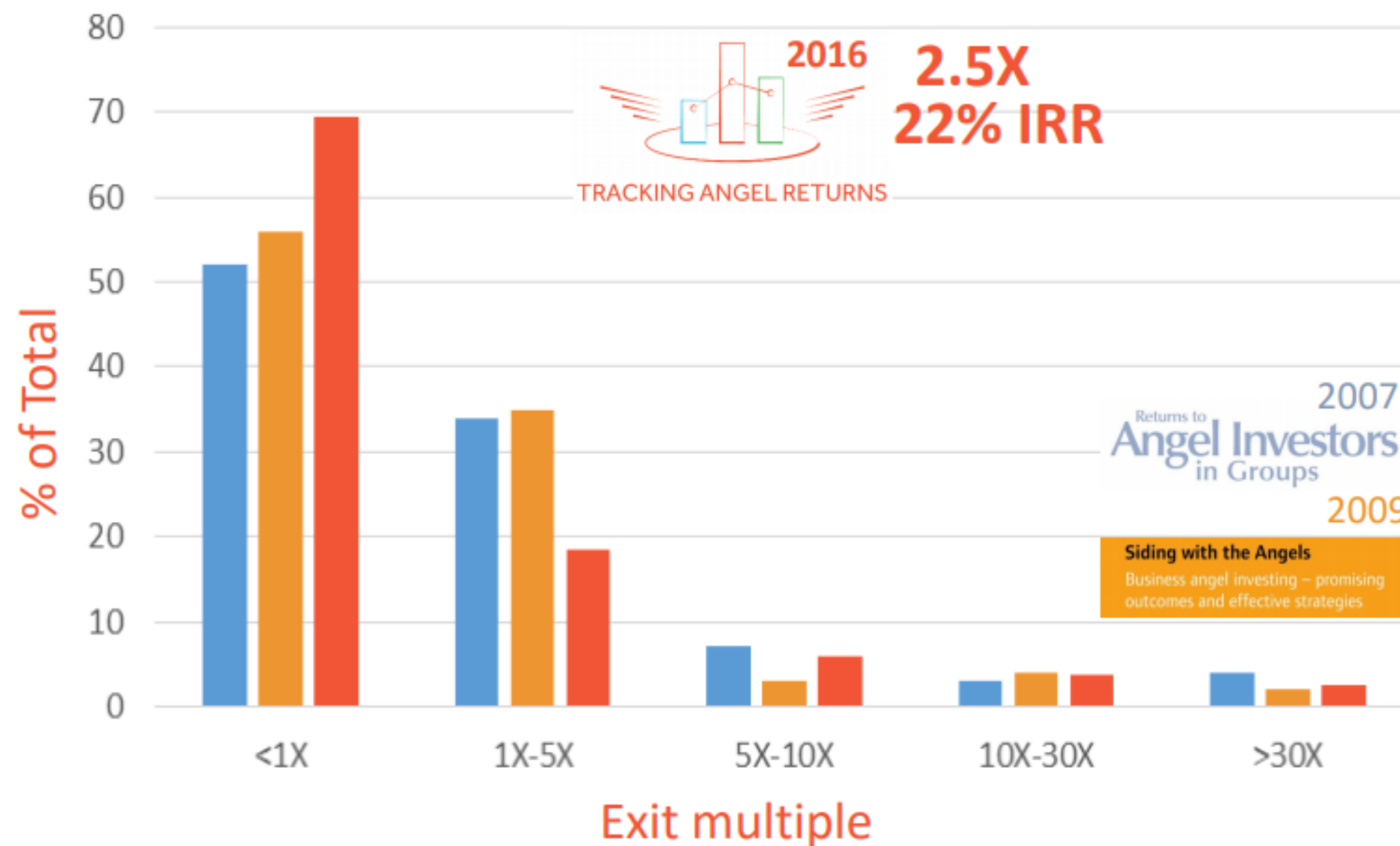


## CO-INVESTMENT FUNDS

- Angel Co-Funds
- Bringing 50% more funding alongside syndicated deals
- New Regional Co-funds



80-90% of  
the returns  
come from  
10-20% of  
your  
portfolio





H E R E   A R E   S O M E

# SECTOR PERFORMANCE INSIGHTS

## LIFE SCIENCES

**154**  
companies

**22.2%**  
CAGR

**14**  
deaths

**13**  
exits

## AUTOMATION

**97**  
companies

**32.7%**  
CAGR

**7**  
deaths

**4**  
exits

## ELECTRONICS

**77**  
companies

**18.4%**  
CAGR

**11**  
deaths

**8**  
exits



The background is a deep blue night sky filled with stars and the Milky Way galaxy. In the lower right, a telescope is mounted on a tripod, its silhouette visible against the starry background. A large, white-outlined diamond shape is centered in the image, containing the text. At the bottom of the frame, there is a dark silhouette of grass.

WHAT INVESTORS  
LOOK FOR



# THREE KEY STANDOUTS



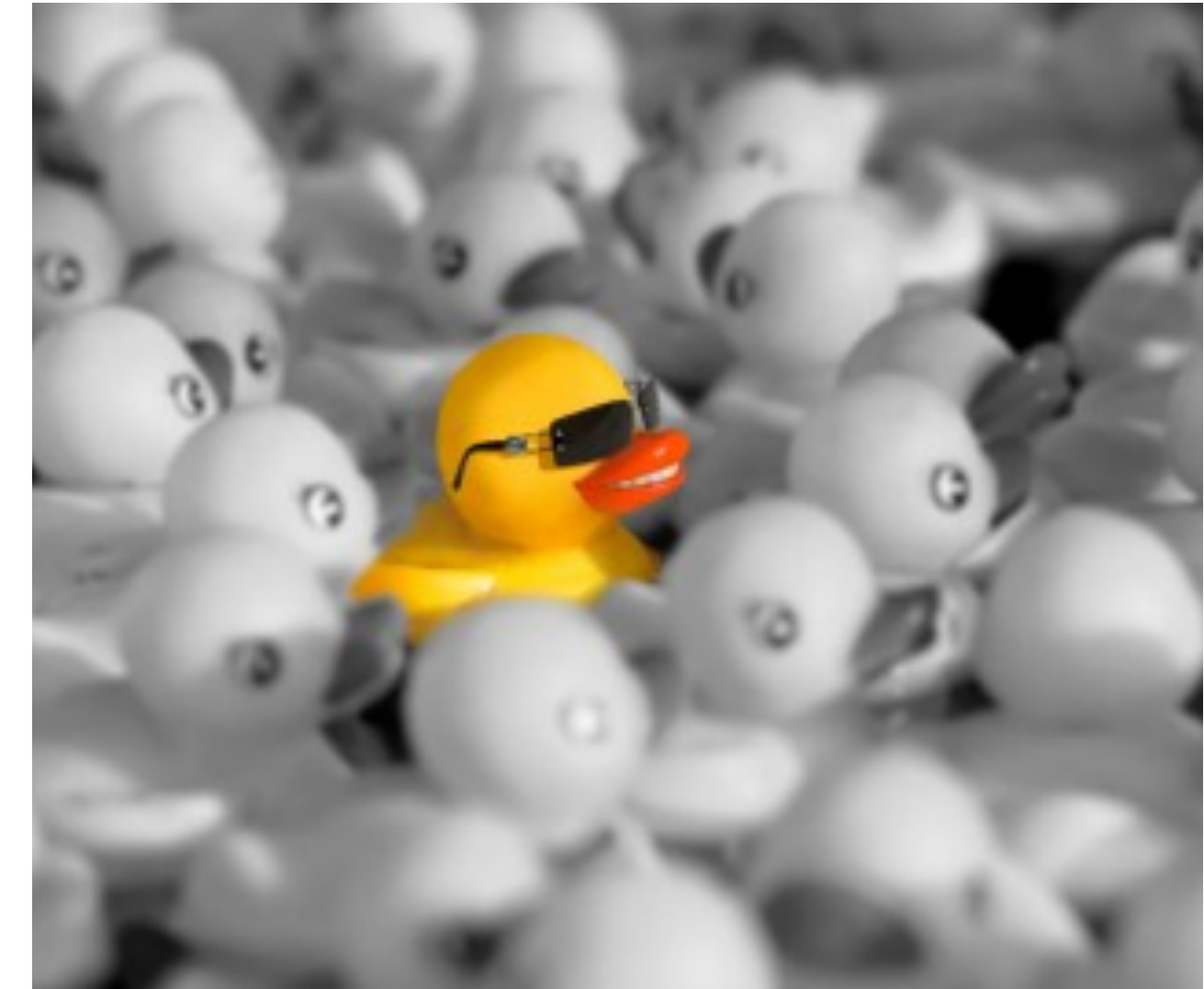
## GREAT TEAM

Do you inspire confidence? Do you have what it takes to build a business to exit? Are you truly committed?



## TRULY SCALABLE

The harder it is to scale a business, the harder it is (or the more money you need) to grow. Without the ability to grow, you'll never get investors their 10x+ return.



## VALUE PROPOSITION

Do you stand above all other competition by an order of magnitude? Does your product bring meaningful savings or improvements to your industry?



# FIND THE RIGHT ANGEL GROUP

UKBAA INVESTMENT DIRECTORY

[www.ukbaa.org.uk/  
findinvestment](http://www.ukbaa.org.uk/findinvestment)

Searchable by Stage, sector,  
amount raising and region







## 22 LEADING ANGELS FROM ACROSS THE UK

First national industry online course—  
bring insights and expertise on how to  
make the most of angel investing.

A-Z of Angel Investing





THANK YOU  
FOR  
LISTENING  
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