

ACA Data Insights What We Learned From Our Data

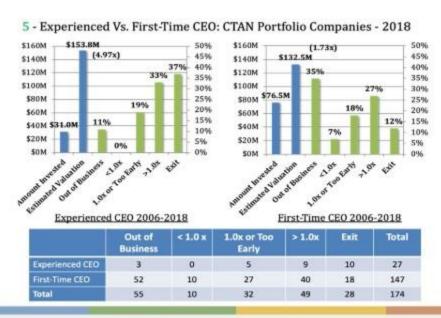
In support of <u>ACA's Data Insights initiative</u>, once a month we will be sharing charts illustrating useful learnings from analyzing data on angel investing and portfolio returns.

How Experienced CEO's are Outperforming First-Time CEO's

This month we are focusing on the performance of experienced CEO's versus first-time CEO's. The Central Texas Angel Network (CTAN) tracks 83 metrics on every investment that is made by members. CTAN's definition of an experienced CEO is someone that was previously a CEO or co-CEO of a start-up. It does not count for this metric if they were the CTO, VP of Sales or other key positions of a previous start-up. Only those holding the title of CEO are counted.

Of CTAN's 174 investments in 12 years, 27 individuals meet this criteria. **The performance of experienced CEO's versus first-time CEO's is very different.** The experienced CEO's have a current portfolio valuation multiple of 4.97x versus 1.73x for first-time CEO's, or a difference of 287%!

Only 11% of experienced CEO companies have gone out of business versus 35% of first-time CEO companies. Finally, 37% of experienced CEO's have already produced an exit for CTAN investors versus only 12% for first-time CEO companies. This is key metric that we all know is important but now we have data to support this basic premise.







Stay tuned for additional insights next month and sign up to participate in <u>ACA's Data Initiative</u> by submitting your data for future editions of the <u>Angel Funders Report</u> to provide angels with insights on the factors that affect the outcomes of startup investments.

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