2025 CTAN Financial Metrics Report to Members

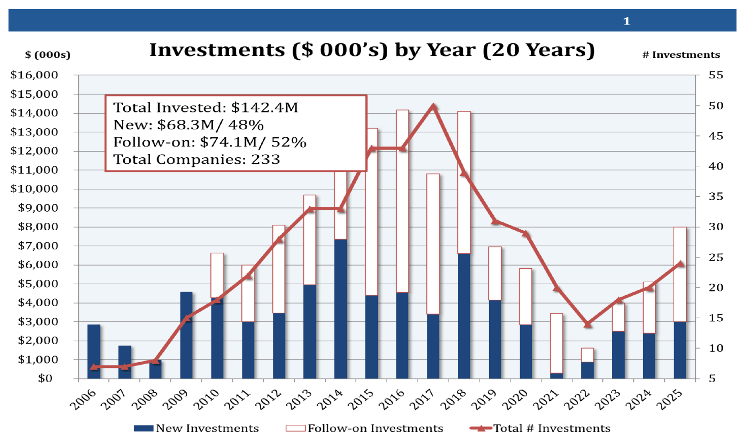
Background and scope

Note: The information contained in this report is the property of the Central Texas Angel Network (CTAN) and is not to be shared with anyone other than CTAN Members.

This is the fourteenth annual CTAN Financial Metrics Report distributed to CTAN members. This report tracks CTAN investments through the years 2006-2025 in the various CTAN portfolio companies and evaluates the current financial condition of said portfolio companies. CTAN maintains accurate records of all investments made by CTAN members dating back to the beginning, which is 2006. Over 60 financial metrics are now being tracked on an annual basis.

CTAN Investment Summary

From 2006 to 2025, CTAN members invested a total of $142.4 million in 233 portfolio companies. The chart on the right shows investments made for all 20 years of the group. CTAN did slowdown in terms of investments in 2019, through 2024 compared to 2012 through 2018, however 2025 member investments at $8 million was a seven year high. A year-by-year breakdown of the number of new portfolio investments and follow-on investments by year are as follows:

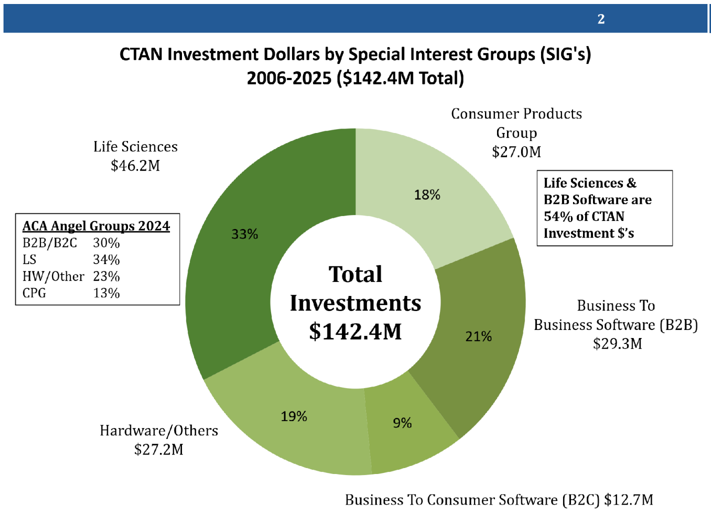


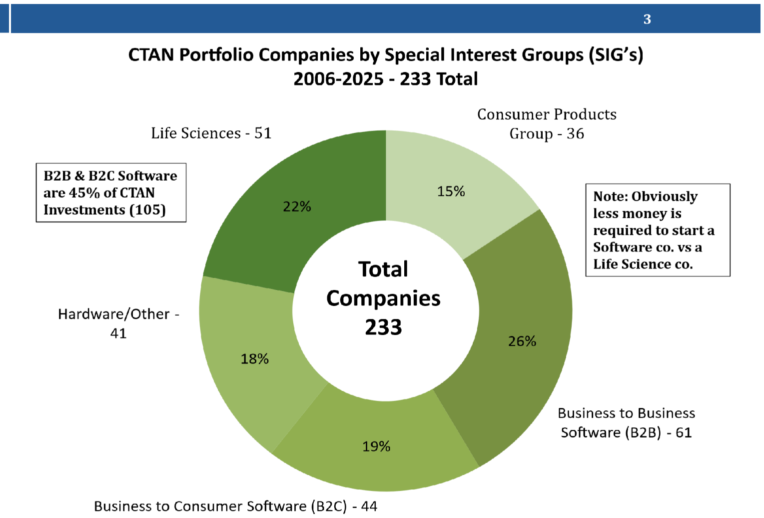
Overall, CTAN has invested $67.4 million in new portfolio companies, representing 47% of all investments. CTAN has also invested $74.3 million in follow-on companies, representing 53% of all investments (this excludes initial investments in follow-on companies). It should be noted that in 2025 53% of all investments were made in follow-on companies, while 47% of invested companies were in new company investments. ACA data from angel groups has a 50%/50% breakdown of new vs. follow-ons.

Year	# of New Portfolio Investments	# of Follow-on Investments
2006-10	50	5
2011	10	12
2012	13	15
2013	17	15
2014	16	17
2015	21	22
2016	15	28
2017	19	31
2018	13	26
2019	12	18
2020	13	16
2021	3	17
2022	6	8
2023	7	11
2024	8	14
2025	10	14

Investment analysis BY Special Interest Groups (SIG)

In terms of dollars, our largest SIG is Life Sciences at $46.2 million, or 33% of total investments. B2B Software was next at $29.3 million or 21%. B2B software has 61 total companies in this SIG and is the largest at 26% of our total companies invested in by members. Life Sciences was next largest at 51 companies or 22% of total companies invested by CTAN members, followed by B2C Software with 44 companies or 19% of total investments. CPG had 35 company investments and a total of $26.7M.





METRIC ANALYSIS OF NEW CTAN INVESTMENTS

This data contains information for the years 2009-2025, as the data for years prior to 2009 is too difficult to obtain. The data analyzed represents 138 companies, or the majority of total CTAN initial investments. Over the last fourteen years, the average CTAN company investment involved about 7 CTAN members. In 2025 the average was much higher at 11. A total of ten new companies received investments in 2025. The data noted above excludes the side deals that CTAN members make during the year.

Over the last fourteen years, these 138 companies raised an average of $404K from CTAN investors. The average total raise in these rounds by the entrepreneur was $1414K. These 138 companies raised a total of $195 million. The average pre-money valuation in 2025 was an unusually high of $8.7M. The average pre-money for the last fourteen years is $5.5 million. Pre-money has continued to increase over the last five years which is a consistent trend in the U.S. It is also interesting to note that all the funded companies in 2020-2025 were C Corps, and 84% of these new companies were equity as opposed to convertible notes.

STATUS OF CTAN INVESTMENT COMPANIES

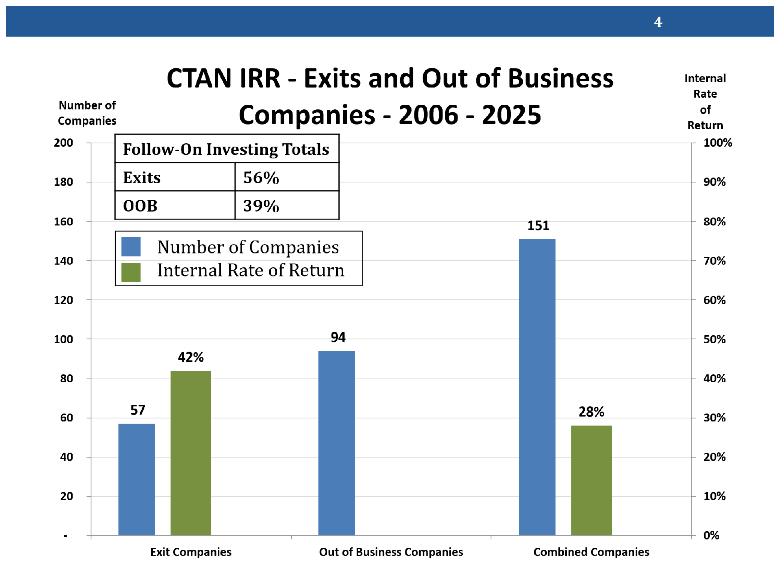
In 2025 a total of 7 companies went out of business, bringing the total to 94 portfolio companies in a total of 233 companies invested or 40% that are no longer in business. There was only 1 exit company in 2025, and it returned less than 1x for shareholders. A total of 57 companies (24%) have exited. A total of 82 out of 233 portfolio companies are still in business (35%). CTAN's two largest exit multiples occurred in 2021 and 2022. The last three have seen a very high 30 companies go out of business, given the current markets. Consistent with U.S. trends, more start-ups have failed in recent years compared to previous years.

ESTIMATED VALUATION RANGES OF CTAN INVESTED COMPANIES

The rest of this report deals with the valuation of CTAN member investment companies. I have valued the companies in terms of multiples of invested capital (MOIC). This required me to interview shareholders, CEOs and/or other CTAN members, and to evaluate the share price of the original investment versus the estimated current share price. Often there have been additional investments made by investors after the initial seed round. These additional rounds help with valuation estimates. Dilution is also a consideration due to down rounds and/or the poor performance of a company.

As noted previously, 94 companies have gone out of business. If you add to this figure the 17 companies less than 1.0x, valuation there are 111 companies representing 48% of all companies invested that are in this relatively poor stage, or out of business.
CTAN members have experienced 57 exits in the portfolio, and 43 of these have had an exit with a multiple greater than a 1.0x return. In fact, two of these have had very significant returns in 2021 (Recursion Pharma 70.2x) and in 2022 (York Space Systems 32.0x). Of note is the fact that 15 exits have had a return multiple of 3.0x or larger, which is significant.
Currently, there are 14 companies valued at 1.0x, or a total of $14 million, representing 10% of the dollars invested. Also, there are investments of $14.4 million in 17 companies that are currently valued with a multiple greater than 2.0x, or 7%. This portion of the portfolio has the greatest likelihood of a successful exit. There are only 10 companies with investments totaling $3.0 million that are too early to assess a valuation, as these investments were made in 2025. CTAN Members invested in 53 companies still in the portfolio that have received follow-on investments.

ESTIMATED VALUATION MULTIPLES AND DOLLARS OF CTAN INVESTED COMPANIES



As of December 2025, CTAN members have invested a total of $142.4 million. The estimated valuation of the total portfolio is $604.7M million, or a multiple 4.2x.

If all 151 companies no longer in the portfolio are excluded from the CTAN portfolio, then total remaining invested capital is $54.1 million and the multiple of invested capital is $240 million, or 4.4x. In 2025 CTAN had a total of seven out of business companies. This is due in part to the overall start-up environment. The overall portfolio valuation at the end of 2025 was $605M compared to $591M at the end of 2024 or a slight 2% increase. The internal rate of return was also calculated. For exit companies (57) the IRR is 42% and combined with out of business companies (94) the overall IRR is 28% for all 151 companies. This data supports the belief that one can be successful in the asset class of start-up investing. This IRR of 28% is also one of the highest figures for angel groups in the U.S.

TOP VALUATION MULTIPLES OF CTAN INVESTED COMPANIES AND EXPERIENCED CEOS VERSUS FIRST TIME CEOS

Companies with the four largest valuation multiples have already experienced an exit. Seven of the Top 10 valued companies have also seen follow-on rounds of investments by CTAN members. The Top 10 have a total of $12.5 million in investments and have an estimated valuation of $435.2 million, or a multiple of 34.9x. These Top 10 companies represent 9% of total invested dollars, yet account for 72% of the estimated total portfolio's valuation. This helps reenforce the need to correct an appropriate angel portfolio.

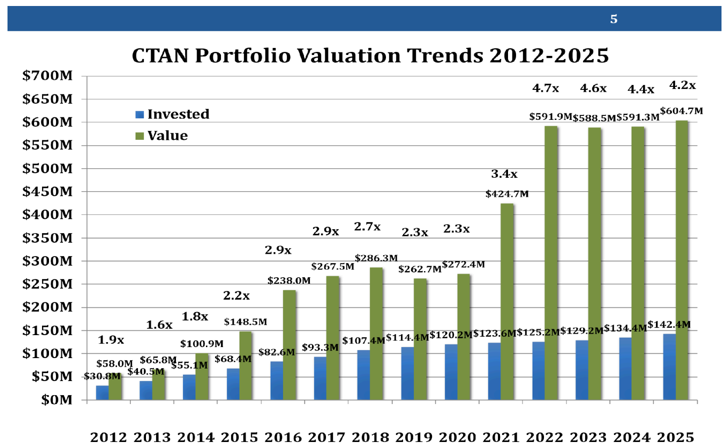
The remaining 223 companies (96% of total companies) represent 91% of total invested dollars (approximately $129.9 million), yet account for only 28% of the total portfolio's valuation (approximately $170 million).

Another data point analyzed in 2025 was the valuation multiples of experienced CEOs versus first-time CEOs. The first task was to determine if a CEO had prior experience. Prior experience is defined as an individual who had previously served as CEO of a start-up company irrespective of whether the company did or did not experience a successful exit. I was able to gather this information for all CTAN portfolio companies.

Based on this definition, 44 out of the 233 portfolio companies are led by an experienced CEO. This accounts for $44.2 million, or 31% of CTAN investments. The major difference relative to first time CEOs is in the valuation multiple. For experienced CEOs, the companies had a combined valuation of $449 million, or a multiple of 10.2x. First time CEOs had a combined valuation of $155.7 million, or 1.6x. These differences in valuation multiples and also with experienced CEO's with better exit performance and supports the theory that in general, experienced CEOs outperform first time CEOs. Of note is the fact that only 27% of experienced CEO's have gone out of business vs. 43% for first-time CEOs. This data is consistent with other national studies on this topic.

Other metrics support this theory. For instance, 82 of the 94 (87%) of CTAN's portfolio companies that are out of business were led by first-time CEOs. For first time CEOs companies, only 42% of them have a valuation greater than 1.0x or have exited. For experienced CEO companies, 64% of them have a valuation greater than 1.0x or had an exit. It should be no surprise then that CTAN's four largest exits were by companies with experienced CEOs. Also, 34% of experienced CEOs have already had an exit versus 23% for first time CEOs.

Another metric to review is to separate returns between single investment companies and companies that have received follow-on rounds. If you look at companies that have exited or gone out of business with follow-on rounds (72), there have been a total of $73 million in investments with a return of $353 million or a multiple of 4.8x. Companies with no follow-on investments (79) have a total of $14.4m in investments and total returns of $11.5M or .8x. Another key metric we have observed is returns on companies when a CTAN member served on the board versus companies that did not have a CTAN board member. A total of 34 exits had a CTAN board member with $37M in investments and a return of $345M at 9.2x and an IRR of 48%. This compares to 23 exits that did not have a CTAN board member with $14M in investments, with a return of $19M or 1.4x and an IRR of 7%.



SUMMARY AND CONCLUSIONS

As with any portfolio that is either personal or private, a thorough review from time to time is not only appropriate, but also necessary. It is important to keep the work of this project an ongoing responsibility of the CTAN Board of Directors.

The estimated market value of the CTAN portfolio increased slightly from $591 million at the end of 2024 to $605 million at the end of 2025. The portfolio valuation continues to perform well, especially with three excellent exits in 2021 and 2022. The overall valuation multiple saw a slight decrease year over year. We believe this is very good given the overall economic and market conditions with start-up companies and challenges in valuations over the last three years.

After looking at the results of the CTAN portfolio, it is clear to me that a small number of companies are likely to produce the most successful returns for members. This data does complement other national angel investing research and the need to study through the Angel Capital Association (ACA), books, and CTAN Lunch & Learn sessions. Building a start-up portfolio of 18-20 investments over four to five years, allocating ~60% of your capital for follow-on investing, and in various vertical industries/ SIGs are key actions for investors/members of CTAN to follow to help ensure the likelihood of successful angel investing results/performance.