

Permanent, flexible capital for sustainable, transformative companies, a profile of Kinnevik

In the ever-growing investment landscape, funds are multiplying and diversifying, and for startups there is more to raising investment than the money and the media moment. With #QVCS Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Natalie Tydeman, senior investment director at Kinnevik.

Kinnevik was founded almost 90 years ago by the Stenbeck, Klingspor and von Horn families in Stockholm. At our inception, we were a family-run firm that backed mostly industrial businesses. As the years have passed, though, we've gone through a few transformations.

The constant over that time has been our focus on identifying trends, understanding consumers and being at the forefront of changing industries. So, in the 1980s, we pivoted from industrials to telecommunications and, more

recently, in our third iteration, we started focusing more on backing technology companies.

Today, we provide patient capital and operational support to founders who build sustainable, transformative businesses that make people's lives better. It's a relatively broad remit, but one that we believe gives us enough scope to back inspirational leaders of diverse teams building long-term sustainable businesses.

Which industries are you working in?

We focus primarily on themes that are in the process of digital disruption. They are overarching topics such as healthcare and human capital, financial and consumer services, and the biggest challenge of our generation, climate change.

What do you look for in a founder?

We look for highly talented, passionate entrepreneurs with the ability to lead themselves, their teams and their peers.

We want to partner with founders that strive to build long-term sustainable businesses, founders who recognise the importance of diversity of background and diversity of thought for success.

Ultimately, we look for founders that share our values, because we believe those are the relationships that last.

Can you talk about your current portfolio?

We have built a balanced portfolio along the trends we discussed. We back companies at all stages of development and usually will remain consistent with follow-on investments if the business is growing and meeting strategic and sustainability targets. We invest directly from our balance sheet and look to make, on average, 10 new investments per year.

On the more mature end, for example, is [Jobandtalent](#), the workforce marketplace that matches workers with temporary employment. They are growing at an impressive rate and have a clear path ahead. On the "younger" end of the spectrum are firms like [Omnipresent](#), a startup that provides tech-enabled solutions to support companies hiring people around the world.

What does the future look like?

In the current environment, after such a pronounced correction, rising inflation and interest rates, it's easy to lose perspective. Ultimately, though, it's a question of when, not if, the market will come back.

Individuals' entrepreneurial spirit and ingenuity to solve problems is one of the world's most powerful drivers. And we have an immediate, enormous problem – the biggest in our generation: combating climate change.

We're making progress on that front but not quickly enough. Some of the solutions involve technology that already exists but other answers require bigger financial commitments. We can't wait for the upcycle to offer the necessary patient capital and partner with people looking to solve that existential problem.

As more and more people realise the magnitude of this issue – and the potential financial opportunities that come with it – we'll see more expertise migrate to climate tech, more capital turn to it and some category-defining companies emerging.

What makes Kinnevik different?

There are a few elements that set us apart but two of them are key.

The first one is our permanent capital. Because we invest from our balance sheet, we're not beholden to fund cycles and can back founders with true long-term ambitions. That is a huge competitive advantage, especially when we're talking about capital intensive industries, like climate tech.

The other point is flexibility. Because we don't have a fund mandate, we have the flexibility to deploy capital across the investable universe. We look for founders who build sustainable, transformative companies, independently of the stage of the business or where it operates.

What one piece of advice would you give founders?

Focus on the long-term big picture: obsess about the quality of individuals you bring onto your team and about the quality of investors you bring onto your cap table – more than about the amount of dilution required to bring them on.

Natalie Tydeman is a senior investment director at [*Kinnevik*](#).

