

Long-term, loyal investors adding financial and strategic value, a profile of NGP Capital

With #QVCS, Maddy Ness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today, we speak to Christian Noske, partner at NGP Capital.

Temps de lecture : minute

3 October 2022

I am a partner with NGP Capital, a global venture capital firm with over \$1.6B under management. I joined the fund in October 2021, and I'm based out of our new Berlin office, when I'm not travelling around Europe and Israel, meeting our current portfolio businesses, or sourcing the next great enterprise SaaS or industrial tech startup to add to our investment portfolio.

I've been a VC for over a decade, and I've always loved travelling. Meeting founders and forging relationships with them, as they scale and grow. I'm passionate about working closely with exceptional entrepreneurs and supporting their teams to build global sustainable businesses. I am lucky enough to sit on the boards of several exciting companies and have led investments in startups, who are disrupting the way business gets done today with their products and services.

Prior to joining NGP Capital and coming back to Berlin (my hometown) I spent 10 years in the USA; first as one of the Founding Partners at BMWi Ventures in New York and then as the founding Managing Director of Alliance Ventures in the Bay Area. Funnily enough, one of my first

investments at BMWi was an investment in Moovit just before NGP Capital led their Series C. 7 years later we are teammates, so it's great to see things come full circle.

Which industries are you working in?

We launched a new \$400M fund at the beginning of the year (2022), and we are investing in B2B companies, with a focus on cybersecurity, industrial tech, deep tech and enterprise software in the US, Europe, and China. This is our fifth fund, and we'll be investing in early-growth companies from Series A onwards, who have demonstrated product-market fit, show strong growth potential, and most importantly, have a world class team.

Our typical initial ticket size ranges from \$5-15M with extensive capacity for follow-on investments. Once we've invested, we work actively with our entrepreneurs and companies to help them succeed. We are here for our companies, and we are always ready to jump in wherever they need us, to accelerate their growth, or help them to navigate expanding into new territories through our global network within the technology industry.

What do you look for in a founder?

Above all, I'm looking for people who have the drive and motivation to create lasting societal impact and economic value on a global scale. Meeting a founder face to face is hugely important. I love getting to know their strengths and weaknesses, their approach to learning, their awareness of how they impact those around them and their vision of the future of their business. I don't think we would ever say we have a template, but that glimmer of greatness is hugely important.

Can you talk about your current portfolio?

Since 2005, NGP Capital has invested in 107 companies, and we have exited fully or partially from 62 investments. We currently hold a portfolio of 51 investments. 19 of those portfolio companies have been or are valued more than \$1B. Our current portfolio includes, amongst others: Scandit, Lime, Coda, SpaceFill, and Clue. We planning to announce several new investments from Fund V over the coming months,

Our current investment portfolio is split between Europe, the US and Asia. Our portfolio companies had approximately \$2.5B in revenue in 2021, with an average growth of 40% YoY. Those companies employ over 10,000 people, and at present there are 700 open job positions across the NGP portfolio.

How has COVID-19 changed the way you operate?

There is no doubt that COVID-19 had a huge impact on many people and many businesses, but in terms of how we work with founders, I am glad to say the impact has been minimal. I have always been a global investor, so have most of the team here, so we've always been relatively comfortable with having a preliminary meeting with a founder over the phone. Then, if things went well, we meet in person and take it from there. That didn't change with COVID. In fact, NGP Capital were one of the few funds who continued to meet with our portfolio in person. That level of commitment made a difference and I believe people appreciated the effort we made during travel restrictions and continue to make today.

What does the future look like?

We are currently at a point in time where various technologies are coming

together and have reached a point of maturity, where we are seeing huge benefits. AI is a great example of that. Robotics is too. Automating tasks, driving efficiencies, and enabling sectors, like manufacturing, to scale globally. It's not about replacing people. Many industries just don't have those people in their businesses in the first place. I believe the next few years will see large scale deployment of AI and automation related business, alongside its supporting infrastructure.

We also have our own 'homegrown' example, we continue to use our proprietary AI-powered "Q" platform to source the next intelligent enterprise solutions to augment our investment portfolio. "Q" scans and ranks more than 2 million companies around the world in our chosen investment areas on a continuous basis. There are currently around 700 growth parameters for each company, with more being added all the time.

What makes NGP Capital different?

NGP Capital was founded with the ambition to offer entrepreneurs something new, a support system of funding, feet on the ground in the world's largest markets, deep thematic expertise, and access to vast networks. We believe fast-growth companies deserve long-term, loyal investors that have both the ambition and the discipline to create significant financial and strategic value.

I believe we are unique in that we have a true global team - From the West Coast to the Far East. We work as one, globally engaged team - before we invest, during diligence, through closing and all the way to the exit. We analyse investments through a global lens and leverage pattern recognition from one market to the next providing growth-stage companies with long-term capital, deep networks, and wide-ranging support.

What one piece of advice would you give founders?

The challenges you face today are unlikely to be the same as the ones you face tomorrow. Especially in today's global market. Success requires not only focused founding team with a clear vision; but also, characters with the flexibility and lack of ego to change quickly. That might mean you need to switch your focus from driving 100% growth to driving profitability; or you might need to raise a smaller funding round than you initially hoped.

Flexibility and agility are key.

I have seen founders successfully use a combination of intuition, planning and advice from other founders and investors to adjust their course quickly. After all, no entrepreneur's journey is the same and we will all find different ways to get on the right path.

Christian Noske is a Partner at [NGP Capital](#).

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