

# Cevian Capital: “Constructive Activism”

Stockholm (HedgeNordic) – Cevian Capital, the largest activist hedge fund in Europe with \$15.4 billion in assets and which counts Carl Icahn among its investors, has a calm, behind-the-scenes approach and uses public pressure as a last resort, according to a just-published profile by The Economist. The Swedish fund, which was founded by Christer Gardell and Lars Forberg, employs a form of “constructive activism” which focuses on only a dozen companies at a time, an approach the founders employed during their time together at Custos, a listed investment firm.

“Sclerotic companies abound in Europe,” Mr Gardell told the Economist. Nevertheless, he sees advantages in Europe’s culture of corporate governance for an activist fund like his, for example in the process of obtaining a board seat, which is easier by comparison to in the United States. Cevian’s typical ownership stake is between 5 and 20%, and it operates mainly in the Nordics, Britain, Germany and Switzerland, preferring to avoid southern Europe.

Cevian is known for splitting up companies, believing that conglomerate structures can be too expansive and that splitting them up can benefit both managers and shareholders. Its separation into two of the Cookson Group, a British industrial firm, for example, more than doubled the combined value of shareholders’ investment. Despite some opposition, Cevian is attempting to repeat the feat at Volvo, Bilfinger, Ericsson, and others.

Cevian returned 19.4% in 2016. Read the profile in The Economist [here](#).

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