

FOUR SIDES

Modesty—Morals —Artistry—Confidentiality

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The leading stars for Lagerkvist & Partners and how we illustrate them

MODESTY

“
*There's no limit to what you can do if you
don't mind who gets the credit.*

Ronald Reagan

MORAL

“
*When the going gets tough the
tough gets going.*

Joseph P. Kennedy

ARTISTRY

“
*Surround yourself with the best people,
delegate authority, don't interfere as the
overall policy is being carried out*

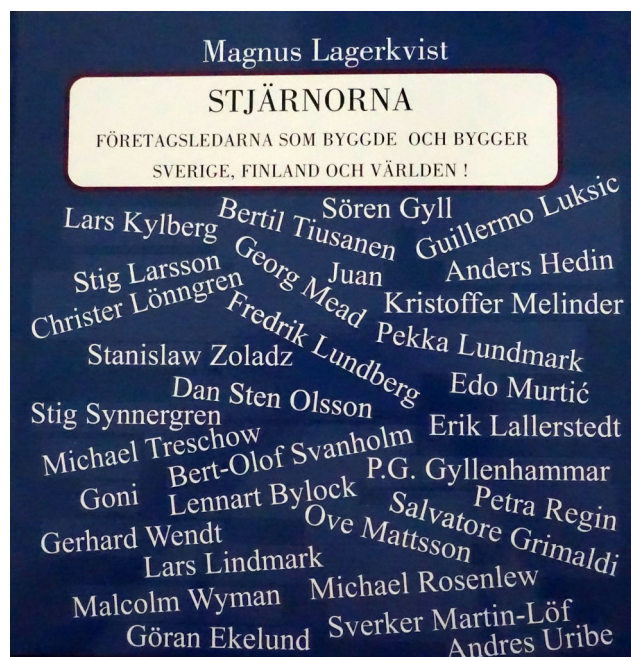
Ronald Reagan

CONFIDENTIALITY

“
Confidentiality is the key and shall last.

Magnus Lagerkvist

This has been governing us from the start 1984
and shall govern us into our fifth decennium.



A long working life has given some experience of situations and people. In the book, I have noted impressions of some of the best I have worked with. Most of the people who are written about here have had columns and even books written about them. My only ambition is to show important personality



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ALWAYS BE ON IT— NEVER SATISFIED

INTERVIEW WITH SÖREN MELLSTIG



SÖREN MELLSTIG has been CEO of Gambro, Chairman of Trelleborg, Apotek Hjärtat, Impilo and many other companies and before that CFO and vice President in several companies. He is also a member of Lagerkvist & Partners Advisory Board.

Four Sides: You have been CEO and Chairman of large and smaller companies. What is the big difference?

Sören Mellstig: To put it simple. As CEO you have to form the strategy and get approval of the board. That is 5% of the job. 95% is to implement the strategy. The important thing with implementation is to see to that your organisation understands and to a large extent approve the strategy and the measures to follow. As a chairman you must see to that all opinions come up on the board and see to that the board will form a joint decision that all can agree upon. As chairman you can not and shall not act as a Super CEO. If the strategy is not implemented and fails, you have to see that it is changed or do changes in management.

FS: Name a capacity that all excellent CEOs you have worked with has had.

SM: They have never been satisfied. With good results they set higher targets immediately. When presenting a perfect quarterly or yearly report for the board they start with the problems and things that has gone wrong. Conni Jonsson at EQT is an example as Peter Nilsson at Trelleborg.

FS: What is most important for a board and its chairman?

SM: Most important is to see to that the strategy is not too complicated and diverse and that the CEO and the organization have a few main areas to focus on and to carefully day by day work to implement them. The CEO must see to that the organization understands why the changes are done and buy in to them. Many CEOs have too many goals and do not understand that to bring the organization on board is a process day by day. An example: when I took on the job at Gambro that then was a division within Incentive we had to sack 1000 people of 7000. I talked individually to over 1000 managers that should still be in the company and build the future. The introduction was always: 'We are sacking 1000 people to be able to shape our future and beat our main competitor Fresenius. This is how we think and our motivations. The

response that I got in these meetings was" It's about time!"

FS: How do you perceive the work climate for business today in Sweden?

SM: Things have never been better. Globalization, the fact that we are members in EU, and the fact that most companies are competing on a global or at least international market. This has done that politics power over international markets and our local market has gone down dramatically. That goes also for the unions before often very negative power that impacted us a lot. The government also knows that if the legal and tax environment becomes too tough many companies can just leave the country. Furthermore, most of our larger companies but also many smaller have a very small market in their home country Sweden. Gambro had 2% of its market in Sweden and 4% of its employees.

FS: Many of the companies we meet and the CEOs we talk to complain that it is difficult to find good people and make them stay and the competition to get them is high. Can that hamper Sweden's and companies' growth and decision to stay or stay not in Sweden?

SM: First of all, it is a global problem. But I have not perceived this something that one could not overcome. I and the companies I have worked with have "solved" the problem through finding excellent young people. Bet on young talents and invest in them. It has been a very successful idea. Of course, you have to have a thorough and creative recruitment process. Sitting here today I can not remember any failure, instead many talents have grown to excellent leaders. The other thing is that it is much easier to recruit globally today than it was before. In Sweden it is also so that very many people in the companies understand reasonably English together with high work ethics.

“The answers are all out there, we just need to ask the right questions.

Oscar Wilde

FS: How do you perceive and foresee the global development?

SM: Here I am less optimistic. Globalisation has been fantastic. It is the single most important factor that the world has developed so fantastic. Not so long ago 50% of the world population lived under the poverty line defined by the UN. Now it is less than 10%. What we are seeing now is a regionalisation of the world. North America becomes one region with high custom towards China but also others. Russia and part of former Soviet Union states become one region, Europe one, rest of Asia one etcetera. This will hamper the world growth and probably also create more tensions. It will hamper productivity and thereby the world growth.

FS: Basically, you are optimistic and satisfied with working in the business life in Sweden. Do you see any problems?

SM: Companies does not create hearos in Sweden. If you become boxing world champion more than 60 years ago and then never managed to defend you title you are still "the CHAMP". This goes for many sports stars some film stars, authors, politicians' etcetera. But not for business

leaders. This means that many people still do not understand where and how our wealth is created. Yes, we have some entrepreneurs that get famous and admired like Ingvar Kamprad, Erling Persson, Hans Rausing, Rune Andersson but too many are forgotten.

FS: Looking ahead are you optimistic or pessimistic short term and long term for Sweden and the Nordic Region and for the world?

SM: Fundamentally I am an optimist. I have been in business for 50 years by now and have seen the world turn into a better place in many aspects. What worries me is the regionalisation over globalisation, the difficulties for democracies and growing criminality. These three things will hamper growth, prosperity and necessary climate adaptations.

*“I newer worry about action,
but only about inaction.*

Winston Churchill

ONE PROBLEM WITH WINDPOWER

The so-called transition to a fossil free society has led to many mistakes and wrong investments, usually based on ignorance or skilled financial speculation. Wind and solar power are not the solution – it is a problem for the grid.

For the electricity grid to function, counterforce is needed to flow/transport. The counterforce must have heavy, large, and synchronous generators for this to happen. Wind power has small asynchronous generators. Solar power has no generators. The more of these, the harder it is to balance the frequency (Hz). Recently, it has been in the "red field" several times due to jerky wind production. If it is below 49.80 or above 50.20 Hz, automatic disconnections take place.

Wind power disturbs the stability of the grids. It forces other production to counter the fluctuations of wind power, which wears out turbines and generators in hydro and nuclear power plants faster. Hydropower is forced to counter the variations in wind power, the erosion of riverbanks increases.

The Swedish electricity system is seriously damaged

by wind power, Wind farms and turbine manufacturers are bleeding financially due to the inherent weaknesses of the technology.

Svenska Kraftnät's costs for procuring services to parry wind power have reached record levels and are still increasing. Already during the month of May 2023, the sum was over SEK 10 billion. This points towards SEK 80 billion over four years, which corresponds to the cost of building a new large nuclear reactor.

We cannot increase our power consumption without expanding base power.

We need plannable production in southern Sweden so that the electricity grid does not risk collapse.

There are five possibilities: hydropower, fossil gas or coal, nuclear power, and thorium power. In southern Sweden, there is not enough undeveloped hydropower left to exploit. If you do not want fossil power, you can choose nuclear power, based on uranium or thorium.

*“We just seem to have lost all our morals
and principles and values these days.*

Dolly Parton

WHY IS NO ONE TALKING ABOUT THORIUM?

Ignorance is the main characteristic of our energy debates. Anyone discussing the energy issues must be able to answer many questions, but let us take four of the most important: a) 0.037%? – b) Infertility in animals in water and on land? c) Income & Balance Sheet for different types of energy (without subsidies)? d) Thorium?

Let's answer the question about Thorium. Thorium is an element that can be used in a type of nuclear reactor to generate energy/electricity. Thorium reactors emit no radiation with their molten salt reactors (MSRs). No water is needed in the reactors and thus there is no risk of steam explosion, which can occur in power plants based on uranium. No meltdown can occur. A Thorium power plant can be turned off whenever you want and then turned on again without anything happening. The process stops and starts quickly.

Thorium reactors can also use waste from uranium reactors as fuel up to 90%, which means that we have raw material already available for use and can also solve almost the entire problem with the disposal of spent uranium fuel from uranium-based nuclear power plants. Thorium-232 is not a nuclear fuel. If it is irradiated with a minimal amount of uranium, uranium-233 is formed, which splits and powers the reactor. One ton of thorium produces as much energy as 200 tons of uranium or three million tons of coal. The thorium reactors produce significantly less waste than a uranium reactor and emit minimal radiation.

The thorium power plants are much faster to build, and the permit processes are significantly shorter. Furthermore, the Thorium reactors can be built much smaller and in serial production in a factory. This means that they can be placed all over the country, shorten the transport times for the electricity and thus reduce the transport losses, which are calculated as a

standard today at around 10%. Just that a number of TWh. It also secures the electricity supply during crisis and war in a completely different way than the current system and better guarantees that the whole country can live.

Thorium is three times more common than uranium in the earth's crust and is found in both Sweden and Norway. The most common occurrence of the identified occurrence of Thorium is in India, which is estimated to have 25% of the world's resources. India has a very extensive program aimed at building thorium power plants, large and small. They already have a stated and decided goal to make the country completely self-sufficient in energy with Thorium power plants. Likewise, China has extensive programs where they build and will build thorium power plants. Norway and Denmark are also about to start building.

This with Thorium is no secret. The knowledge has existed for a long time and now the knowledge has developed so that power plants, large and small, can be efficiently built. It is not yet cost-effective to build such small power plants so that they can power cars. Boats go well and are significantly cheaper than, for example, building nuclear submarines. However, it is expected that in the long term it will be possible to build such small thorium power plants that they should be able to drive tractors and larger loaders at least. A somewhat interesting calculation made is that when you can build a medium-sized passenger car with Thorium drive, 8 grams of Thorium will be enough to power the car during its lifetime. We call that reach.

“ You cannot give people what they are incapable to receiving.

Agatha Christie

“ Give every day the chance to become the most beautiful day of your life.

Mark Twain

“ Almost anything is possible with time

Jane Austen