

Leader of the Year: This is how Helena Hedblom made Epiroc a gold medalist in the mine

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She sits on the margins, the competitors look on enviously. In addition, with clear, modern and confident leadership, she has managed to steer Epiroc through one crisis after another. That's why Helena Hedblom is Leader of the Year. *"That's where the art lies. In being in a crisis while betting on the future - at the same time,"* says Helena Hedblom.

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Epiroc CEO Helena Hedblom is awarded the Leader of the Year Award by Affärsvärlden CEO Josefin Sigedal. Photo: Meli Petersson Ellafi / BILDBYRÅN

A copper mine, deep in southern Congo, just a couple of miles north of the border with Zambia. It is the beginning of November and Helena Hedblom, CEO of Epiroc, has flown into a seven-seater aircraft to a remote airport for a site visit. A day's journey there, via Johannesburg, 48 hours on site, and then home the same way.

It is in many ways logical that she is here. The Kamoakakula copper mine, jointly owned by the Canadian giant Ivanhoe, the Chinese company Zijin Mining Group and the Congolese state, aims to be the copper mine in the world with the least climate and environmental impact. A profile that fits perfectly with Epiroc's product portfolio.



Helena Hedblom down in the Kamoakakula mine in DCR. Photo: Petrus Saayman

Kamoa-Kakula, which opened in 2021, has placed three large orders for Epiroc products. The latest is the largest order the Swedish company has ever received: SEK 700 million, consisting of a mix of drilling rigs, loaders and mining trucks.

In another way, it is a bit illogical that Helena Hedblom carved a big chunk out of a working week for this. Large orders, per se, are one of the things she doesn't care much about.

"I don't focus much on them," she says. "There is a greater focus on all the customers who replace machines and perhaps place an order for two, three or four machines. For me, it's where you get a feel for how things are going out there".



Photo: Johanna Wallen / BILDBYRÅN

SURFING THE TREND

Epiroc develops and manufactures equipment for mining and construction. Machines that, compared to those of competitors, may be classified as premium goods. There are cheaper options for customers, but Epiroc sells with other arguments - mainly increased productivity through more advanced technology.

Several major trends are driving customers in Epiroc's direction. The green transition brings a world that will devour metals that must first be dug up. But it has also created pressure on the large mining companies to adopt a clearer ESG mindset.

The mines themselves also change character. A lack of surface deposits, as well as stricter permitting processes, mean that underground mines are growing in both scope and depth. Compared to open pits, completely different requirements are placed on safety and technology when drilling further down into the ground. Venting exhaust gases out of the tunnels is one of the mining companies' biggest expenses.

After a cycle of historically low metal prices, prices for key metals have been gaining momentum in recent years. This, in turn, has breathed new life into the mining industry, which faces major investment needs.

GOODBYE RUSSIA

The trends have been reflected in Epiroc's market capitalization. Since the listing in 2018, the A share has more than doubled in value, from SEK 88 to SEK 195.

As CEO, Helena Hedblom was dealt very nice cards - but she has also played them well. It has hardly been a peaceful journey.

On March 1, 2020, she was appointed CEO. Ten days later, the Director General of the WHO declared at a press conference in Geneva that covid-19 is a pandemic, and on the same day Sweden has its first death.



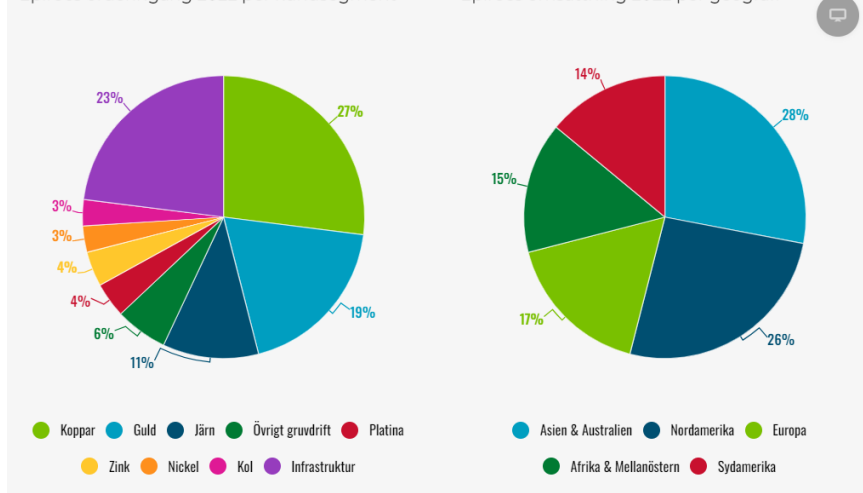
Photo: Johanna Wallen / BILDBYRÅN

The first year in the CEO position was therefore characterized by cost reductions, changed working methods and logistical disruptions. Traces of the latter can still be seen in the balance sheet in the form of a huge inventory of over SEK 20 billion that worries analysts (see fact box).

Epiroc order intake 2022, per mineral type / Epiroc revenue 2022, per geographic region

Epirocs orderingång 2022 per kundsegment

Epirocs omsättning 2022 per geografi

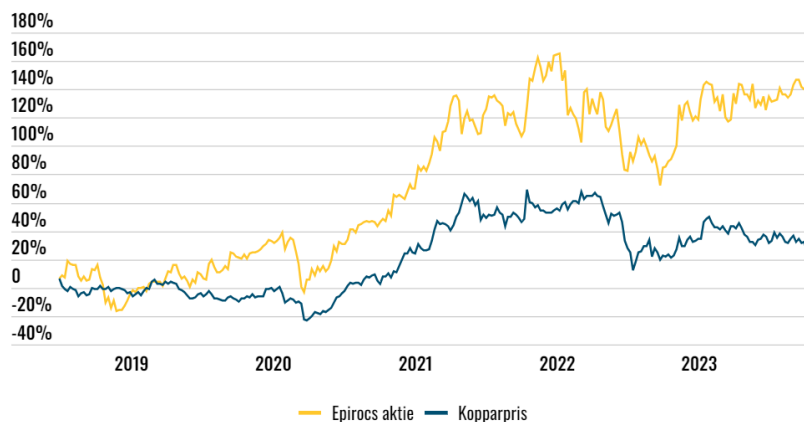


In 2022, Hedblom and Epiroc waved goodbye to their fourth largest market and SEK 2.4 billion in turnover when they withdrew from Russia after the country's invasion of Ukraine.

"It has been an interesting year, if you say so," she says.

Epiroc's share price vs copper price:

Epirocs aktie vs. kopparpriset



In the work of the jury for the award as Leader of the Year, and for this article, we have been in contact with people with insight into Epiroc's top ranks. A consistent description of Helena Hedblom is that she handled the crises with a leadership that can be summed up as "pragmatic" and "very clear".

"As a leader, it is also nice to see that one's leadership works in difficult situations. It is clear that it is more inspiring to work with technology shifts, acquisitions and running businesses than dealing with crises in Sweden. But I believe that if you want to be a leader, you must be able to do both. That's where the art lies. In being in crisis while betting on the future – at the same time," says Helena Hedblom.

INDUSTRY IN THE BLOOD

Helena Hedblom was born in Härnösand in 1973 and grew up in the town during a time when the town still had several large industries. Her mother was a hairdresser and her father an engineer with a managerial position at graphite electrode manufacturer Hagraf.

Helena Hedblom:

Age: 50 years

Lives: Stockholm and Avesta

Family: Husband and two sons, 19 and 21

Education: MSc in Materials Technology from KTH (Royal Institute of Technology, Stockholm)

Interests outside work: *"Yoga and dance. Training in general is what I try to spend the evenings on. Both dance for joy and yoga for peace."*

In her youth, her free time time consisted of playing music in an orchestra, and a lot of golf.

"In the summer, we played 36 holes a day. We could play until 11pm in the evening. You only had to change to an orange ball."

She attributes her interest in technology to the school rather than to her father, although she spent a couple of summers in the lab at Hagraf.

"I always thought it was fun with math, physics and chemistry. To understand how things are connected."

Technical line at high school turned into materials science and a civil engineering degree from KTH in Stockholm.

STILL ALONE AT THE TOP

Helena Hedblom likes to talk about diversity as the key to leading technology shifts in the future, by which she means diversity in culture, religion and gender.

Epiroc regularly reports on the development of the number of women in the organization. Last quarter, the number of female employees had increased to 18.8% (18.1%). Female managers made up 23.4%, up from 22.7%.

In Group Management, consisting of twelve people in addition to Hedblom, there is only one other woman; Senior Vice President General Counsel Charlotta Grähs, who was brought in from Trelleborg in 2022. Helena Hedblom admits that it is not optimal.

"We have too few women moving up in the operational roles in the company. This is what we are working on now and have been doing for many years. At the same time, you have to take it in steps. You cannot jump several steps in responsibility, but have to go through this school."

"But if we look at the division management, which is the level below the division managers, we have a bunch of talented female managers in operational roles."

THE ATLAS COPCO SCHOOL

A visitor to Epiroc's headquarters in Nacka can immediately understand the relationship between the grand old lady of Swedish industry, Atlas Copco, and spin-off Epiroc.

The entrance and reception are clad in Atlas Copco's colors. Like a teenage room in the family house, one finds a separate Epiroc-yellow elevator behind the reception leading to its floors.

The relationship is natural given history and size. Epiroc has a market capitalization of SEK 225 billion compared to SEK 756 billion for the company they share a building with.



Photo: Johanna Wallen / BILDBYRÅN

But in everyday life, an increased confidence of the staff is visible as Epiroc keeps growing. There is some grumbling about the allocation of parking spaces. There is a low-intensity battle going on over whose logo should appear on the clock in the elevator. And surely it's a bit embarrassing when Atlas Copco's wifi seems to have a stronger signal down in the mine tunnels below the building?

But Epiroc is very much modeled in its organization on the Atlas Copco model. The 18,000 Epiroc employees globally work in a highly decentralized organization.

"We are much alike. We share this whole fundamental philosophy of leadership and how to create a high-performance organization."

Atlas Copco has long been a nursery for leaders, and alumni can be seen in places almost everywhere in Nordic industry. And of course it has also shaped Helena Hedblom, who praises the benefits.

"It's a well-oiled machine for how to grow as a leader, really from a very young age."

"You are given a lot of responsibility and authority. High financial goals and requirements for results. At the same time, you have freedom in how you achieve these results. Precisely because it is so decentralized, it is very early that you get responsibility for the profit and loss account."

"THE MINING ENGINEER"

People around Helena Hedblom describe her as someone who really has a handle on the numbers - "despite" the fact that she is a mining engineer, as someone puts it. It is, however, a half-truth as she only worked as an engineer for a short period of her career before rising in the hierarchy within the Group via various management positions.

THREE QUICK QUESTIONS

Quiz question, what is the price of gold today?

"No, I'm actually not sure. We look at it monthly, but I also don't put too much emphasis on what the metal prices are."

New or old mines?

"Oh, then I say old mines. There is so much to do, and it is faster to make changes."

In what way has being an Investor AB company helped you?

"When we did the split, it was incredibly nice to be able to say that we were one of the core holdings for Investor and Wallenberg. Because it creates anxiety in the ranks, of course, in such a situation. Both in our ranks and with the customers. So it was a very reassuring message."

In 2017, she became the first woman ever to take a seat in Atlas Copco's management team with responsibility for the business areas Mining and Rock Excavation Technique. A year and a half after Epiroc was a stand-alone company, the then-Epiroc CEO Per Lindberg (picked from BillerudKorsnäs) had completed his role as "experienced stock exchange CEO" and resigned in favor of Helena Hedblom.

With Helena, the company got a CEO who is the picture of a "modern leader". She thinks about leadership issues "every day". The most important thing she looks for in recruitment for positions is whether the candidates match the company's values.

These values border on progressive in character, with a focus on equality, diversity and a shift towards electrification and automation.

In the business world in general, these are trendy buzzwords that are more often expressed than actually practiced. In Epiroc's case, however, Helena Hedblom is perceived as authentic in her ambitions, both by the market and the employees.

It also helps that it's an aspiration she's signaled for a long time. Already in the first news articles in which she is quoted by the Swedish media, as head of Atlas Copco Secoroc in Fagersta, there is much focus on equality issues.



Helena Hedblom, CEO of Epiroc, Photo: Johanna Wallen

WANT TO BE PREDICTABLE

In the team that she oversees most closely, Group Management, she practices the idea that things must go quickly. More start-up than old industry. More sprints than drawn-out, slow projects. All meant to drive the development rather than follow it.

People in the room on the receiving end see the management style as "very energetic", "listening" and "opportunity oriented".

"My philosophy on how to get the best out of a group is to focus on the positive," she says.

"I believe in psychological security. That as a leader, through openness and transparency, you become predictable for the group and thus create security."

"A huge part of the feedback I give is positive. To reinforce all that is good. Then I am clear about what is not going well. But when you reinforce what is positive, you create a feeling in the group that they are competent. And when people feel competent and safe, they gain access to their creativity. Then they also solve what is not going well."