

Trafigura's New Boss Is Ex-Soldier Who Says Profit Comes First

Richard Holtum is preparing to become the third CEO in Trafigura's history.

By [Jack Farchy](#), [Archie Hunter](#), and [Alfred Cang](#)

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A couple of months ago, the man in line to be Trafigura's next chief executive officer, Richard Holtum, gathered the commodity trader's staff in Singapore.

His message was a simple one, according to several people who were there: it's time to set aside distractions and focus on what's most important — making money.

The address, with its echoes of Gordon Gekko's famous "Greed is good" speech in the film *Wall Street*, was typical of Holtum, according to 11 people who have worked with him, who spoke to Bloomberg on condition of anonymity.

Richard Holtum *Photographer: Danielle Villasana/Bloomberg*

After a spectacularly rapid ascent through the ranks of Trafigura, the 39-year-old is poised to become the third chief executive in the company's history. Little known outside Trafigura, people who have dealt with him describe him as ambitious and direct, with a razor-like focus on profits.

Holtum joined Trafigura a decade ago through a junior trader program, but by 2019 was already running the company's global gas business — a role that has since expanded to include power and renewable energy. The operations, once an afterthought to Trafigura's traditional businesses trading metals and oil, have grown sharply to become a key profit driver, supercharged by the energy crisis that followed Russia's invasion of Ukraine.

Trafigura, which declined to comment on the details in this story, is preparing for a leadership handover to Holtum, people familiar with the matter said this week. Current CEO Jeremy Weir is expected to stay on as chairman.

“He’s had a stellar rise,” said Orhan Gunes, a commodity financier who now runs trade finance platform TradeQraft. “Becoming the head of department so quickly and then becoming CEO is kind of exceptional.”

For Trafigura, the CEO handover comes at a pivotal moment. The company, which began life as a scrappy outsider, has never been so large and powerful, vying with Vitol Group and Glencore Plc for the title of the world’s largest commodity trading house and notching up profits of over \$17 billion in the previous three years.

And yet it is facing a number of challenges — a wave of staff departures, trading debacles, and ongoing corruption allegations that will see the company and its former chief operating officer [stand trial in Switzerland](#) later this year. Most of all, a drop in profits means Holtum’s first headache is likely to be deciding whether Trafigura can keep up its pace of [share buybacks](#) — the main way that the employee-owned company’s senior traders get paid.

Jeremy Weir *Photographer: F. Carter Smith/Bloomberg*

Pole Position

Even within Trafigura, few people outside of the gas and power team knew much about Holtum when [Bloomberg first reported](#) earlier this year that he was in pole position to succeed Weir as CEO.

Educated at Clifton College, a private school in Bristol in the west of England, Holtum’s path to the C-suite began long before he started trading commodities. He graduated with a first in International Relations from St Andrews, where his extracurricular activities included captaining the polo club and leading the student investing society. He was also a keen marksman, coming second in the Scottish Open shooting

competition.

From there he went to Sandhurst, the British army school for officers, and then to the Royal Scots Dragoon Guards, rising to the rank of captain and spending time in Afghanistan, where he worked in a squadron training the Afghan army.

He left the army to join Glencore's crude oil department in 2012, before moving to Trafigura where he joined a rapidly growing team trading liquefied natural gas, or LNG, under the leadership of Hadi Hallouche. As Hallouche moved on to other jobs in Trafigura's oil division, Holtum was appointed [co-head](#) of LNG in 2018.

His timing was good. LNG was a growth area for commodity traders as a US export boom transformed the market. Then Russia's full invasion of Ukraine sent prices soaring — and delivered enormous profits for traders who could stand the risks.

Trafigura doesn't split out the results of its gas division in its annual reports, but it has singled out the team for praise. In October 2022, Holtum became global head of gas and power and was elevated to Trafigura's inner circle, its management committee.

"He's clever and of course the timing was good, but the success he had in his division was super impressive," said Jean-Francois Lambert, a consultant and former commodity banker. "The fact that the next head of a big energy and metals trading group is coming from gas and power is very telling — that's how the future is going to play out."

That sentiment echoes recent comments from Holtum himself. Speaking at a conference in Houston this week, he described how the global LNG market has matured and grown in liquidity to better resemble more established commodity markets like oil.

"We're entering the golden decade of LNG and the golden decade of gas," he said.

Creative Dealmaker

Holtum comes across as a hard taskmaster, but with strong interpersonal skills that have helped him win over top clients and rise through the ranks of Trafigura. He's also known as a creative dealmaker — people who have traded with him say he will invariably find a way to make a deal work, while some of them pointed to a knack for finding contractual wiggle room when it means an opportunity to boost Trafigura's profits.

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In one case, in 2022, Trafigura had a contract to sell LNG to Eni SpA, which the Italian company had in turn agreed to sell to Pakistan. But when prices soared in the wake of Russia's full-scale invasion of Ukraine, Trafigura diverted the shipments into the spot market instead, where it could make far bigger profits. Holtum signed off on canceling those deliveries, according to people familiar with the matter.

Internally, his hobbies of shooting and polo helped him connect with Jose Larocca, the Trafigura power broker and longtime head of oil whose passion for horseriding saw him compete in his [fifth Olympic games](#) this year, after announcing [his retirement](#) from Trafigura.

Still, company insiders expected Hallouche, rather than his former junior, to become the next CEO until last September, when an internal [power struggle](#) ended with Hallouche being demoted from the management committee, now rebranded as the "executive committee."

Holtum was viewed as a candidate who was acceptable to the different factions within Trafigura, and Weir began to groom him as a successor, bringing him along to key meetings in other parts of the business.

In recent months Holtum has stepped more clearly into the CEO-designate role. In addition to the townhall talk in Singapore, he has been holding meetings with the heads of different commodities and their teams

at Trafigura to discuss their trading books with them, according to some of the people.

Profits Cool

Trafigura's lower first half signals slowdown in commodity profits boom

Source: Trafigura company filings

The most immediate challenge he will face is Trafigura's falling earnings as the boom years that followed the Covid pandemic and Russian invasion of Ukraine begin to fade. The company's profit in the half year to March [was down 73%](#) — albeit from record levels a year earlier. Meanwhile, the company is still dealing with a series of trading fiascos, including being the victim of a massive [alleged nickel fraud](#) and a sizable problem with [oil debts](#) in the niche market of Mongolia.

Add to that the departure of a wave of Trafigura staff, from mid-level traders to some of the company's most senior executives and biggest shareholders – including Larocca, as well as Mike Wainwright, the former chief operating officer who is due to stand trial in Switzerland (he denies the charges).

There are a variety of reasons for the departures, and the firm has also been on a major hiring spree, but the result is that Holtum faces an immediate challenge in navigating Trafigura's share buyback bill.

The company generally buys back shares from its current and departing employees over a period of four years – but the combination of falling profits and the departure of major shareholders means it may struggle to do that. Spreading the buybacks over a long period of time, as the company has done in the past, is unlikely to be popular with Trafigura partners.

"Trafigura has been exceptionally profitable with the model that it has but it is at a crossroads now," said TradeQraft's Gunes. "The question is whether it has reached the limits of its growth or whether this new management can find ways to keep feeding that profitability. That's a very

tough job for the new leadership."

— *With assistance from Anna Shiryayevskaya, Stephen Stapczynski, and Ruth Liao*

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