

BUSINESS

I'll go the extra mile to get to net zero

After a globe-trotting career, Liam Condon has his sights on turning around metals giant Johnson Matthey



ROB PINNEY FOR THE SUNDAY TIMES

So why would Liam Condon want to run 100km? 'The notion was to see how far you could go and where the boundary was'

INTERVIEW JIM ARMITAGE



Liam Condon had just finished his umpteenth marathon when he felt oddly restless. "Why do we stop at 42km?" he asked himself. For his next race, he tried doing 60km, but had the same feeling. So he did a 100km ultramarathon, and won it.

"The notion was to see how far you could go and where the boundary was," he says. "It turned out the only limitation was the mind."

All through his career, the new boss of precious metals giant Johnson Matthey has pushed himself fanatically hard. When his previous employer asked him to work in Japan, he insisted on living with a family of non-English speakers in the remote region of Kanazawa for six months while he learnt the language. When they sent him to China, he learnt to speak fluent Mandarin – adding that to his French, German, English and Gaelic.

Now, attempting a big turnaround at a £3.8 billion business on the fringes of the FTSE 100, the 54-year-old spends most of his time speaking English in his Dublin lilt. But still, he has had to learn the rudiments of the complicated science of using precious platinum metals to make key equipment for the green revolution.

Condon arrived at Johnson Matthey in March, after the company's strategy blew up under predecessor Robert MacLeod.

The business had spent the thick end of £1 billion on a push into making electric vehicle batteries before realising it would cost far more to bring them to market.

Last November, MacLeod announced he would sell the division with a write-down of more than £300 million, throwing in a profit warning and his own resignation, too. Johnson Matthey's share price crashed.

With the battery metals business now gone, Condon has the task of shifting the venerable company – founded in 1817 – from making catalytic converters for diesel and petrol engines to making hydrogen fuel cells for the next generation of green vehicles. He holds the fate of 4,000 UK-based scientists, engineers and factory workers in his hands.

It could have been very different. Condon – average height, solid and with a chuckle that punctuates every few sentences – was born in Dublin to a family of monumental stonemasons, or tombstone carvers to you and me. As a boy, he would help out in the workshop with his father's nine brothers. "You'd spend a lot of time in cemeteries," he laughs. "If you were lucky, the relatives of the deceased would be at the grave and might tip you a pound for making it look nice."

His father initially wanted him to take up the family business, but laser cutting was phasing out the need for skilled stonemasons, so he encouraged the boy to study for university instead.

A few years earlier, college had been a pipedream. Before he hit his teens, Condon was failing hopelessly at school. With 45 students to a class, learning was not clicking, so his parents sent him to a Gaelic school with far smaller classes.

"No one in my family spoke Gaelic so I

“If I hadn't moved school, what would I be? Doing some menial type of work at best

had to learn it from scratch, but I loved it. I think that got me into languages ... I still think back – if I hadn't moved to that school, what would I be? Doing some very menial type of work at best."

Watching his father at work gave him a love of business: "The psychology, the negotiations, the thrill of the trade, upselling – it just really excites me." One of his jobs for his dad was cold-calling families who had placed death notices in the Dublin papers. As he jokes: "I call that my first brush with direct marketing."

He studied international marketing and languages at Dublin City University and won a scholarship from what was then the West German government to study in Berlin. It was in the last years of the Berlin Wall, and the university was full of left-wing students avoiding the draft and spending a lot of time on strike.

He adored Berlin and applied for graduate jobs there, winning a place with the only big corporate there, the pharmaceuticals giant Schering – now part of Bayer. The Berlin Wall came down while he was there for his interviews.

A rapid rise up the ranks of the company followed. First he was a salesman in Germany for its female health business, marketing the pill. "For years, I couldn't tell my mother, who was a strong Catholic," he laughs. His next role was expanding the division in Japan, where the pill was yet to be legalised. The standard method of birth control, says Condon, was abortion, which was a lucrative trade for gynaecologists. They bitterly opposed the pill, forming an unlikely alliance with the country's monks, whose temples made big money selling women "statues for the deceased soul" of their aborted foetus.

Along with nine other companies, Condon's team lobbied for change. "There was a societal push from younger women who wanted the option of the pill, and we finally got it in 1999 – it was a breakthrough," he says.

He went on to run ever-bigger departments for Bayer – in Germany and China – before being made head of the group's giant agriculture business, including seeds, fungicides and insecticides. In 2018, he was part of the deal team who oversaw Bayer's \$60 billion takeover of Monsanto of the US, and integrated two businesses with 25,000 employees on each side – cutting 10,000 jobs.

In hindsight, the deal was a stinker. Within weeks of it closing, Bayer lost a legal case alleging that Monsanto's Roundup herbicide caused cancer, resulting in a collapse of the German group's shares and hundreds of millions of dollars of legal payments. The whole of Bayer is now worth only €56 billion.

The litigation continues to this day, and Condon says he can't say much about the deal for that reason.

Johnson Matthey's chairman, Patrick Thomas, who also worked at Bayer, looked into Condon's role in the deal before hiring him.

He said: "Knowing the culture of Bayer ... that deal was decided by the chief executive and the board. Liam was the person who, if you like, received the present. And he did the integration well. Whether it was the best corporate decision made by the board of Bayer, well, that is a different matter."

Now Condon has the task of unpicking Johnson Matthey's own bit of disastrous investment. He suggests the company was "kind of dazzled by the bright lights of the growth of the market" in battery metals. He called it "super-interesting". "But we got in late, underestimated how much [capital expenditure] would be required and, the biggest faux pas, we never had a customer." Under him, he stresses, the company will never invest in anything before it has buyers lined up.

After that catastrophe, it is fair to say that one of Condon's main tasks is to win back shareholders' trust. His strategy is to focus on developing the company's platinum metals-based tech, which is used in fuel cells for hydrogen-powered vehicles and in cleaning up emissions from chemicals and power plants.

At a factory in Swindon, where workers operate in clean rooms wearing what looks like surgeons' PPE, Johnson Mat-

they makes the membranes and platinum-rich coatings that go into hydrogen fuel cells. They resemble the sheets once used in overhead projectors, but are bigger or smaller depending on the customer's demands. They are printed with a special black coating – a mixture of graphite and platinum – that enables the necessary electro-chemical reactions to take place in the cell. It takes armies of scientists and engineers to get the application right.

Condon has committed to spending £80 million on a bigger site in Royston in Hertfordshire – but to at least one City analyst, that sounds like chicken feed. He fears Johnson Matthey's boss is repeating the mistake of being unable to invest enough in green technology.

Condon brushes off the concern: "No – the capital intensity of the green hydrogen business is significantly lower."

Hydrogen is likely to be used mainly for heavy vehicles rather than cars, but there are huge doubts over whether it will take over from petrol and diesel – and, if it does, how quickly? The idea is that Johnson Matthey wins on the swings where it loses on the roundabouts: if the

transition from diesel and petrol is slower, it will sell more catalytic converters; if it is faster, it will sell more fuel cells.

Condon says that if new diesel vehicles are phased out by 2030 – as the UK government intends – Johnson Matthey will still have made £4 billion in cash from catalytic converters from now. Some of that will be pumped into investment, but he has also pledged to pay a dividend of 40 per cent of earnings per share over the medium term, and to pursue small takeovers of complementary technologies.

One investor is clearly a buyer of the Condon strategy. US industrialist Standard Industries took a 5 per cent stake in Johnson Matthey in April, sending the shares soaring in hopes of a sale or merger. Condon, though, gets so excited by the company's green future that you think he would be disappointed if it was taken over too soon. "The opportunity to grow this business is huge," he says. "There is an absolutely seismic change in the world, with the net-zero transition."

He wants Johnson Matthey to clean up the world's emissions. Shareholders will be hoping they clean up financially, too.

THE LIFE OF LIAM CONDON

VITAL STATISTICS

Born: February 27, 1968
Status: married to Sonja, his wife of 25 years. They have two sons, aged 19 and 16.
School: Colaiste Mhuire, Dublin
University: international marketing and Languages at Dublin City University, and the Technical University of Berlin

First job: carving headstones
Pay: £1 million-plus in performance-linked incentives and bonuses. His pay could reach a maximum of £5 million if all objectives are fully achieved
Homes: London, Berlin and Bergisch Gladbach, Germany
Car: none
Favourite drink: Coke Zero
Book: *Bad Blood: Secrets and Lies in a Silicon Valley Startup*, by John Carreyrou
Film: *Without Limits* (about runner Steve Prefontaine)
Music: Bruce Springsteen
Gadget: iPhone
Watch: Apple
Charity: World Food Programme
Last holiday: Murcia, Spain

WORKING DAY

The chief executive of Johnson Matthey wakes at 5.45am and runs from 6-



Without Limits, Murcia and Bruce Springsteen are favoured



DOWNTIME

Condon, 54, is a keen marathon runner and has won medals at national level in his age category. He is a member of the Belgrave Harriers running club in London, and he is also big fan of Bayer Leverkusen, the German football team, where he attends home games whenever possible with his boys. He enjoys downtime with his family.