INTERVIEW

Mark Kristoff

CEO, Traxys

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Q. Reflecting on your career, what have you learned from the ferroalloys markets that shapes how you lead Traxys today?

I've had the joy and challenge of being in this business for 43 years. I started in the mailroom, started trading ferroalloys on an August afternoon when the traders were at the beach.

I've had the pleasure of doing most of the jobs in the business, and I was lucky enough to work with very talented people—building a $100 million revenue business into a $10 billion revenue business over that time frame.

What I learned through the ferroalloy business, and how we provide services, is that our business is about solving our customers' problems—and when we speak about customers, we speak about both suppliers of ferroalloys and consumers making specialty steels, low alloy steels, or superalloys.

It comes down to developing a relationship, listening, finding out where the pinch points and problems are, and being thoughtful and prescriptive in providing actionable solutions to work through the challenges.

Q. In the past year, which policy shifts or trade developments have most impacted Traxys' ferroalloys business, and how have you adapted?

The first 35 years of my career were a period of globalization—ubiquitous supply post Cold War, the former Soviet Union joining international trade, Chinese production increasing and available to the West. That reversed starting with COVID, which disrupted supply chains, and it's been exacerbated by trade tensions that disrupted traditional trade flows.

Fortunately, with the global footprint Traxys enjoys, we can offer alternative supply solutions to customers and provide marketing services for producers looking to bring product to a new, non traditional market. It's about being nimble, shifting supply sourcing to address consumer demand, and being innovative in coming up with solutions.

Trade policy will be a factor for the foreseeable future, and there will be a variety of solutions that will be executed upon which will deliver answers.

Q. How does Traxys build and sustain long term relationships across the supply chain?

Traxys is different than our competition in that we supply 65 different products to our customer base. Often we're not supplying a customer with one or two products; in many cases it's seven, eight, ten. That diverse offering creates a stronger relationship because you can help address issues across a greater universe of products.

You get economies of scale with larger volumes, which helps drive down acquisition cost for customers. When you bundle that with working capital and financing solutions, you have a compelling offering that creates long lasting relationships.

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Traxys New York office, one of 20 offices on four continents.

Q. Within your portfolios, what changes or themes have stood out recently, and how have you responded?

The ban on cobalt exports from the Congo created disruption in traditional supply flows, and we had to be innovative and come up with alternative solutions.

In battery energy raw materials, lithium saw extreme price swings—very low to very high and back to low—which, along with choppy demand in Western markets, created supply dislocations.

I think the one of the thematics that's very important to discuss is transition away from ferrochrome production in South Africa. Uncompetitive energy there, and attractive production dynamics in China, mean smelting has shifted to China and Indonesia—even though South Africa holds over 70% of known chrome reserves. I think we're seeing some of the ramifications of uncompetitive power pricing and reliability and how this is significantly impacting traditional flows.

Q. Where do you see the greatest opportunities over the next 1–2 years, and what capabilities will you lean on?

I'd frame it in three buckets. First, people need product to operate their plants tomorrow—inventory and stockpile availability, near term availability of product. That's an immediate need that we have to provide solutions to.

Second, brownfield redevelopment of industrial capabilities in Europe and the U.S.—legacy assets producing at reduced levels that can expand quickly with land and permits already in place.

Last but not least is greenfield production assets—trade block friendly projects that address the needs of different markets when export restrictions or punitive import tariffs limit availability.

Q. How are you approaching AI—in operations and commercial activities—and where do you see near term value and guardrails?

Traxys has always embraced technology to increase efficiencies—reduce operating expenses and generate more productivity. AI tools that automate repetitive tasks can be superimposed on our business model quite effectively. We're actively streamlining and facilitating performance execution by our colleagues so we can better service our customers. Those tools will be very beneficial.

Technology also underpins functioning markets

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Magnetite ore, one of Traxys 65 different products.

CREDIT: TRAXYS

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by enhancing liquidity. More exchange traded products provide additional tools for customers and suppliers to manage price volatility. These markets will continue to develop, technology will be a big part of it, and we're embracing it—if you're not moving forward, your competition is catching you and passing you.

Q. What message would you share with the wider ferroalloys community?

You know, I think it's important to remind everybody that as economies develop, the per capita intensity of specialty steels increases significantly. There's a real need for higher value, more functional, effective alloyed steel products—specialty steel.

That demand trend will continue. It's incumbent upon the industry to be innovative and look at investment in production assets that make sense—competitive, and realistic about the trade restrictions that are prevalent and don't appear to be diminishing anytime soon.

Q. Ahead of the Miami event, what discussions are you most looking forward to, and what should attendees approach you and your colleagues about?

We're open for business. We want to find innovative solutions for our customers, drive increasing volumes, and be an important part of the supply chain that satisfies the demands of the industry.

We'll use our financial capabilities and global presence to provide solutions—near term inventory acquisition, brownfield redevelopment where we bring the balance sheet to support a project, and greenfield production assets. Traxys is looking at all of those in parallel for the balance of '25, '26, and '27.

The last thing I would say in that regard is I think public private partnerships have to be explored. Governments are becoming aware of the necessity to find supply solutions; you'll see innovative cooperation between public and private interests, and that will drive solutions as well.

Q. Any final message?

Thank you to CRU for continuing to sponsor these industry forums. It's important for us to get together and have active discussions around the issues we're confronted with, and try to find innovative solutions through good collaboration and communication. We appreciate the opportunity to be involved. ■