

Roger Akelius: "There are two kinds of capitalists"

Published: November 14, 2024

The entrepreneur, billionaire and philanthropist Roger Akelius is a guest on the podcast *A Richer Life*.

Interview by Helene Rothstein



Photo: Helene Rothstein

After the failed deal with Academedia, billionaire and philanthropist Roger Akelius deepens his involvement in global education. In an interview, he comes down hard on the financial industry, the media, opportunists - and capitalists who only think about themselves.

- ✓ The investment tip: "Avoid listening to astrologers"
- ✓ School criticism: "An outdated ruling system from the time of Abraham"
- ✓ Equity investments: "We are building a portfolio to the equivalent of SEK 40 billion"
- ✓ Skogsköpen: "I always have a long-term strategy"
- ✓ The 92-billion sale: "A fantastic deal"
- ✓ The boot against the betting companies: "Should be banned"

- Welcome all losers! says Roger Akelius with a smile and unfolds the board game "Losers in Las Vegas" over the kitchen table in the villa on the west coast.

The game, similar to roulette, is designed to teach children about probability. During the game, it becomes clear how the bank's capital slowly grows, while the children's notes disappear one by one.

The game's creator – the serial entrepreneur, billionaire and philanthropist Roger Akelius – is not only one of Sweden's largest private forest owners, he has also started to focus on education through the Akelius Foundation.

His teaching materials began as language teaching in a refugee camp but are now used in public schools in 19 countries such as Greece, Albania and Poland.

- In Italy, there are 25 schools that learn languages via Akelius. I have made a lot of money but you must also use the money for something important and I have given away 95 percent, 95 billion to pure charity (Akelius Foundation). We work to simplify education and have around 70 employees, says Akelius.

In February this year, he tried, via the foundation, to buy the independent school group Academedia, but the deal fell through. The main owner, Mellby Gård, pulled out after Roger Akelius' outburst about profits and canceled dividends.

- You can choose whether you want dividends or training, said Roger Akelius to SVT at the time. He now says the same in a recent interview in Privata Affärer's podcast "A Richer Life".

Roger Akelius may turn 80 in five months, but his view of teaching is far from conventional. He describes today's school as an "outdated rulership system from the time of Abraham," with a work environment "that the union would never have approved if it concerned adults" - and the energy is unbroken when we test different educational exercises.

And no. He is not disappointed by the failed Academedia deal.

- No, not at all! It has no meaning. I should have bought it, we had a contract. But I don't want to end up in an unpleasant situation. So I said: "Okay, then we'll end this!", says Roger Akelius.

- I have so many other ways to help people with education. We donate several hundred million a year to Unicef and their educations. We have also built a school in Mali ourselves for 200 students, he says.

In the podcast A richer life, he also goes into what experiences he himself has in creating educational systems.

The energy is unbroken when Roger Akelius shows various educational exercises to 12-year-old Jakob Widholm, one of two test pilots who test Akelius' educational methods in his kitchen and living room. The entire episode can be listened to in the podcast A Richer Life.



Photo: Helene Rothstein

Probability is also an important part of his success in real estate, and he finds that many people overlook risk assessment in investments.

- People can count on profits, but are very bad at counting on risks. For example: our pension funds have a certain proportion of bonds and a certain proportion of shares. They have learned in school that bonds are safer than stocks. You should not buy a single bond for a single pension fund! It's plain and simple. You calculate wrong, says Roger Akelius and elaborates more on how low the probability is for bonds to outperform stocks in the podcast episode.

Anyone who understands the theory of probability also automatically avoids "gambling", he points out in reference to the self-developed board game "Losers in Las Vegas". Everything in the gaming world is "for losers", believes Roger Akelius. When asked how he views players in online games or the casino world, such as Evolution, he answers:

- Disgusting! I think it's criminal!

And Unibet and similar betting services?

- Detest them! They cheat people out of money. Lotteries and all gambling should be banned. Around 7-8 percent of all people have problems with gambling, but the gambling

companies ignore this and profit from it, he says, adding that it is not criminal in the true sense of the word, rather "deeply unethical".

But if you think it's fun or exciting?

- People might think it's exciting to walk on the highway in the middle of the night without reflexes - well then you have to help them out of there.

Roger Akelius has a hard time understanding the pleasure people can experience in games. He goes hard for most companies that operate in what he calls gambling or gambling. Investors also get a chance in the A Richer Life podcast.



Photo: Evolution

What do you think of those who invest in these companies?

- It is shameful. I would never invest in something that I know affects people, where you are harmed by it. I firmly believe in the market economy. But there are two kinds of capitalists: Those who say there must be empathy and that both parties must always win - and the egoists who only look out for their own gain. Because of them, capitalism has gotten a lot of things like unions and other rules for that group gone so badly wrong.

But selfish capitalists - haven't people said that about you?

- Well, then they are wrong. I would never consider making a deal with someone where I know it is a bad deal for him. I think it is strongly unethical, you have to have empathy.

Sweden's largest private forest owners are: 1. Roger Akelius, Larnaca, Cyprus: 49,928 2. Fredrik Skanse, Kristianstad: 15,729 3. Stig Engström, Strömsund: 15,666 4. Mikael Hugosson, Luleå: 10,704 Source: Lantmäteriet, reconciliation date September 30, 2024, The forest industry.

Roger Akelius is aware that his public image has not always been characterized by an impression of empathy. During his time as a tax specialist in the 1970s in Sweden, he faced harsh criticism in prime-time television debates. According to him, the criticism came mainly from a vocal minority.

When he later became a large property owner in Berlin, he encountered major protests. Critics argued that Akelius' business model – renovating and raising rents in empty apartments – contributed to a rapid gentrification of the metropolis, making the city's housing unaffordable for all but the well-off.

- The fact is that we would have earned more if we hadn't renovated. If we had instead kept the apartments as they were and invested in more properties, it would have been more profitable, he says.

The protests grew massive, and large name collections followed before Akelius sold all his properties in Germany and the Nordics to the real estate company Heimstaden for approximately SEK 92 billion. There are now properties in the USA and Canada, London and Paris. The 92-billion deal was initiated by Akelius, but the exit was not due to the political criticism - but to the interest rate situation.

- It was quite simple. The EU and the US had realized that interest rates were to be low all the time. But it is not possible to abuse an economy for any length of time. If you have lowered it year after year, you must then start raising it. Then I saw that the economy would turn around and that interest rates would rise. Then we were lucky. It happened to be exactly the week that the economy was at its peak when we sold.

There were other interested parties, he says in the podcast A Richer Life.

- I had a higher bid than from Heimstaden. But they wanted to offer me a large percentage of shares in their own company, but I didn't want that in a situation when the market would go down, he says.

Quick questions

Are you a Saver or a Waster?

- Now we are talking consumption and I have very low consumption. I'm investing!

What's the most expensive thing you've bought that isn't home-related?

- In 1980, I bought a large boat for SEK 3.3 million, which is equivalent to around SEK 20 million today. It had four bedrooms, three toilets, washer and dryer. We had many conferences on board and also used it for work meetings.

If you have a hundred thousand to invest right now, how should you distribute the money?

- Foreign shares. Start in Canada, then in the USA and then euro countries, for example large companies in Switzerland. You should invest for the long term, and avoid listening to so-called "astrologers" who predict markets.

But on Morningstar, for example, you can clearly see that some fund managers have an average annual return that is higher than the average many years in a row.

- Absolutely, you can create strategies that increase returns. For example, you can believe in a medical boom and buy shares in around thirty medical companies. Such a strategy can be more or less intelligent and produce good results.

Do you never read any analyzes about individual stocks yourself?

- No, it's completely pointless! I focus on figures about the economy - how likely it is that interest rates will rise in the next two to three years. I also follow long-term trends. For example, it is likely that the passenger car industry will undergo major changes in ten years' time.

Why have you bought so much forest?

- I always have a long-term strategy, at least 10 years. Forests are good for the long term, with new products such as biofuel and materials such as clothing made from raw wood.

You sold properties to Heimstaden for 92 billion. You sold Sweden, Germany and Denmark, but still have the USA, Canada, London and Paris. Why did you sell?

- Interest rates had been low for the long time, and I foresaw a turn. Property values are dependent on interest rates, so I initiated the sale a year before interest rates started to rise.

Was it the best deal you ever made?

- In terms of kronor, it was a fantastic deal, we got out 92 billion. But it is necessary to lose along the way to earn large sums. Few people have made as many bad trades as I have.

Best advice for success as an entrepreneur?

- To constantly improve for customers and employees. If you don't, you fall behind.

Also at home with the couple Tove and Roger Akelius is twelve-year-old Jakob Widholm, who is testing Akelius' pedagogical exercises. He has also saved up 13,000 kroner through Christmas magazine sales. How can he invest the money?

- He should think long-term and avoid placing too much weight on speculation in newspapers such as Dagens industri or Privata Affärer. There are many "astrologers" who try to predict stock prices in the short term, says Roger Akelius.

By "astrologers" he mainly refers to bank representatives who travel around and give forecasts about things like the dollar, inflation and interest rates. He believes that no one can predict these developments with certainty - not even in the case of individual shares.

- You don't need "astrological knowledge" to succeed. Instead, stick to a long-term strategy. And never ask a company executive about future stock prices. They are often overly optimistic and ignore potential problems.

With the "Learn English by Art" project, Roger Akelius offers refugees a chance to learn language through art history, where students meet artists in imaginative dialogues: "What's your name?" "My name is Michelangelo." "What do you do?" "I paint." "What are you painting?" "I paint ceilings." The conversation is a nod to the ceiling of the Sistine Chapel with a ceiling filled with Michelangelo's large frescoes.



Photo: Helene Rothstein

Roger Akelius instead emphasizes the importance of looking at different trends, such as global growth trends that show how some countries grow faster than others. He mentions the OECD, the international organization for economic cooperation and development, which

has shown that the strict regulations in Europe, including Sweden, often inhibit growth. Canada and the United States are therefore expected to grow on average one percentage point more per year than Europe, which in the long run could strengthen their currencies against the krona.

- When choosing stocks, think globally. Combine the country's growth with expected returns instead of only choosing Swedish companies, advises Akelius.

Mathematical exercises do not need to be limited to paper, believes Roger Akelius, who has stepped ever deeper into education - not least internationally.



Photo: Helene Rothstein

When asked if he himself invests in individual countries, for example emerging markets such as India, he says that the Akelius Foundation, based in Cyprus, manages the capital broadly.

- We are building up a portfolio to the equivalent of SEK 40 billion. Now the holding is four hundred shares of which only around ten are Swedish. The others are scattered around the world. We do not have large holdings, but spread the capital with around 50–60 million per company.

For those who think long-term, it is wise to invest in the stock market, think interest-on-interest and consider some leverage of the portfolio to increase the annual return.

- With a loan amount of around 25 percent, you can create a "turbo effect".

Although he recommends leverage, he emphasizes that it is about the one that is long-term and leaves the portfolio untouched. He explains that he himself used high leverage at the beginning of his career in the real estate industry. But lending investments requires a careful risk assessment, something Roger Akelius elaborate even more in the podcast *A Richer Life*.

<https://www.privataaffarer.se/placeringar/aktier/ett-rikare-liv-lyssna-pa-senaste-avsnittet-D20nw/>

<https://www.privataaffarer.se/placeringar/aktier/roger-akelius-det-finns-tva-sorters-kapitalister/>

helene.rothstein@privataaffarer.se