



GROEP H.ESSERS
Ahead in international logistics

Welcome



07/10/2010

H.Essers
Danmark

Lars Heller



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Agenda

1. General introduction Groep H.Essers

1. Groep H.Essers – General
2. Services – transportation & distribution
3. Services – warehousing & logistics
4. Services – specialised services
5. Customer – strenghts

2. The story of H.Essers Danmark

1. H.Essers Danmark – General
2. H.Essers Danmark – Challenges
3. H.Essers Danmark – Learning
4. H.Essers Danmark – Future



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Introduction Groep H.Essers

General introduction of
Groep H.Essers



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Groep H.Essers - General

To achieve a combination of **transport** and **warehousing** dressed and penetrated by a well-run **system**.

To deliver our customers an efficient **service**.

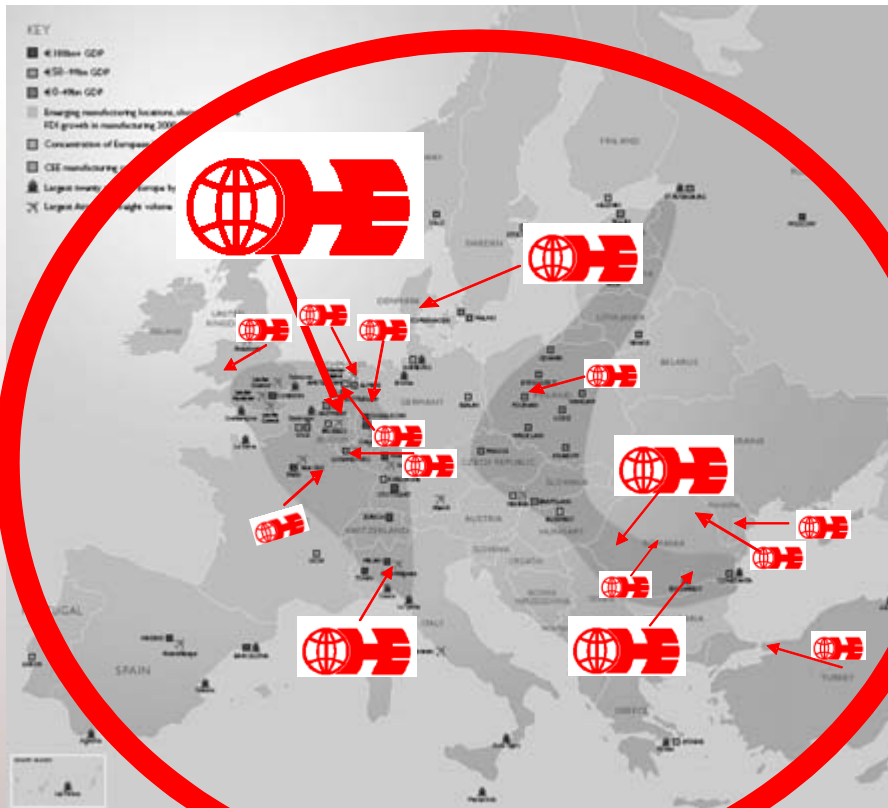
To create a **safe environment** where **employees** feel at home and can **develop** themselves, and where shareholders will benefit from a profitable consistent **growth**.



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Groep H.Essers - General

A) Hubs/sites spread over 17 Locations in Europe:



- NL-Rotterdam
- NL-Schiphol
- NL-Zevenaar
- NL-Tiel
- NL-Valkenswaard
- LU-Contern
- IT-Novara
- DK-Tastrup
- FR-Paris
- UK-Droitwich
- RO-Bucharest
- RO-Oradea
- RO-Roman
- RO-Sibiu
- PL-Pila
- TR-Istanbul
- MD-Chisinau



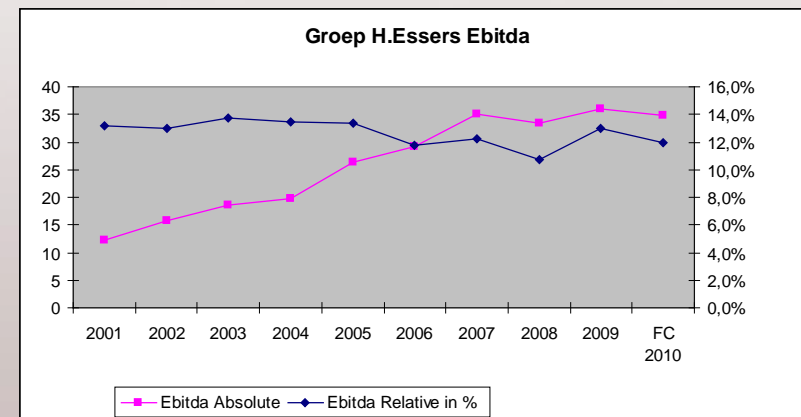
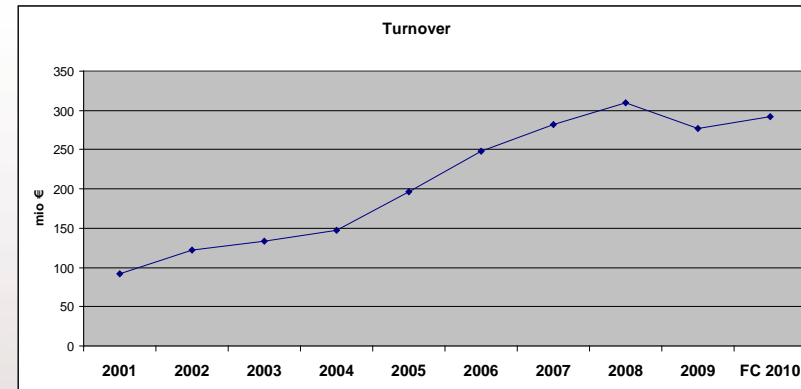
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Groep H.Essers - General

- ✓ Since its foundation in 1928, Groep H.Essers ranks today within the **top 3 in Belgium** for both road **transportation** and for **warehousing** activities

- ✓ Figures:

- Turnover 2009: +277 Mio Euro
- Number of employees: +2500
- Number of trucks: +1000
- Number of trailers: +1650
- Warehousing space: +750.000 sqm.



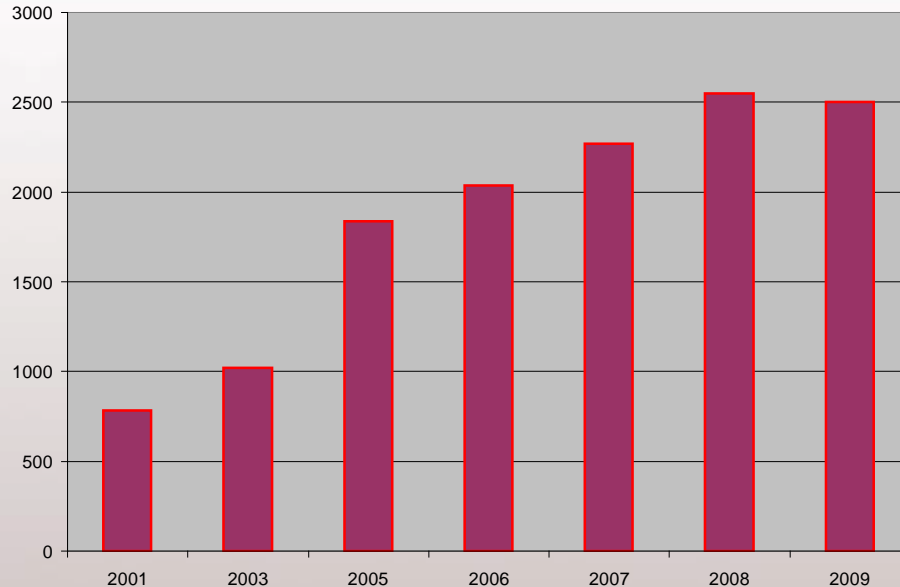


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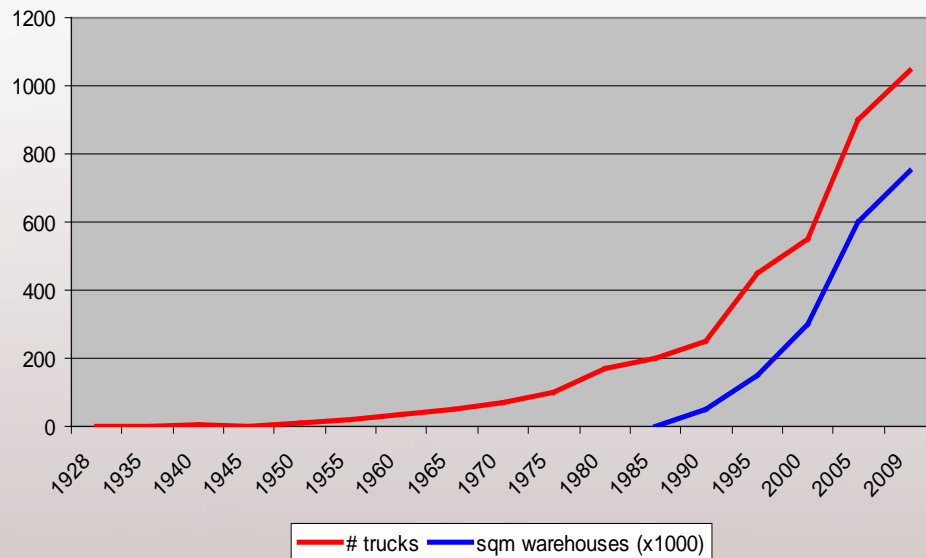
Groep H.Essers - General

✓ Figures (continued): employees and assets

Number of employees



Evolution Groep H.Essers





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Groep H.Essers - General

✓ Figures (continued): locations and number of shipments

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
# Countries present	3	3	5	8	8	9	9	9	9
# Locations	8	12	14	18	20	22	22	25	25
# Warehousing space (in sqm.) (X 1000)	150	195	250	350	400	580	625	700	750
# Trucks	350	420	465	585	715	860	900	950	1045
# Deliveries/year (X 1000)	296	376	400	429	556	655	715	805	832



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Groep H.Essers - General

- a) Transportation & Distribution
- b) Warehousing & Logistics
- c) Specialised Services
 - ✓ Polymer Logistics
 - ✓ Air Cargo Logistics
 - ✓ Sea Cargo Logistics
 - ✓ Rail Cargo Logistics
 - ✓ Security Logistics
 - ✓ 3PL+



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Services: Transportation & Distribution

a) Transportation & Distribution





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Services: Transportation & Distribution

- ✓ **Scope:**
 - 1 kg -> FTL in Europe
 - Groupage, LTL, FTL
 - ADR transport
 - High security transport
 - Temperature Controlled transport
- ✓ **Means:**
 - Fleet in *own* management
 - Trucks: 1045
 - Trailers: 1600
 - Equipment of max. 4 years and minimum class EURO 5
 - All trucks are equiped with sattelite/GPRS communication
 - European network: System Alliance Europe
- ✓ **Services:**
 - Customs clearance
 - 3PL+ -role
 - Management Information Systems
 - Benefit sharing



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Services: Warehousing & Logistics

b) Warehousing & Logistics





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Services: Warehousing & Logistics

- ✓ **Scope:**
 - Inbound and or outbound logistics in Europe for major customers
 - Dedicated and non-dedicated warehouses (related to volume and risk)

- ✓ **Means:**
 - Warehouses in property of Essers
 - >750,000 m²
 - 15% Seveso
 - Safety: all with sprinkler, regular training
 - Equipment: RF/modern handling equipment, customized automations
 - Expansion/growth possibilities on all locations
 - European warehouses

- ✓ **Services:**
 - Customs
 - Management Information Systems
 - Value Added Service



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Services: Warehousing & Logistics

- ✓ **Value Added Services:**
 - Cutting
 - Production planning
 - Quality checks
 - storage of theft sensitive products
 - Unloading bulkcontainers
 - 4PL
 - Repacking
 - Consignment storage
 - Customs
 - On-site logistics
 - Mixing of paints
 - Management of consumables
 - Repacking for airtraffic
 - Extra loadsecuring
 - Relabelling
 - Product specific warehousing (Zodiaq, Corian)
 - Orderconsolidation
 - Loadcoordination
 - Store activity



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Services: Specialised Services

c) Specialised Services

- ✓ Polymer Logistics
- ✓ Air Cargo Logistics
- ✓ Sea Cargo Logistics
- ✓ Rail Cargo Logistics
- ✓ Security Logistics
- ✓ 3PL+



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Services: Specialised Services

✓ *Polymer Logistics*

- 80 bulk storage silos
- All kind of polymers
- Bulk activities:
 - (De)bagging
 - (Un)stuffing
 - Drying
 - Blending
 - Weighing
 - Compounding
- 90 bulktractors
- Own cleaning center





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Services: Specialised Services

✓ *Air Cargo Logistics*

- 2002: Foundation Air Cargo Logistics at Brussels
 - Transport between European airports
 - Transport between customers and airports
- Means
 - 100 special equipped trailers for airfreight pallets





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Services: Specialised Services

✓ *Sea Cargo Logistics*

- 2005: Acquisitions of ECU-trans (Zeebrugge) and Intramar NV (Antwerp)
- more than 60 countries all over the world
 - Shortsea : linehole to Russia via St-Peterburg and to Iberia via south of Spain
 - Deep sea
 - Ferry transfers to United Kingdom
- Services
 - LCL and FCL
 - Packing of goods
 - Storage
 - Customs
 - Tracking of goods during transport





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Services: Specialised Services

- ✓ *Rail Cargo Logistics*
- ✓ Weekly departures out of Genk/company train
 - Novara (Italy) 5
 - Oradea (Romania) 3
- Advantages
 - Decreasing costs
 - More ecologic responsible transport
 - Avoiding traffic jams
 - Higher weight for shipments possible
 - Control of major flows
 - Departure and arrival according strick schedule
 - Less influence weather circumstances





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Services: Specialised Services

✓ *Security Logistics (continued)*

- Concept

- Screened drivers
- Satellite tracing
- Secured solid trailer box
- Route tracking & alarm
- Activity tracking & alarm
- Emergency button
- Secured and controlled locks
- Geo fencing
- Connection nearest police station (CSM)





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Customers: strengths

✓ Flexibility



13 Feb
2002

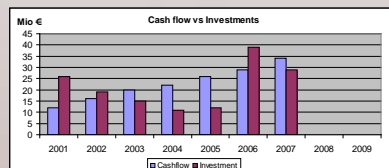


16 May
2002

✓ Systems



✓ Assets



	<u>mio €</u>	<u># yrs relation</u>
DuPont de Nemours	34	20
Agfa	23	23
Ecolab	19	22
Pfizer	15,5	4
Atlas Copco	6,6	32
Caterpillar	3	25
Philips	4	10
Unilever	3,5	6
Radson	1	20



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H.Essers Danmark - General

The story of
H.Essers Danmark



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H.Essers Danmark - General

History of H.Essers Danmark ApS

- Founded first of July 2008
- Reason: One of our main customers in Belgium wanted to outsource their Denmark activities
 - Current in Belgium ca. 50.000 pallets storage
- Customer handled own production and warehousing facilities of chemicals in the center of the city (Valby).



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H.Essers Danmark - General

History of H.Essers Danmark ApS

- Decision process to start-up business in Denmark:
- Customer request in first place
- Due to long term strategic partnership our principle is that we follow our customer where ever they go.
- Ecolab took the decision earlier to settle in Copenhagen
- An involved take over of personnel limited the new location possibilities to a close range of Copenhagen.
- Interesting opportunity as a gate to Scandinavia



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H.Essers Danmark - General

H.Essers Danmark ApS - Project

- **Project description:**
- 8.000 to 10.000 pallets
- Distribution center for all Nordic countries (Denmark, Sweden, Norway Finland and Russia)
- First stage: only warehousing services
- Cleaning products - Dangerous goods
- Cleaning equipment – Non dangerous goods



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H.Essers Danmark - General

H.Essers Danmark ApS – Project

- **Project history:**
 - 01/05/2008: Initial question from customer to explore possibilities
 - 21/05/2008: Signed Letter Of Intent (LOI)
 - 01/06/2008: Foundation of H.Essers Danmark ApS
 - 23/06/2008: Lease agreement on building
 - 29/09/2008: Start operational activities “equipment”
 - 21/10/2008: Start operational activities “compound”
- **In 6 months from zero to a full operational warehouse**



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H.Essers Danmark - Challenges

H.Essers Danmark ApS – Challenges

- Very tight timeline
- Transfer of undertakings – take over of employees
- Cultural differences (between countries, between companies)
- No experience in Denmark
- Local laws, regulations, environmental issues and their complexity
- No own build warehouse and no preferred set-up



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H.Essers Danmark - Challenges

H.Essers Danmark ApS – Challenges

- Very tight timeline
- Entered the tender process in very late stage
- Original request in May, scheduled “go live” in August. Nearly impossible...
- Limitation of possibilities
- Tight timeline as a red wire throughout the start-up



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H.Essers Danmark - Challenges

H.Essers Danmark ApS – Challenges

- Transfer of undertakings – take over of employees
- Overtaking of the warehousing activities involved the overtaking of the employees as well
- No knowledge of Danish legislation
- Intensive involvement of lawyers (resulting in increased costs)



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H.Essers Danmark - Challenges

H.Essers Danmark ApS – Challenges

- Cultural differences (between countries, between companies)
- Underestimated factor
- Completely different working culture comparing Belgium with Denmark
- Completely different working culture between Flemish family owned company and a Danish subsidiary of an American multinational.



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H.Essers Danmark - Challenges

H.Essers Danmark ApS – Challenges

- No experience in Denmark
- Start from scratch
- No connections available to rely on
- No supplier network
- Start-up assistance by Copenhagen Capacity



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H.Essers Danmark - Challenges

H.Essers Danmark ApS – Challenges

- Local laws, regulations, environmental issues and their complexity
- Storage of dangerous goods and their complexity
- Scepticism of local authorities because of the unknown
- Limited experience of local authority
- Long application processes
- Other mindset (business vs government)
- Very easy to establish a company



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H.Essers Danmark - Challenges

H.Essers Danmark ApS – Challenges

- No own build warehouse and no preferred set-up
- Difficulties in finding a warehousing location
- Some requirements concerning location, space, storage height, etc...
- Limited possibilities when taking above into account



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H.Essers Danmark - Learning

H.Essers Danmark ApS – Learning

- Never under estimate cultural differences, even not in a country relatively close
- Adapt as soon as possible to the local culture. Integrate as a company.
- A start-up abroad takes time, a carefull planning is needed.
- Try to build up a network of partners and suppliers in advance. Their knowledge is critical for your success.
- Build up a relationship with local authorities. Trust is an important factor.



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H.Essers Danmark - future

H.Essers Danmark ApS – Realisations

- Solid base of organisation built up in Denmark
- Built up experience in foreign country
- Efficiency gains through a continuous process of optimizations (operational – systems)
 - Number of operators Q4 2008: 45 / 50 FTE (starting point)
 - Number of operators 01/01/2009: 30 FTE (optimization)
 - Number of operators 31/12/2009: 15 FTE (optimization)
 - Number of operators 1/03/2010: 22 FTE (increase in activities)



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H.Essers Danmark - Future

H.Essers Danmark ApS – Future

- Organisation is set and original project has become daily routine
- The overall project was a great opportunity to enter the Danish/Scandinavian market.
- Next steps:
 - Different projects and extensions to current project with the customer are completed in this year. (Customer picking, EBS, Cruise)
 - Focus on other customers to fill the remaining 5.000 palletplaces
 - Further business development beyond current warehouse



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Questions? - Thank you for your attention



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