



# SMARTER **LOGISTICS** **SOLUTIONS** IN A **VOLATILE YEAR**

DEN HARTOGH ANNUAL REVIEW 2020

# INTRODUCTION



**WE CELEBRATED  
OUR 100<sup>TH</sup>  
ANNIVERSARY  
AND RECEIVED  
THE ROYAL  
DESIGNATION**



I am pleased to share the latest Den Hartogh Annual Review with highlights and key statistics of 2020. Looking back at 2020, we see an extremely volatile year caused by Covid-19 and to a lesser extent the ups and downs of Brexit. The entire world trade was affected and it has certainly taken a toll on us. We saw our volumes drop in the second quarter of 2020 but luckily the first signs of recovery in volumes were noted by all Den Hartogh Business Units after the summer.

The year 2020 was nevertheless a year to be extremely proud of. We celebrated our [100<sup>th</sup> anniversary](#) and received the Royal designation, a crown on all the hard work of the past century. We showed our agility to change rapidly and adapt ourselves to the challenging circumstances 2020 brought us, enabling us to minimize the impact on our results. At the end of the day, what makes Den Hartogh special is how we think in solutions – and find creative ways to conquer any challenge in close cooperation with our employees, customers and network partners worldwide.

We are ready for the future to further develop and professionalize by listening to our customers' challenges and by continuing to invest in the right things. Investing in safety first, in our people - strong teams that stay connected, in our knowledge and equipment, creating opportunities in the areas of customer experience, digitalization and sustainability. For 2021 we are confident volumes will continue climbing back to the levels before Covid-19 and it will be a year of profitable growth.

With an extraordinary high level of planned investments for 2021 we are ready for the future to further develop, professionalize and realise our growth strategy. As we have done for the past 100 years.

With kind regards,

*Pieter den Hartogh*

## WE CELEBRATED OUR 100<sup>TH</sup> ANNIVERSARY

Den Hartogh colleagues around the world celebrating our 100<sup>th</sup> anniversary on 27 August 2020. All teams put in a lot of effort to make it a day to remember. And that certainly succeeded.



As crowning glory for the work of our employees after 100 years of entrepreneurship Den Hartogh Logistics was granted the Royal designation in 2020.

# 2020 VISUALISED

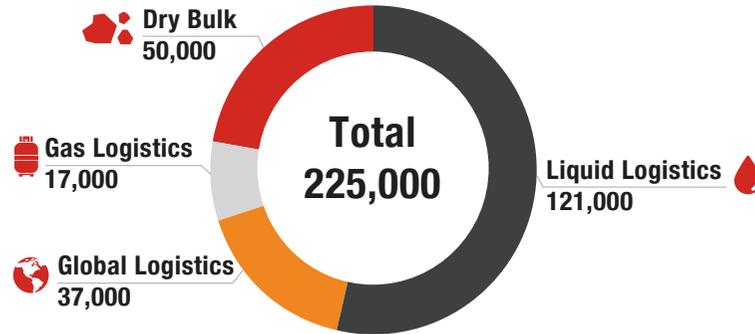
## TURNOVER IN MILLION €

TURNOVER  
**487**  
MILLION

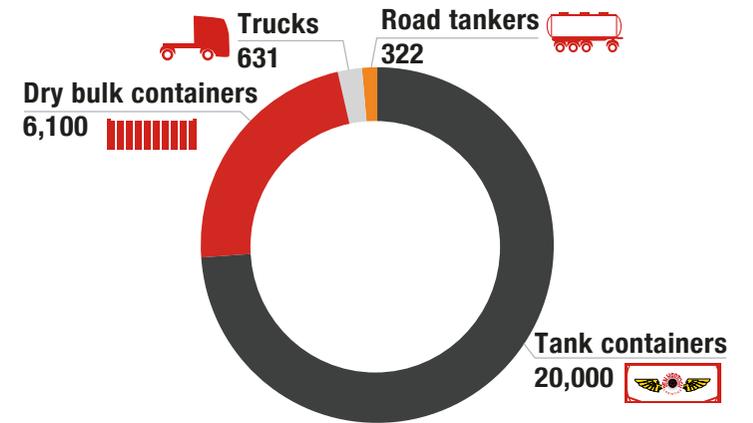
## EBITDA IN MILLION €

EBITDA  
**46**  
MILLION

## NUMBER OF TRANSPORT ORDERS PERFORMED:



## EQUIPMENT:



## NUMBER OF EMPLOYEES\*:

TOTAL:  
**1,779**

FEMALE:  
**338**

MALE:  
**1,441**

\* IN FTE

## SAFETY RATES

Year	TRCF Incidents	Near Miss Reports
2020	<b>7,80</b>	<b>1,779</b>
2019	<b>5,40</b>	<b>1,496</b>



# FINANCIAL PERFORMANCE

In 2020 our turnover reached the level of €487 million, a decline of 1.9% compared to 2019. This decline originated in the first half year. Especially in Europe we experienced a very substantial decline of volumes due to the pandemic in the second quarter. Since June volumes recovered step by step back to 2019 levels.

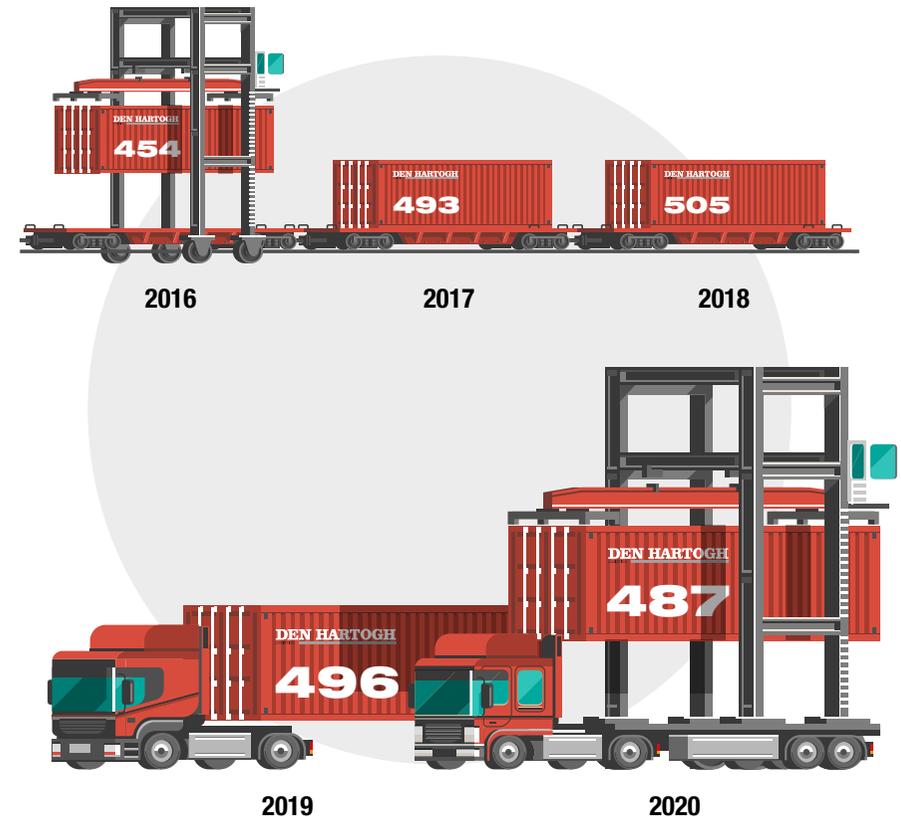
In general there was also substantial pressure on margins, which we have been able to largely offset by increased focus on procurement and reduction of overhead cost. Our operating result compared to turnover declined slightly with 0.4%, from 3.9% in 2019 to 3.5% in 2020.

Result before tax reduced to 2.2% of net turnover, a reduction of 0.5 % compared to 2019. Bottom-line the net result in 2020 is €5,7 million (1.2% of turnover) compared to €7,1 million (1.4 % of turnover) in 2019.

## 487 MILLION TURNOVER

Lockdown of European countries one-by-one in Q2 impacted our overall business heavily, with an extreme negative impact on all of our volumes that go into the automotive industry, which closed completely for weeks. The drop in volumes in Q2 has led to a cost focus programme, where we were able to adapt our cost base to the lower freight revenues. This resulted in a stable EBITDA recovery in Q3/Q4. At year end closing, another very impactful event was the actual Brexit causing extreme operational pressure from November 2020 till today.

### TURNOVER IN MILLION €



## Investments

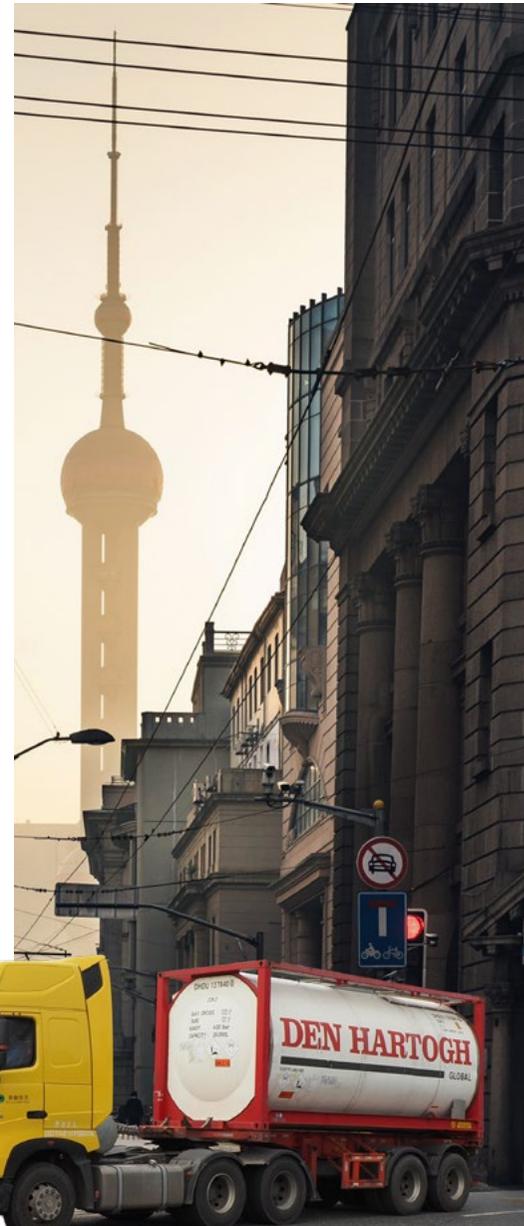
Investments in 2020 were at €32,7 million of which €29,8 million was in our fleet, the vast part being investments in new equipment: baffled tankcontainers for Global, 30 ft T50 units and cryogenic for Gas Logistics, and new Dry Bulk containers.

There were significant IT investments in digitization as a core differentiator for our customers and colleagues. We are creating on-site applications that integrate seamlessly with on-site processes at our customers plant. We will launch our second digital product in Q1 2021 and will continue to enhance the overall solution with additional functionality.

Our Transportation Management System (TMS) is further modernized, with a first focus on delivering a fit for purpose and state of the art end to end solution for our Global Business Unit by 2022. In 2019/2020 we successfully developed and rolled out two new modules.

Investments in new solutions to enhance Supply Chain Visibility. We have launched the first version of our supply chain solution in 2020 and will continue to add additional features based on input from our customers.

The combination of leading-edge IT tools and focus on Business Intelligence will enable state of the art smart logistics solutions for our customers. A fundamental upgrade of our core solutions will allow us to differentiate ourselves from our competitors and will extend our cost leadership.



INVESTMENTS  
**32,7**  
 MILLION

## XT Logistics

During 2020 we expanded our network in China by acquiring 51% of the shares in Shanghai Xintao Dangerous Cargo Transportation Co. Ltd. (XT Logistics) enabling us to provide integrated end-to-end logistics services to our customers in the Chinese market.

## Tschudi

At the end of 2020, effective 1 January 2021, Den Hartogh Logistics came to an agreement on the acquisition of Tschudi Tank Transport Oy in Finland, the tank transport division of the Tschudi Group. Taking over Tschudi's liquid bulk activities strengthened Den Hartogh's network in Northern Europe and particularly in Finland and the Baltics.

ACQUISITIONS

# CREATING SUSTAINABLE LOGISTICS SOLUTIONS TOGETHER

**As Den Hartogh we believe in the value of our people and partners. In 2019, we have strengthened our networked organization by organizing multiple world-wide events on commercial, operational, and Network Partner level, in which every person was able to share thoughts, ideas and best practices. Initially, we have had the same strategy for 2020, but we have anticipated on the travel restrictions and closed offices by adopting new technologies for remote communication. We have kept investing in our networked organization.**

## MOLCT

The strategic alliance between MOLCT and Den Hartogh is starting to pay dividends in the various regions. By using and combining our networks, contacts and sharing market-information, new opportunities and concrete deals have started to materialize for both companies.

Fully integrated logistics and the combination of the assets of both MOLCT and Den Hartogh is starting to become better known in the market at large, though no yet at the level where we want to be. The main focal point will remain to be more directly involved with our (shared) customers in order to pro-actively create opportunities and markets ourselves.

Global supply chains are changing rapidly and are expected to become shorter, more efficient and more optimized and customers will expect their service providers to be agile and smart. Provided we continue to accelerate and broaden our partnership in all regions, MOLCT and Den Hartogh will be well positioned to provide the optionality and flexibility the future market is looking for.

## Dry Bulk Terminal

In 2019, we started a dry bulk terminal project in Antwerp to link our European storage and distribution to products arriving from Asia, North America and the Middle East. In 2020 we continued developing these and similar services to facilitate and support our customers with their supply chain challenges.



**WE HAVE KEPT INVESTING IN OUR NETWORKED ORGANIZATION**



# FURTHER EXTEND EFFICIENT SUPPLY CHAINS

**Our supply chain visibility strategy is to share relevant shipment information with our customers pro-actively based on real-time best-effort data. Den Hartogh takes full ownership of customers' shipments, providing 100% pro-active communication through custom-built tooling and smart connectivity through a central integration platform. We have launched the first version of our supply chain visibility solution in 2020 and will continue to add additional features based on input from our customers.**



In our journey towards supply chain visibility, we have reached several milestones in 2020. With the ECTA digitalisation workgroup we wrote and published a best practice guideline on

transport visibility within bulk chemicals, with the aim of increased standardisation. This guideline has been adopted by the large supply chain visibility platform providers, and Den Hartogh has launched a solution to provide visibility information according to the guideline based on futureproof API technology.

Next to that we ran several projects to further increase the high quality real-time data into our systems, which is a continuous process in cooperation with all our partners in the supply chain. We ran a pilot with temperature telematics with the aim to further extend our capabilities in the area of telematics, with positive results to further build on.

Also, we started a pilot with the eECD (electronic EFTCO Cleaning Document) because we strongly support the journey towards a complete digitalisation of transportation documents, providing many benefits in the area of sustainability, efficiency and a single source of truth.



Another highlight has been the kick-off of the EU funded ePlcenter project, where with our participation we have the opportunity to share our vision on the future of supply chain visibility and deliver interesting projects in this area together with supply chain actors from all over the world.

Our online visibility portal for our Liquid Europe business provides early alerting for first and last mile transport and includes the intermodal connections. In parallel we have worked on an upgrade of our transport management system that contains an integral part of the data being loaded into the portal and is crucial for maximized visibility.

Also relating to an increased supply chain visibility, we have worked closely together with several customers, developing IT tools that create significant improvements in the supply chain visibility in logistics processes on site.

# IMPROVEMENTS FOR A BETTER FUTURE AND SOCIAL CARE

## MAKING A DIFFERENCE TO THOSE WHO NEED IT, IS CLOSE TO DEN HARTOGH'S HEART



The Den Hartogh DNA is our license to operate under any (market) conditions. We always believe in the power of our company culture and values: Caring, Engagement, Respect, Initiative, Improvement, People Development, Openness and Fun in Business. In 2020, we had our full focus on health & wellbeing of our staff during the Covid-19 outbreak, many initiatives were rolled out in our offices all around the world to engage and motivate.

Our customer Shell donated 2,500,000 liter of Isopropyl Alcohol (IPA) for the manufacture of hand sanitizers. Den Hartogh offered Shell to transport 25 shipments of IPA to the hand gel production sites free of charge. By this initiative, we helped with what we are really good at; logistics of bulk liquid chemicals. We gladly took our social responsibility in the fight against the coronavirus.

Making a difference to those who need it is close to Den Hartogh's heart. Den Hartogh Community Cares (DHCC) supports employees in realising socially responsible and charitable initiatives to give back to the communities around Den Hartogh locations worldwide. Despite difficult circumstances in 2020, our employees and passionate DHCC volunteers organized 19 community events around the world.

# SUSTAINABLE SOLUTIONS

Den Hartogh focuses on continuous improvement of our business processes, efficient supply chains, and sustainable solutions where possible. We are convinced that our company can make a significant contribution to the green challenge facing our society and will contribute to Den Hartogh's sustainable growth.

Our primary focus in 2020, logically in our industry, is to focus on reducing CO<sub>2</sub> emissions. We continued participating in Shell's CO<sub>2</sub> compensation programme that started in 2019. We increased the investment pace of our truck renewal programme to ensure we have all our own trucks in EURO6 class by the end of 2021. We started and increased own fleet for Dry Bulk UK, adding new lighter traction than previously utilised. This gave a reduction in emissions and an increase in payload. We also invested in four LNG trucks in Germany in the service of our Gas Business. Den Hartogh is participating in pilots, think-tanks and discussions to help accelerating the transition to alternative fuels.

The full scope of environmental sustainability, alongside CO<sub>2</sub> reduction includes reducing:

- 🔌 water consumption and increase the use of recycled water
- 🗑️ the amount of disposed waste
- 🔌 the energy consumption and increase the use of renewable energy
- 🚛 the amount of road transportation



# S H E Q

## AFETY EALTH NVIRONMENT UALITY

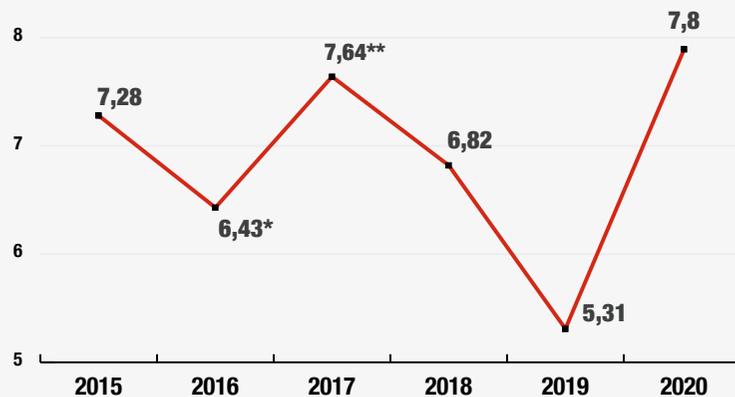


2020 was another step on our journey to Zero Harm for all parties in the supply chain. *Coronavirus impacted across the activities of the organisation in the SHEQ delivery and performance. There were efforts of internal teams, external suppliers, supply chain partners and other stakeholders to meet safety standards and customer expectations.*

### The Power of Safe

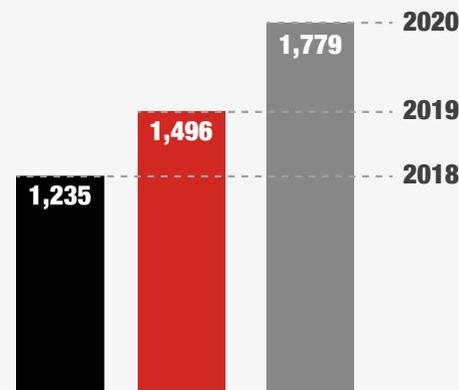
The central programme for measuring and developing our SHEQ culture remains the Power of Safe (PoS). The planning for 2020 included the delivery in four locations of the zero assessment measurement. This being a temperature check and positioning of the location on the safety ladder. This section of the PoS programme is designed and based on group discussion, interactive dialogue and team consensus. The usual delivery of this required travel to locations and the running of the events in this group format; in 2020 this was not possible due to coronavirus. Working with the external partner for the PoS, we were able to develop a different approach. Although missing the group activity and people dynamics; online and video link sessions were undertaken. This was carried out successfully with the Spanish Team in Q4 and will be used as the model for the forwards delivery in 2021. The tracking of PoS and other work we had started over the previous years continued across the locations: again with adjustment being made in some of the actions and schemes to be carried out with the alternate working arrangements.

### TOTAL RECORDABLE CASE FREQUENCY (TRCF) INCIDENTS



\* Integration former Interbulk liquids activities  
 \*\* Integration former Interbulk dry bulk activities

### NEAR MISS REPORTING



WE ARE **PROUD** OF ALL OUR **DEDICATED EMPLOYEES** FOR THEIR FLEXIBILITY AND ABILITY TO ADAPT AND WORK AS A TEAM TO CONTINUE THE BUSINESS AND DELIVER IN THIS DIFFICULT SITUATION AS MUCH AS POSSIBLE TO CUSTOMER EXPECTATIONS

## GROUP RESPONSE TO CORONAVIRUS

COVID-19 impacted every sector of business and aspect of human life. Den Hartogh was no exception to this. As an organisation our individual offices, operating locations & terminals as well as trucking home bases enacted their "Business Continuity Plans". Our own business readiness and previous testing of local systems helped in the speed of change required as National or Local Government action impacted on our operations, activity and people.

We enacted a multi-disciplinary "Coronavirus Coordination Team" to support the businesses, the organisation and our General Managers in a global & local response to the situation. We are proud of all our dedicated employees for their flexibility and ability to adapt and work as a team to continue the business and deliver in this difficult situation as much as possible to customer expectations. We are very grateful to receive compliments from our customers for our outperforming flexibility.





**SMARTER LOGISTICS. WE'RE BETTER TOGETHER.**