



Logistics has become the main pillar of activity.





# New kid on the block

## EUTRACO

A new player entered the logistical pitch at the Kluizendok early this year when EUTRACO started operations in a first warehouse of 25,000m<sup>2</sup>. Six months later, the logistics services provider has decided to speed up the building of the two other units of its 75,000m<sup>2</sup> warehousing complex to have them ready by the end of the year. It is a further proof of the ambition of the self-declared 'logistic challenger'.

EUTRACO is a company on the move. In just a few years' time its main focus has entirely shifted from road haulage to integrated, value-added logistics. "Logistics is now at the core of everything we do, including our investment agenda and product portfolio, even if we remain active in transport and freight forwarding, and recently added customs clearance as a fourth pillar. The perfect deal for us is when we combine these four into an integrated package for our customers", says Serge Gregoir, the company's CEO.

### Doubling every two years

The transformation is happening at a fast pace. "In 2017, our warehousing capacity was limited to 50,000m<sup>2</sup>. At the end of this year, we will stand at 302,000m<sup>2</sup>. In five years' time, we multiplied that number by six." So far, EUTRACO beats its own goal to double its logistical footprint every two years, but it has no intention to slow down. "We are aiming at one million operational square metres by 2025, but that most probably implies that the organic growth we have had so far, will have to be reinforced by acquisitions."

The shift in strategy largely coincided with Mr Gregoir becoming CEO in 2017 and his management buy-out in 2020, but he refuses to take all the credit for it. "It helped to streamline the decision process, but the foundation for EUTRACO's expansion was laid when the company was still held by the Pattyn/Andries family. We could not have made our sprint forward if we had not come out of these very solid starting blocks."

### Logistic challenger

EUTRACO promotes itself as the logistic challenger. "We are still only a medium-sized company with a turnover that is far from what the big guys achieve. But what we offer is a combination of the kind of services and infrastructure you expect from the



Photo courtesy of EUTRACO/Tom D'haensens.

**Serge Gregoir, CEO and owner of EUTRACO.**

larger corporations with the spirit, dynamism, and flexibility of a smaller organisation. It is a mix which is very attractive to many clients.”

“To compete, one of the basic requisites is critical mass. This is one of the drivers behind our logistical expansion. If you do not have warehousing space, there is not much you can do. You then still have to find the right people, set up efficient processes, achieve operational flexibility, get the margins you need, manage all your customers sitting under one roof with often very different flows... We have been through a steep learning curve. Calling yourself the logistic challenger is easy. Making that true is a lot harder. Now that we have a certain size, starting up new sites is becoming less of a challenge, though. And the market is taking notice of our presence.”

### High-standard warehousing

When it comes to infrastructure, high-standard, sustainable warehouses on large campuses at strategic locations are a must today, Mr Gregoir adds. “Together with the high speed logistics developer MG Real Estate, we pioneered with our carbon- and energy-neutral platform in Willebroek, but it has become our reference. Each new site we develop now is built according to that recipe, because our ambition is also to be a front-runner in sustainability. As far as our warehouses are concerned, that is not up for debate anymore. For logistical real estate, there are a lot of techniques available off-the-shelf (heat pumps, smart lighting, solar panels, and so on) that you can combine to make your new buildings sustainable. We use them to the maximum extent. The impact on the final investment is relatively low and can be absorbed by having less overhead costs, being more cost-efficient, and opting for long-term rental agreements. Our vision is: we want to offer a sustainable storage solution at the same price as a non-sustainable one.



Photo courtesy of Jean-Louis Vandevoorde.

“ Our ambition is also to be a front-runner in sustainability. Today, there is no longer any good reason for not making your pallet position sustainable.

### EUTRACO

- Headquartered in Roeselare, West-Flanders
- Started out as a road haulier in 1967
- Evolved over the past five years into a one-stop-shop logistic services provider, with logistics now as the core activity complemented with transport, freight forwarding and – since this year – customs clearance
- Serves a large range of customers in the fields of FMCG, DIY, retail, food and beverages,...
- Will have more than 300,000m<sup>2</sup> of warehousing capacity by the end of this year, with main hubs in Roeselare, Willebroek, Ghent, Sint-Niklaas, Antwerp, and Charleroi
- Runs a fleet of 300 trucks
- Employs close to 600 people (including fixed partners), of which more than 300 on its own payroll
- Will have a turnover of EUR 80 million this year
- Management buy-out in June 2020 by Serge Gregoir, CEO of the group since mid-2017

But today, if you’re building a new warehouse, there is no longer any good reason for not making it sustainable.”

“The same cannot be said for trucks. Electrical trucks are much more expensive and their range is still limited. A charging station does not come cheap and you still need quite some time to charge the battery. Uncertainty still prevails regarding the price and availability – now and tomorrow – of other green fuels like biodiesel. Making your truck fleet sustainable still carries a cost you cannot yet recoup. Not yet.”

### Battery system and automation

Sustainability and high standards are trump cards EUTRACO and MG Real Estate are playing in Ghent, going even further





Ghent has become one of the main hubs in EUTRACO's network.

than before. The new complex will have an internal free height of 13.7m (versus 12.2m in most warehouses now). "Your rent may go up slightly, you will probably need heavier reachtrucks, your handling cost may increase slightly too, and you may need to make the aisle a bit wider, but the building price will not be substantially higher and you gain an extra layer in storage capacity, which translates into added turnover per square meter."

Moreover, one of the pioneering developments is to install a battery system that would allow the storage of the electricity obtained during daytime by the solar panels on the roof to use it at night-time. "It will be a try-out and the sun will not shine hard and bright enough each day of the year to bridge the whole night. But batteries (or any alternative offering on-site energy storage) are the missing piece of the puzzle that would make our sustainability case complete by making us – virtually – independent from the grid. And if it proves successful it is a formula we will implement elsewhere."

An added touch will be the implementation of an automated system for one of the flows. "Two of our loading bays will soon receive an Ancra automatic system for the rapid loading and unloading of trucks (which have to be equipped accordingly). It will be the very first time we implement such a solution, but automation will be necessary in industries like food to remain relevant and continue to create value for your clients. Automation is part of our Masterplan 2025. We have come to a point where automation is more accessible, can facilitate multiclient applications, and can interact more easily with the flexible systems that remain key for us."

## Ghent

There were obvious reasons for EUTRACO to opt for Ghent, the CEO explains. "It was a blind spot on our map between Roeselare on the one hand, Antwerp, Willebroek, and Sint-Niklaas on the other, and it offered an opportunity to develop a large-scale project, something which is becoming extremely rare in Flanders.



Photo courtesy of EUTRACO/Tom D'haenens.

**In five years' time, EUTRACO multiplied its warehouse capacity by six.**

Last but not least, it presented the attraction of full-fledged multimodality. "This has become a central element in our strategy. We are looking at every multimodal hot spot in Flanders. Driving to Antwerp – I should say biking, if we consider the average speed including the waiting time at the terminals – has become pure madness. We experimented with multimodal solutions in Willebroek, where we have a very productive cooperation with the TCT container terminal of Hutchison Ports. We hope to establish a similar relationship with Stukwerkers, whose trimodal terminal at the Kluizendok serves as a container yard and depot for many shipping companies." Again, the company moved fast. Talks started in June 2021, the decision to build was taken in September, construction works started in October, and the first warehouse was (partially) ready in January. At present, EUTRACO is handling the flows of four clients, all of them active in retail or supply to retail, in its most recent facility, three of which are completely new to the logistics services provider.

"It's a mix we are familiar and happy with. It helps us to level out the ups-and-downs in specific sectors and makes us more resilient." About a quarter of the volumes in this phase is linked to the waterway (both shortsea and inland navigation). "After only five months", Serge Gregoir is proud to emphasize.

## Ready to do more

Initially, EUTRACO intended to build the 75,000m<sup>2</sup> complex in phases spread over a period of three years. The plans have been rushed forward: by the end of this year all three units of 25,000m<sup>2</sup> will have been built, another indication that business is booming and that EUTRACO is willing to build at risk, without commitments of clients for the whole capacity. The second and third hall are already under construction and will be ready by the fourth quarter of the year.

"We gain from the fact that our major hubs are close to each other and the Ghent port area is the kind of location where I would gladly sign for another 100,000m<sup>2</sup>. At this moment, we have no further expansion possibilities in Ghent. And space here is ever more in tight supply and in very high demand. For every square metre it still has, North Sea Port probably has ten candidates willing to invest. If the opportunity arises, it will be up to us to make a value proposition that is strong enough to convince them to opt for us."