

HOYER

Company Report 2017

KEY FIGURES

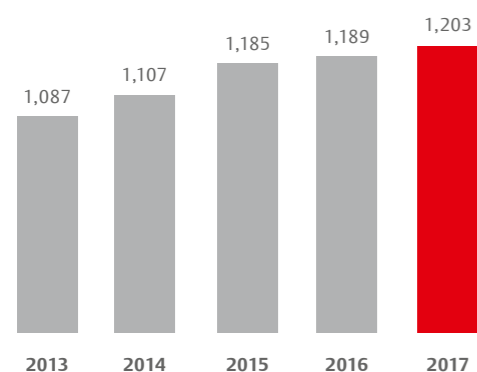
		2017	2016	2015	2014	2013
Turnover and earnings						
Turnover	(TEUR)	1,202,927	1,188,534**	1,184,572***	1,106,771	1,087,048
Earnings before tax (EBT)	(TEUR)	40,562	40,415	43,247	38,575	35,555
Net income	(TEUR)	32,955	30,951	31,142	27,699	25,518
EBIT	(TEUR)	46,682	46,741	49,439	43,908	41,500
EBITDA	(TEUR)	110,156	104,443	107,657	99,276	90,986
Investments and financing						
Investments in fixed assets	(TEUR)	90,040	102,250	112,741	75,772	102,562
Cash flow from operating activities	(TEUR)	75,239	65,310	86,076*	76,747	71,712
Capital						
Equity	(TEUR)	331,487	321,837	295,345	258,083	229,216
Equity ratio	(%)	41	42	42	42	40
Total assets	(TEUR)	800,551	763,365	705,969	620,386	571,284
Returns						
Return on sales (pre-tax)	(%)	3.4	3.4	3.7	3.5	3.3
Return on capital employed (ROCE)	(%)	8.2	9.1	10.7	10.7	11.1

*The first-time use of the German Accounting Standard No. 21 (DRS 21)

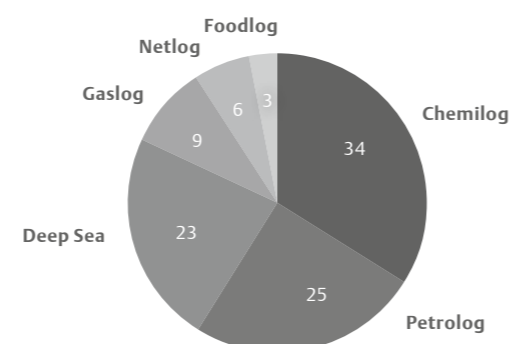
**Provisions of the German Accounting Directive Implementation Act (BilRUG) applied for the first time

***Value adjusted to the BilRUG to achieve comparability with 2016

Turnover in million euros



Turnover by business unit in % (2017)



BUSINESS UNITS

Deep Sea



The overseas activities and global transports of liquid chemical products, gases and foodstuffs in tank containers, flexitanks and intermediate bulk containers (IBCs) are bundled in the Deep Sea business unit.

Chemilog



All European chemical transports in tank containers and road tankers are combined in the Chemilog business unit, which also offers additional logistics services off-site and on-site with its Supply Chain Solutions (SCS).

Foodlog



Under observation of the strictest hygiene regulations, the Foodlog business unit transports food products in tank containers and road tankers throughout Europe – since the end of 2017 with a strengthened network in the joint venture H&H Foodlog.

Gaslog



The European transport logistics business with industrial gases is located in the Gaslog business unit, specialising in transporting compressed as well as pressurised liquefied and cryogenic gases.

Petrolog



In addition to supplying service stations across Europe, the Petrolog business unit distributes fuels to airports, delivers lubricants to the industry and performs bitumen transports.

Netlog

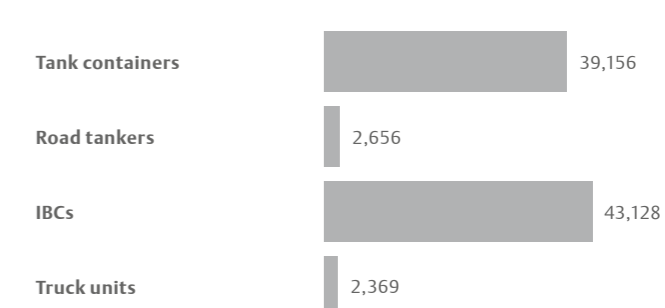


Management of the entire tank container pool, its equipment and IBC logistics are the tasks of the Netlog business unit, along with services around cleaning, workshop and depot offers by cotac.

Employees



Equipment (2017)



*Ladies and gentlemen,
dear friends of our company,*



It is a simple but evident truth: those who stand still move nothing – neither logistically, nor entrepreneurially. Change and continuous development are therefore important aspects of HOYER’s success story. Since its foundation by my father Walter Hoyer, our family business has not only moved liquid goods along German roads, and finally around the globe, but we have also achieved a remarkable shift ourselves: what started in 1946 as a small Hamburg haulage company has, over seventy years, developed into a global market leader. To achieve this, it was not only necessary to focus on concrete objectives, but also to develop innovative strategies that respond to the rapidly changing situations in our industry and in globalised markets. Looking at the successful 2017 business year, I am pleased to say that we set the right targets. Our results are above the sector average; we benefit from solid, long-term financing and a high equity ratio. Additional locations, promising joint ventures and innovations in organisational and staff development demonstrate that change invigorates and keeps HOYER healthy over the long term. The company report presented here illustrates the change we are going through. With a keen eye and solid business acumen, we have used the challenge of digitisation, this oversized label of our time, as an opportunity; we are setting new industry standards with innovative solutions such as the Smart

Tank, Internet-based platforms for intelligent networked logistics services, and disruptive business models. These help us to fulfil our customers’ demands better than others, and to increase the efficiency, profitability and safety of our processes. The third generation is showing a particularly strong interest in digitisation and will shape the future of HOYER in the best family tradition. It is not only the willingness to embrace change that guarantees our corporate success, it is also our tradition, our culture and our strong system of values: consistency and reliability in dealing with our customers as well as with our employees. These include, on the front line, our drivers. HOYER is struggling with the shortage of skilled personnel as well. For this reason, we have initiated a number of measures to improve this sector-wide problem. We will not stand still, and will continue to work to design and create our future.

With warmest regards from Hamburg,

Thomas R. J. Hoyer

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Joint success

For over 70 years, HOYER has represented quality, safety and reliability in the logistics sector – values and characteristics that, in the volatile world of commerce, create trust and facilitate further growth. Thinking and acting in a partnership approach form the basis for this. We respond to changes in the market, new trends and geopolitical developments in a measured but adaptable way. While the family, the Advisory Board and the Executive Board base their decisions on the objective of leading this long-standing company safely into the future, our employees all over the world ensure that the values of this family-owned company are upheld.



Family



Left to right: Annette Hoyer-Glasmacher, Elisabeth Wetzer née Hoyer, Thomas R. J. Hoyer, Martina Hoyer-Hertel

Perfect reliability through binding values

Family means recurring change and is characterised by dynamics and an intense exchange between different generations with perspectives that are just as diverse. At the same time, family stands for continuity and commitment through common values. This also applies to the Hoyer family, which is now precisely tracking the company's developments in the third generation and constructively supports them. All shareholders, across the generations, have committed to corporate ethics that determine our action in everyday use and that are based on the principles

of founder Walter Hoyer. Gentle and sustainable growth, perfect reliability, respect for others and the environment continue to be central values. The family not only passes them on to the next generations, but equally carries them into the company. All employees are valued for their personal commitment and supported in their own responsibility. Respectful interaction between partners prevails. Every single employee represents HOYER and is able to depend on active communication and an open-door policy.

Advisory Board



Left to right: Hans-Georg Frey, Dr Uwe Franke, Martina Hoyer-Hertel, Michael Zieseemer, Dr Rolf Stomberg, Thomas R. J. Hoyer

Increasing competence to meet future challenges

Considerate action with entrepreneurial far-sightedness is an important premise for the family-owned company HOYER. For this reason, the Executive Board is supported by a board of advisors. It appointed two new advisors to supplement the four previous members in early 2017. Now counting six members, two of them being shareholders of the family, the expert body provides new impulses. In addition to proven industry competence, it can make use of well-founded economic understanding and a sense for global changes, as well as know-how in the fields of digitisation and

Industry 4.0. The regular meetings between the Executive Board and the Advisory Board reflect on developments of the highly complex market environment, the trends on the global market and changing framework conditions while also discussing the future development of the long-established HOYER company. Focus areas of the Advisory Board include corporate strategy, financial indices and financial planning, investments and personnel policy. The body has a veto right for decisions that go beyond daily business.

Executive Board



New CFO since 2018: Dr Philip Nölling



Left to right: Gerd Peters (CFO), Ortwin Nast (CEO)

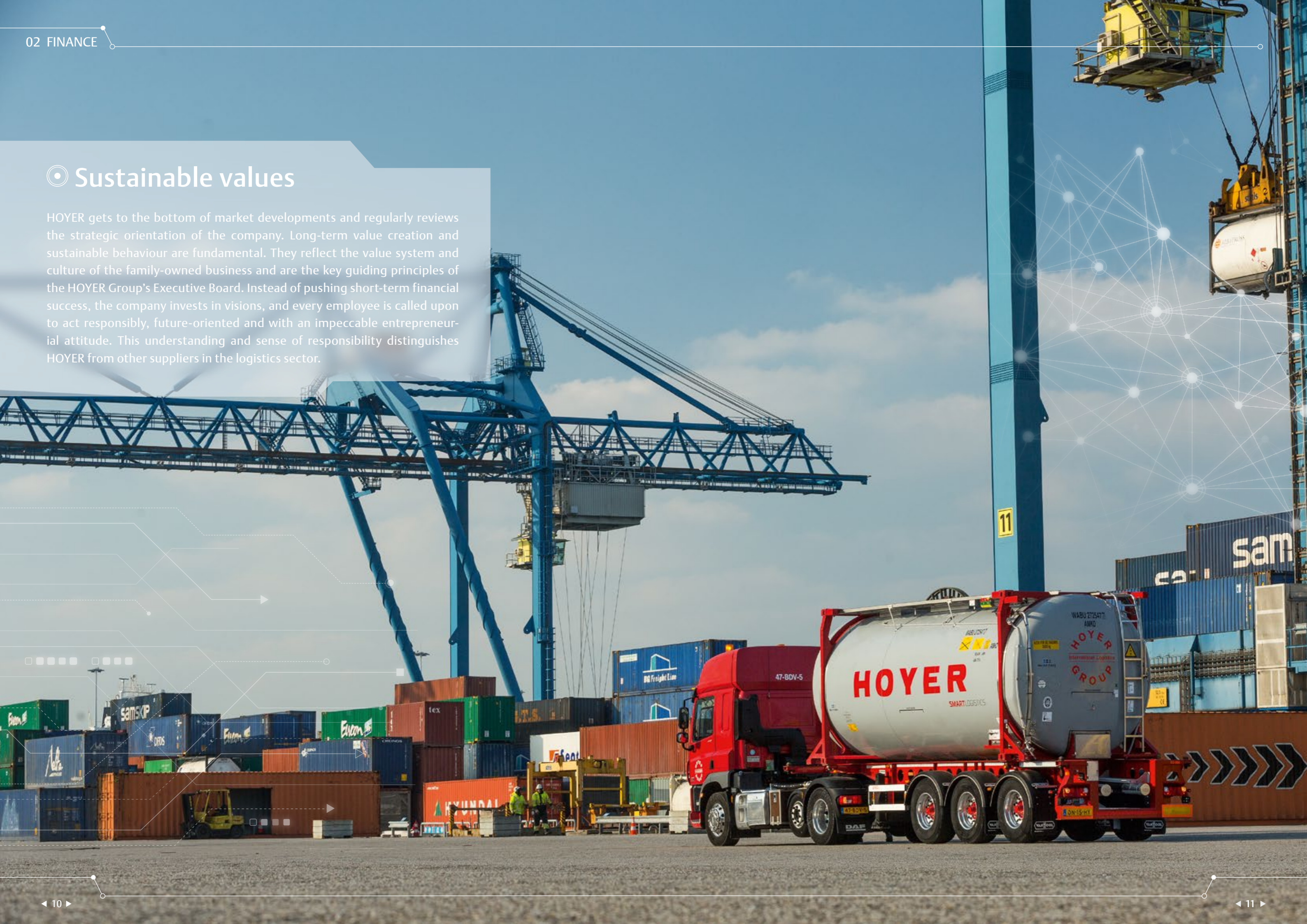
*Strategic far-sightedness
in a connected world*

Keeping the long-established company HOYER at the global peak for specialised bulk logistics on road, rail and sea is the responsibility of the Executive Board – and shared by the family and the Advisory Board. It is not a simple task in a strongly fragmented competitive environment, with an increasingly volatile market and the rising logistics requirements of international companies. Nevertheless, HOYER is ready for further growth. Special value is put on the globally acting company being designed with efficient structures, on promoting synergies through networking, improving agility and supporting adaptability by innovative thinking. This

is based on a sustainable partnership with employees and customers, a differentiated information technology and the continued strengthening of Smart Logistics, the investment focus of 2017. The Executive Board recognises changes as a constant and continues to critically deal with market trends and developments when making its decisions based on the ethical principles of the family-owned company. At the turn of the year 2017/2018, the two-man Executive Board was given a new direction: Gerd Peters left his post as Chief Financial Officer, handing it over to Dr Philip Nölling. Gerd Peters now holds full entrepreneurial responsibility for another corporate association of the Hoyer family.

◎ Sustainable values

HOYER gets to the bottom of market developments and regularly reviews the strategic orientation of the company. Long-term value creation and sustainable behaviour are fundamental. They reflect the value system and culture of the family-owned business and are the key guiding principles of the HOYER Group's Executive Board. Instead of pushing short-term financial success, the company invests in visions, and every employee is called upon to act responsibly, future-oriented and with an impeccable entrepreneurial attitude. This understanding and sense of responsibility distinguishes HOYER from other suppliers in the logistics sector.



Financial performance and earnings

2017 was characterised by significantly increased global economic dynamism. Gross domestic product growth rates in Europe, the USA, Japan and the emerging nations were above the moderate growth rates of 2016. At +2.2 per cent, Germany's growth rate was considerably higher than in the previous year. In addition to continued robust private consumption, the rise was supported by a global economic revival and recovery in world trade. Almost all of the Eurozone's major national economies also benefited from the positive global economic trend.

In contrast, the United Kingdom's economic momentum slowed down, due essentially to the consequences of the Brexit decision. Positive economic growth was achieved again in South America in 2017 after the previous year's decline. The Asian region continued to develop at the previous year's high level, although economic dynamics in India weakened slightly.

In 2017, the US-American central bank continued the interest turnaround it initiated in 2016. The phase of expansive monetary policy introduced in 2009 was scaled back with several moderate rate hikes. The British central bank also followed this path. Meanwhile, the European Central Bank (ECB) persisted with its zero interest rate policy. The ECB's sustained massive monetary policy interventions show that the Eurozone has not yet reached a stable economic state.

The revival in the global economy had a positive influence on the production volume trend in the chemical industry. European chemicals production profited from Europe's strong industrial economic situation, from sustained demand from China and from the revival of the USA economy. This development is especially important for the HOYER Group, since growth in basic and speciality chemicals production has a positive impact on the number of chemicals transport movements. The logistics company profited due to an increasing volume of transport from the second half of 2017 onwards.

Turnover

The HOYER Group achieved a turnover totalling EUR 1,203m in the fiscal year 2017, corresponding to a slight rise in turnover of 1.2 per cent compared to the previous year. While

the Foodlog and Petrolog business units recorded a planned drop in turnover due to the consolidation course embarked upon, the Gaslog, Deep Sea and Netlog business units grew compared to 2016. However, in addition to the growth in new business, an internal company restructuring was also responsible for the rise in Netlog's turnover, since the entire container rental and administration were merged together in that unit. However, regrouping the container business had a negative impact on Chemilog's turnover. Operationally, this business unit was able to profit from improved underlying conditions in the chemical and pharmaceutical industries, which were reflected in an increased volume of transport.

Turnover: EUR 1,203m

At Group level, currency effects adversely affected turnover figures. Weakness of the US dollar and the British Pound against the euro led to an exchange rate induced negative effect on turnover of around EUR 20m.

Return on sales

The HOYER Group achieved a 3.4 per cent return on sales in the 2017 fiscal year (previous year: 3.4 per cent) and was thus able to maintain its profitability above the sector average in an intensely competitive environment. The worldwide liquid bulk logistics market continued to record strong growth in the tank container fleet. Historically favourable procurement prices combined with very favourable financing costs led to sustained high investments in this area. Many competitors used the favourable conditions and enlarged their fleets to build up and expand global transport business. The HOYER Group also used the favourable procurement market in 2017 for targeted rejuvenation and modernisation of its fleet – thus extending its position as a leader in innovation and the global market. In particular, there was investment in special tanks and intermediate bulk containers (IBCs), and market leadership in smart tank technologies was extended.

Strong worldwide growth in the tank container fleet led to intense price competition despite an upswing in the global economy. The strategy of the HOYER Group, namely focus-

ing on higher-margin business, showed initial successes at the same time. Although the volume of transport in the Deep Sea and Chemilog business units remained at the previous year's level, margins improved considerably, principally from the second half of 2017 onwards. Despite an improving economic environment, pressure on prices and margins also remained strong in the other business segments, albeit not as intensively as in tank container logistics. Profit margins achieved in 2017 remain above the sector average and can be described as very satisfactory against the background of the challenging market conditions. Absolute earnings before taxes amounting to EUR 40.6m are above the 2017 budget and are the second-highest pre-tax earnings in the company's history.

Investments, cash flow and financing

The HOYER Group continued its considerable investments in fixed assets in 2017, amounting to around EUR 90.0m. Funds were used primarily for replacement and expansion investments in transport equipment, e.g. tank containers, road tankers and IBCs. The number of tanks hired from third parties was also further reduced. Moreover, fitting equipment to the first tank container fleet with smart technology in use worldwide was driven forward in the course of the HOYER Group's digitisation initiative. In an expanding IBC market, the IBC fleet was enlarged from 27,000 to over 43,100 small containers by acquiring the rental business of the biggest European competitor, CCR (Compagnie des Containers Reservoirs). In this way, HOYER consciously and consistently invests in future growth markets.

Investments: EUR 90.0m

At EUR 75.2m, the operative cash flow of the HOYER Group was above the previous year's level (EUR 65.3m). This positive performance resulted mainly from an increase in the year-end result together with an improvement in working capital. The HOYER Group again retained around 80 per cent of its annual net profit in 2017, thereby consistently strengthening its equity base. However, the presentation of equity capital was negatively impacted by the strong euro exchange rate in 2017, although it still lies at a very high 41 per cent (previous year: 42.2 per cent). With euro to US dollar and euro to British Pound exchange rates comparable to

2016, equity capital would have been around EUR 17.6m higher, and the comparable equity ratio would have stood at 42.7 per cent.

The HOYER Group successfully issued a promissory note loan amounting to EUR 90m in October 2017, thus further diversifying its financing base. The promissory notes were placed with national and international investors, and have maturity ranges of four, six and seven years. This enabled the favourable interest level to be secured long term.

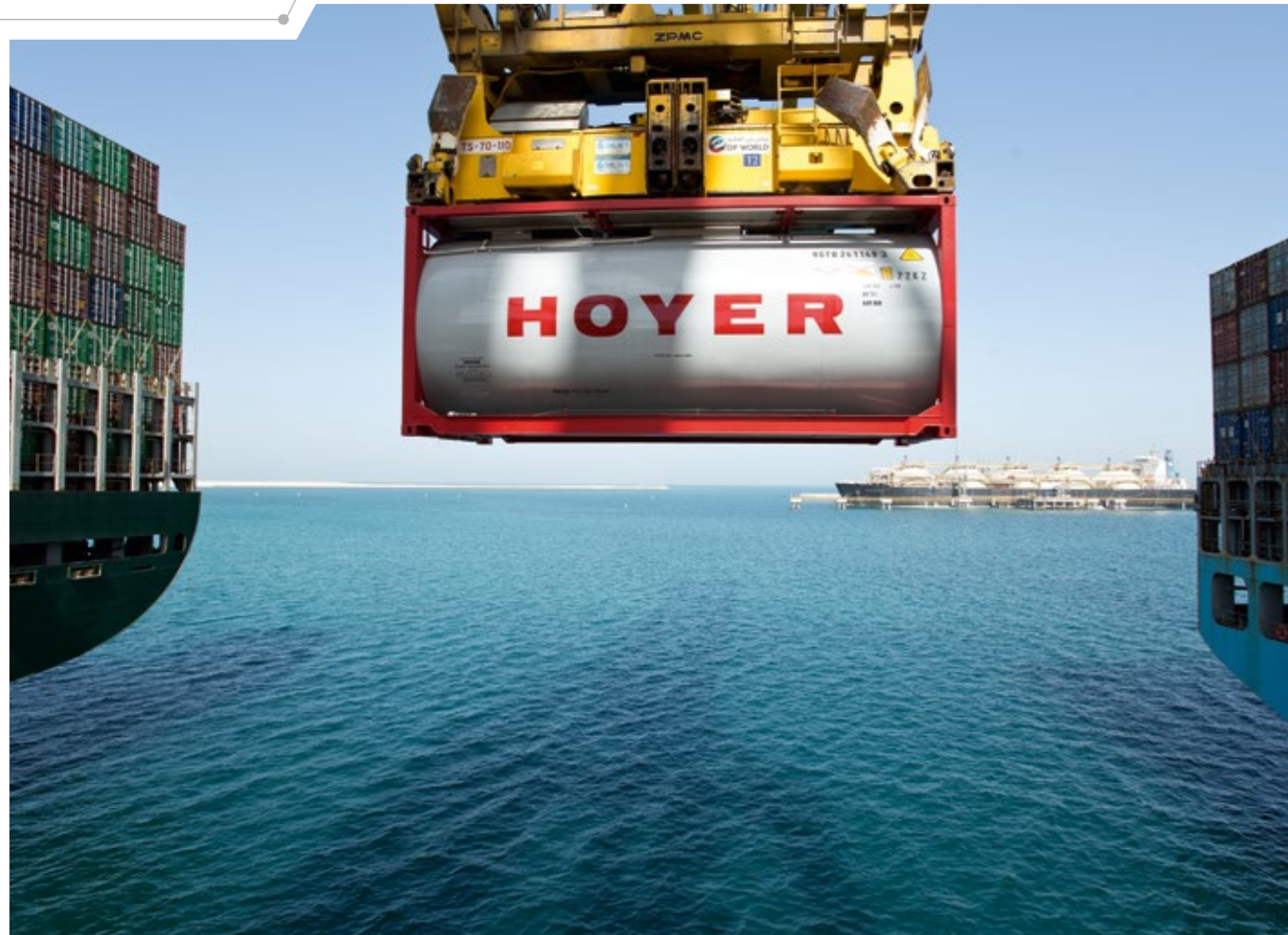
Outlook

The International Monetary Fund predicts further recovery in the global economy in 2018, with increasing growth rates. Short-term positive growth momentum for the USA and the world economy is expected, especially as a result of the US-American tax reform. This economic dynamism may strengthen further when combined with continuing favourable and available financing opportunities. Nevertheless, if a correction occurs in financial and capital markets, it could have a curbing effect on the global economy. The question of whether central banks successfully exit from the loose monetary policy without market disruption will be decisively important in this respect.

An additional risk lies in the current trade disputes, which could seriously affect world trade if they escalate further. Great Britain's exit from the European Union could also already show negative impacts in 2018. Among other things, a "Hard Brexit" could affect the German chemical and pharmaceutical industry and the German economy associated with them, and could even impact the global economy as well. Even an optimistic growth scenario for the global economy will not eliminate transport equipment overcapacities in the short term, and thus there is still reason to expect great pressure on prices and margins in liquid bulk logistics.

The HOYER Group expects turnover growth in all business areas in 2018. The focus in this respect remains on selective, profitable growth. Nonetheless, turnover will probably lie below the previous year's level, because the Foodlog business unit was merged into the H&H Foodlog joint venture at the end of 2017, and thus around EUR 40m of turnover was divested in a year-on-year comparison. Profit before taxes is budgeted to lie below the previous year's high value, since positive special factors influenced the 2017 result.

Deep Sea



⦿ In 2017, the overseas activities grouped together in the Deep Sea business unit were confronted with a market whose globally available tank container fleet had grown by more than 8 per cent compared to the previous year. Therefore margins in this business remained under sustained pressure. Due to intense competition, the business unit continued its selective profitable growth strategy. Downturns in bulk business transports were consciously accepted to allow a focus on enlarging the volume of special business. In addition, the pleasing trend in the promising Chinese market continued. Altogether, Deep Sea again reached the previous year's transport volume. The business unit's transactions are traditionally handled in US dollars. Although turnover

in US dollars grew by 3.8 per cent compared to the previous year, the achievable turnover increase in euros was only 1 per cent due to the weak exchange rate. Price erosion together with a low US dollar exchange rate adversely affected the pre-tax result compared to the previous year. Deep Sea continued to achieve above-market profit margins, and contributed a significant proportion of the HOYER Group's overall result. Capacity utilisation and gross profit margin improved, especially in the second half of 2017. This business unit plays an important part with regard to further international expansion of the business activities of HOYER.

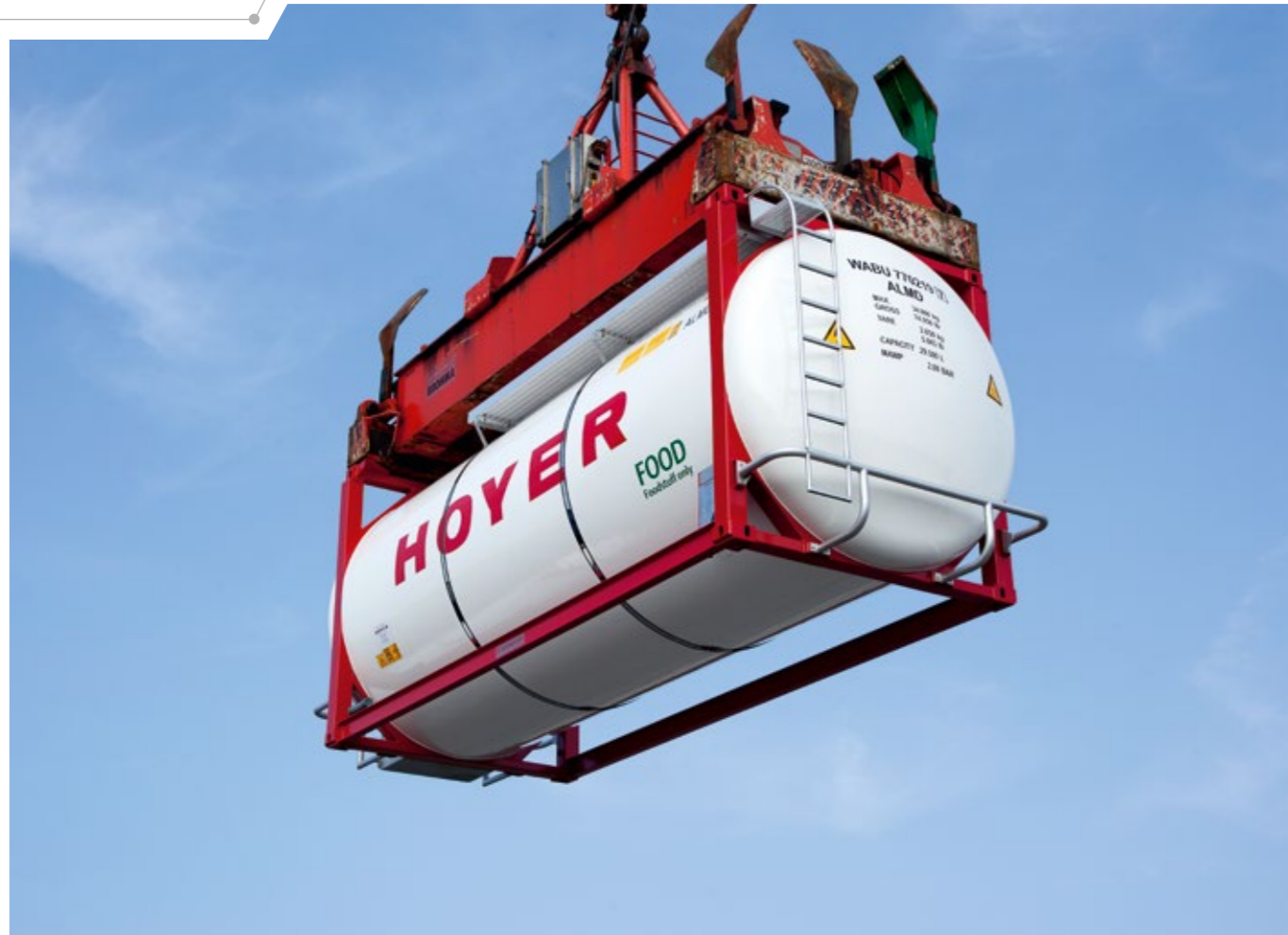
Chemilog



⦿ Turnover of the Chemilog business unit, into which the European chemicals logistics business is grouped, showed a rise compared to the previous year. Two opposing technical effects needed to be taken into account in this respect: the effect of integrating the Supply Chain Solutions (SCS) area, previously assigned to the Techlog business unit that was dissolved in late 2016, was to increase turnover. Meanwhile, turnover was reduced by regrouping tank containers formerly held by Chemilog but now centrally grouped in the Netlog business unit. Operationally, Chemilog continued resolutely on the consolidation path already being pursued. In transport business, increased margins were implemented and low-yielding business consciously reduced. The previous

year's level of transport volume was maintained due to pleasing new business – with an improved gross profit margin. SCS also achieved important business successes in 2017. Through this business line, the HOYER Group offers comprehensive integrated services along the chemical industry's entire logistics chain. On-site logistics activities in the Shanghai Chemical Industry Park were expanded further, and a joint venture that will commence operations in mid-2018 was founded at the Al Jubail site in Saudi Arabia.

Foodlog



⊙ The Foodlog business unit's operations comprise bulk liquid foodstuffs transports in tank containers. As of 1 November 2017, together with the H&S Group, the HOYER Group founded the H&H Foodlog joint venture into which the liquid foodstuffs transport operations carried out by Foodlog in Germany were integrated. Furthermore, activities of Foodlog in Bulgaria and Hungary were also transferred into H&H Foodlog as of 31 December 2017. The combination of the resources and know-how of both partners created a strong pan-European network. The HOYER Group has a 49 per cent share in the new joint venture and consequently

turnover will no longer be consolidated in future. This also essentially explains the Foodlog business unit's 14 per cent turnover reduction in 2017 compared to 2016, since only the months from January to October 2017 were shown. The HOYER Group will continue to carry out worldwide liquid foodstuffs transport operations. The Multilog business line located within Netlog is active with intermediate bulk containers (IBCs), while the Deep Sea business unit covers the global transport demand with tank containers and flexitanks.

Gaslog



⊙ Transport activities in the area of industrial, chemical and special gases are grouped together in the Gaslog business unit. It includes the transport of compressed as well as pressurised liquefied and cryogenic gases. In 2017, the gases market recorded robust growth from which the business unit was able to profit. Significant new tenders were won, in addition to extending important existing contracts. Sustained growth was achieved in a challenging market environment, especially in market niches including for example cylinder and dry ice transports. Consequently, Gaslog was able to increase its turnover by around

6 per cent compared to the previous year. Meanwhile, earnings performance lagged behind turnover growth. The reasons for this are one-off costs to end part of the Scandinavian operations, together with new business start-up costs. Therefore pre-tax earnings were slightly below the previous year's level.

Petrolog



● The Petrolog business unit is active in eleven European countries, and is market leader in supplies to service stations in Great Britain, Germany and Scandinavia. The main clients for transport and logistics services are multinational mineral oil companies and to an increasing extent retail chains, who are expanding into the service stations network. Turnover earned by Petrolog in 2017 declined by 1 per cent compared to the previous year. Although existing business suffered turnover reductions in Scandinavia and Great Britain, some considerable, it was possible to compensate almost completely for these losses through new business in

Germany and Great Britain. The position as market leader in these regions was successfully defended. However, the high level of competition and margin pressure adversely affected the profit situation. Extraordinary restructuring costs in Scandinavia added to this. The intensified focus on profitable growth showed initial success in the fourth quarter of 2017, and should sustainably strengthen the profit situation in 2018. Optimising interseasonal planning of driving personnel, together with the consolidation begun in the Scandinavian market, should contribute to this trend.

Netlog



● Since 2017, the Netlog business unit has been responsible for procuring all the tank containers and intermediate bulk containers (IBCs) for the HOYER Group, and controls the associated repair and maintenance management. It was possible to optimise costs in the new construction and leasing areas thanks to central fleet management. Moreover, favourable procurement prices were also utilised for targeted rejuvenation of the container pool. Further conversion of the fleet to what are called Smart Tanks was also consistently driven forward at the same time. The position of the HOYER Group as market leader in the small containers area was further expanded by acquisition of CCR's IBC leasing business.

Netlog's portfolio is being supplemented with the cotac brand: cotac europe GmbH offers services in Europe via tank cleaning stations, workshops and container depots. There was pleasing growth in the business unit's turnover in 2017, amongst others as a result of the acquisition in the IBC segment. Pre-tax profit was also above budget and above the previous year. Growth above the market level should also be achieved in 2018. Netlog continues to strive towards a central role in developing digitising solutions for the tank container market. Furthermore, the focus in the coming year is on improving capacity utilisation and reducing the cost of the HOYER fleet.



◎ Change in practice

As an international logistics provider, HOYER does not just monitor global developments. The company also keeps tabs on the detail, thus enabling it to focus even more on individual customer requirements and specific markets. Change is a constant companion for us, which challenges us and makes us better in our function as expert for tailor-made logistics solutions in the chemicals, foodstuffs, gas and petroleum industries. We respond to change with a high degree of adaptability: innovative technologies, digital networking and adjustments to our organisational structure prepare the way for a successful future as a strong global partner.

“HOYER sees itself as the first port of call for demanding overseas transport – and keeps its promise. In the global transport management market, reliability is a strong competitive advantage. This is where Deep Sea has the edge.”

⊙ Setting a new course on stormy seas

A worldwide network and close cooperation with customers make it possible for the company to ride extreme fluctuations in the market and to seize opportunities for long-term development. Even though the maritime freight industry most recently experienced a heavy decline in prices, the Deep Sea business unit has successfully weathered the stormy times.

For many years, HOYER has been one of the top 3 leading providers of overseas transport of liquid products worldwide. That has not come about by chance, but is the result of continuous improvement and the ability to embrace change.

Reacting flexibly to change

In contrast to transport jobs carried out independently, HOYER's overseas business depends to a large extent on the quality of its partners and on mutual trust. Deep Sea has recognised the development of the market towards third- and fourth-party logistics providers, and meets the requirements with holistic logistics concepts that even cover aspects of supply chain management. A worldwide network in over 100 countries is the basis of a maritime logistics service – from one supplier – that is perfectly interlinked with overland transport, ensuring fast and reliable transport as well as additional services.

Competence in a specialised business

Via Deep Sea, HOYER's know-how in handling sensitive products such as chemicals, gases, mineral oil and foodstuffs, as well as the necessary specialised equipment, is available worldwide to interested customers. The company provides and drives forward the development of tailored solutions to customer requirements as a matter of course. In 2017, for example, a refrigerated tank container (Reefer tank) was developed jointly with the Netlog business unit to satisfy the particular requirements associated with long-distance transport of orange juice concentrate. With this particular expertise we have built up a customer relationship with large development potential.

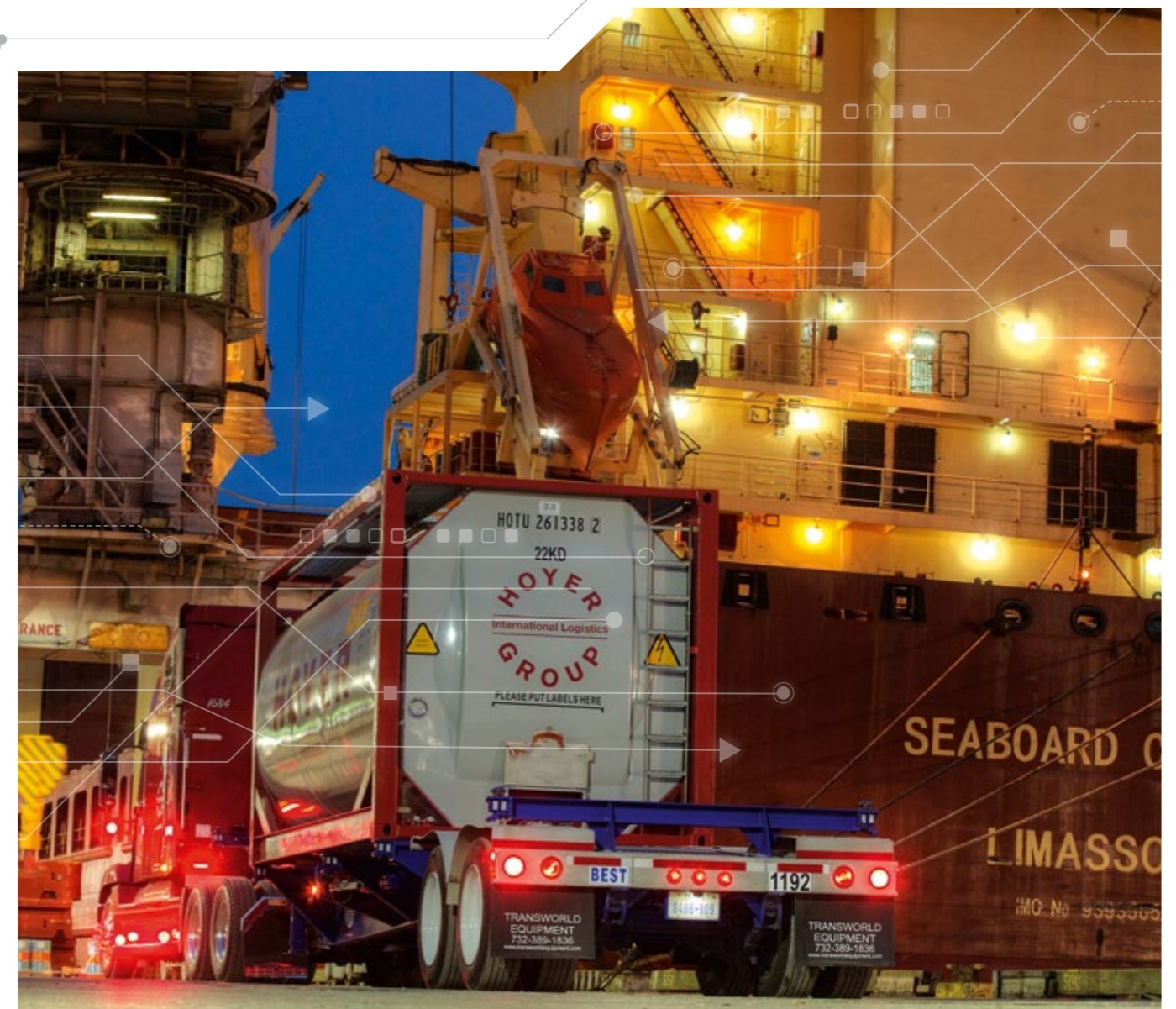
Assured availability

Deep Sea not only plans and handles maritime transport all over the world, but also offers innovative fleet management for customers. With the help of IT support, our team controls the swift and sustainable availability of containers across several

of the world's oceans to the respective maritime and inland ports. This makes it possible to ensure that the cargo reliably reaches its destination, in spite of unfavourable geopolitical developments, infrastructure breakdowns and natural catastrophes such as Hurricane Harvey.

Measured international growth

In view of the intense competition in the overseas transport business, Deep Sea's strategy is to concentrate on specialised transport in order to be able to withstand pressure from other logistics providers. In 2017, China domestic emerged as one of HOYER's stronger markets, and the business will be further expanded, but our activities also increasingly focus on the South American and Australian intermodal markets. Deep Sea's great strength and quality is that it brings stability and reliability to a world market that is heavily influenced by various factors.



“When it comes down to it, comprehensive expert know-how is required. HOYER is able to develop and implement optimal solutions even for difficult chemical products. This is what makes the capacities of Chemilog stand out.”

Established as a full-service provider along the delivery chain

The intense links within the Chemilog business unit, to partners and customers show their effect. While the market appears stable, the business area is getting ready for the future with structural and personnel adjustments.

The market in chemicals logistics developed positively for HOYER in 2017. The chemical industry increases its production and is looking for reliable partners for handling and transporting its products. Quality, safety and reliability of delivery are increasing in importance again for awarding orders. Beyond this, HOYER offers integrated logistic concepts and special equipment even for extraordinary cases.

Competence when things get difficult

The business unit transports chemical products by road, rail and sea in all European countries. Infrastructure bottlenecks posed the greatest challenge in 2017. In particular the block of the Rheintalbahn severely affected European traffic as a whole. At HOYER the intermodal and road transport divisions worked hand in hand and proved their good overview in dealing with the difficulties in transport planning. Reliability takes top priority for us. Our strong network, comprehensive know-how and agile contingency concepts were in high demand. In 2017, Chemilog started to focus its activities more strongly on the individual handling and transport of difficult chemical products – an area that HOYER specialises in.

International expansion

The Supply Chain Solutions (SCS) business line also developed positively in 2017, now offering its value-added services in seven countries. The SCS service quality has convinced and led to an order increase in Europe. In

addition, three large construction projects are planned in Germany alone in order to provide further capacities. On an international level, the HOYER Middle East joint venture was launched with the construction of a filling and blending facility in Al Jubail. In China, SCS was awarded further on-site services from a large chemicals producer. SCS supports its growth with measures to increase efficiency and investments in safety through modern equipment and employee qualification. The performance of the business line is truly outstanding: in March 2017, the SCS team at the Brunsbüttel site in Germany received the award “Best Supplier” in the category Cost Transformation from a customer.

Ready to face the future

Chemilog intensely dealt with structural and process-oriented optimisation potentials in 2017. The result: a reorganisation and realignment along the operational processes, the strengthening of network competence and the promotion of innovation capability. Newly created key positions render the business unit fit for the future. Digitisation through information technology, interface competence and networking are given top priority. Self-reflection also considers new and alternative business models. This includes further unfolding of synergies between SCS services and the transport sector as well. Chemilog understands customer-specific solutions not only as competence in detail, but sees itself as a contact for integrated logistics solutions across the entire range of the services.



“HOYER always strives to offer best service to customers. This means high standards as well as a comprehensive range of services. The merger as H&H Foodlog will support this objective for the transport of liquid foodstuffs on the European market.”

From milk supplier to an international logistics specialist

At Foodlog the signs are pointing to change: at the end of 2017, HOYER chose to start a joint venture with the H&S Group for transporting liquid foodstuffs in Europe. Through this cooperation, two logistics specialists are pooling their strengths in the new company H&H Foodlog.

Intense competition, in particular on the European food logistics market, is thus undergoing consolidation to the benefit of the customers. Double know-how, more than 140 years of joint business experience and even more vehicles and containers for individual requirements are available. The combination of the two family-owned companies opens up further potential for innovative logistics solutions and intense networking on

the European continent. We are pleased that the joint venture has created one of the largest European companies for bulk transports of liquid foodstuffs. This enables us to implement even highly complex logistics concepts and transport solutions for our customers in Europe reliably, on time and to the highest quality.

Our roots

Company founder Walter Hoyer once performed the first transports on the route from Hamburg to Berlin with fresh milk in the tank. Many things have changed since then. In particular, HOYER Group has steadily increased its competence in transporting foodstuffs, expanded its fleet and developed into a specialist for handling the demanding cargo.



Continuity in overseas transport

We are now able to bring in this competence in food logistics on the international market more strongly. Our Deep Sea business unit is one of the globally leading providers of transports of liquid goods by sea. Once milk was taken to Berlin in tanks, today orange juice concentrate is brought across the world's oceans in tank containers. Tradition and progress, continuity and change characterise the development of HOYER and the family-owned company as a whole.

The IBC business is growing

HOYER also pursues innovative concepts in food handling in intermediate bulk containers (IBCs): among its total of 43,100 units, the Netlog business unit has a fleet of more than 23,000 flexibly usable small food containers that meet the strictest hygiene standards. Whether with cooling, heating, agitator or kosher certificate: The stainless steel IBC is a true

all-round talent for all customer requirements in the food sector. Strictly defined and standardised cleaning processes enable a usage cycle of the stainless steel containers that is both sustainable and environmentally friendly and thus fully in line with our corporate philosophy.

Committed to tradition

In spite of the changes to the European liquid transports business, HOYER continues to offer the best possible service in handling liquid foodstuffs. We know where we come from and will continue our story of success in this field in the future.

“As a specialist in dangerous goods transport, HOYER sets high standards for equipment and personnel. Gaslog uses digital solutions and highly qualified employees to ensure maximum safety. Our customers can rely on that.”

Trust as a constant in a changing market

The Gaslog business unit reveals what HOYER stands for: traditional as well as modern approaches, proven solutions and innovation, continuity and adaptation. As a result, 2017 developed positively: the company acquired important new customers and also extended contracts with long-term existing customers.

On the one hand, HOYER impressed with the high technical standard both in terms of the fleet’s equipment and the digital networking with customers. On the other hand, the logistics company clearly upholds its traditional values such as reliability, safety and, above all, quality.

New products and growth markets

In the market for gases, there were two major developments in 2017 that had a strong impact on Gaslog’s activities: the energy transition, and growing niche markets in the mini-bulk and bottled gas businesses. The demand for alternative drive systems increased significantly in 2017, and in 2018 Gaslog will also test vehicles running on liquefied natural gas (LNG). Hence the cryogenic LNG will not only be transported as a product in future, but will also provide HOYER with the necessary drive. New LNG terminals raise the demand for transport within Europe – and Gaslog is prepared for it. In 2017, the business unit demonstrated its flexibility, agility and competitive strength by deploying small vehicles with fitted minibulk tanks. We are increasingly using CNG-powered vehicles for low-emission and low-noise distribution traffic in urban areas. The transport of cylinder gases is another growth area; here decisive market shares were maintained and gained. HOYER remains one of the market leaders in this sector. The scope of application of gases is undergoing continuous development, e.g. in medical technology, in

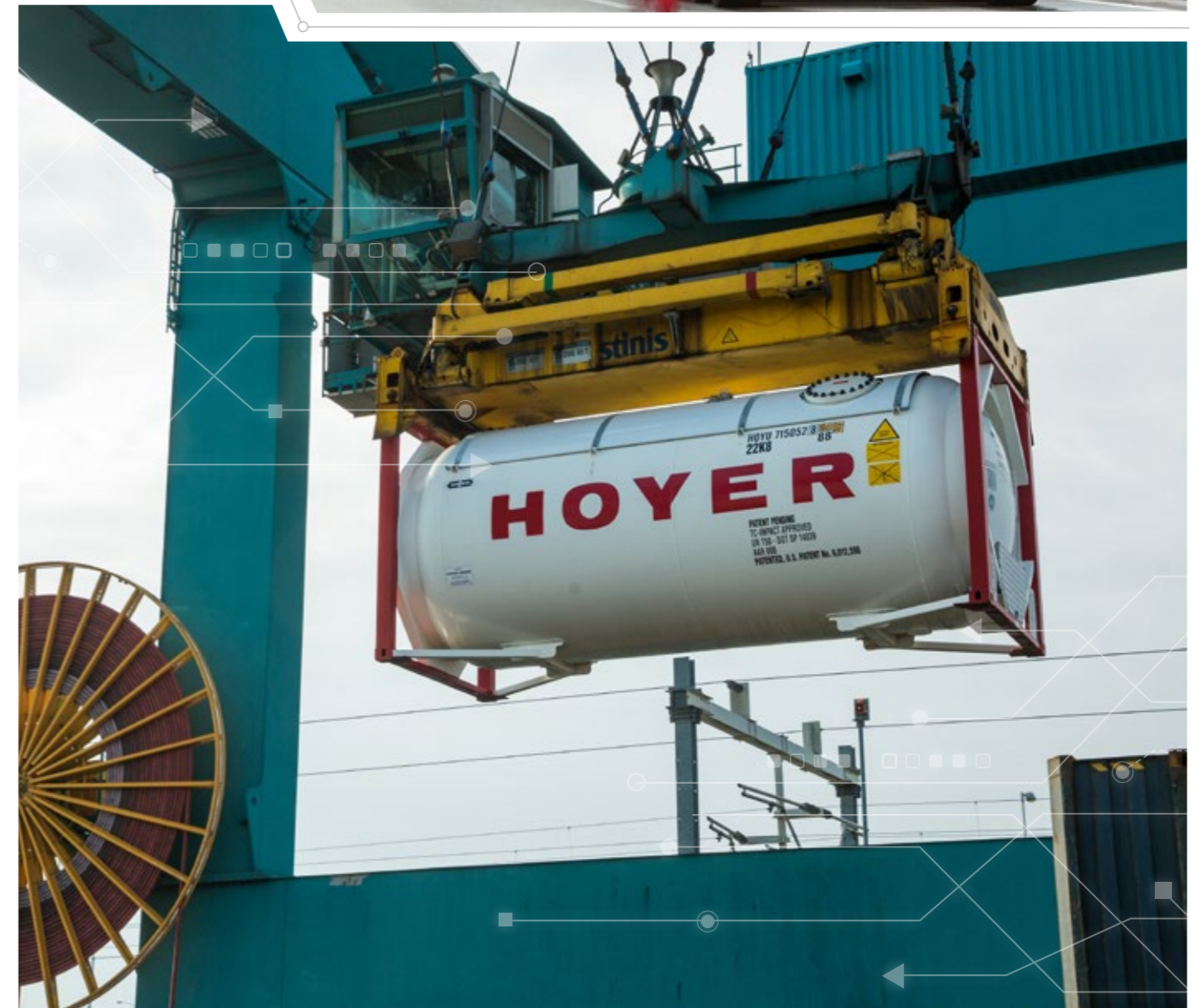
research, and in the food, entertainment and electronics sectors. Bulk transport formed the core business of the business unit in 2017, which sees change as an opportunity.

Digitisation for our customers’ benefit

Digitisation is progressing in the Gaslog business unit – whether in the context of internal work processes, in fleet maintenance or vehicle equipment. Many customers work with their own systems and solutions for route planning. As a result, up to ten different on-board computers are used in the approximately 450 vehicles that are on the road for Gaslog. Flexibility is required. Furthermore, the company is planning to equip its gas container fleet with smart technology. HOYER will thus further optimise customer service and safety of transports. Gaslog continues to opt for tailor-made solutions for products and transport – and for a trusting relationship with its customers.

Keeping an eye on developments

Due to the positive business development, the Gaslog business unit opened new sites in Germany in Hamburg and Hannover in 2017; it carefully monitors worldwide developments in the gas sector, which is influenced by mergers of giant corporations among other things. HOYER will continue to have a close look at the opportunities arising from this and the changing markets in Asia and Eastern Europe and will remain one of the leading transport and logistics providers in the gas sector in 2018 – both for big players and for medium-sized companies.



“One should never see market factors as something to be taken for granted. For HOYER it has always been important not only to monitor developments, but to understand what drives them. That is exactly what the petroleum industry demanded of Petrolog.”

⊙ The market for petroleum in the context of alternative fuels

For the Petrolog business unit, 2017 was an eventful year with many challenges and a number of learnings. Changing customer requirements and an important evolution in the petroleum market required the ability to embrace change at all levels.

At HOYER, no other business unit experienced the effects of social change in 2017 as directly as Petrolog. While in recent years early trends could be detected in the market for fossil fuels, now quite distinct directions have become clear. The business unit's strategy has been adapted to the new circumstances in the petroleum market.

A market undergoing change

HOYER is a market leader in petroleum logistics and the Petrolog business unit is active in eleven European countries. In 2017, positive developments were evident in the supply of petroleum to airports and into aeroplanes. Likewise, heating oil sales remained stable despite the increasingly attractive option of alternative sources of energy. However, there is a clear trend in volumes delivered to retail service stations, with reduced sales impacting revenues. At the same time, the ongoing low crude oil price continues to apply pressure on margins. In spite of the above, Petrolog was able to maintain the largest part of its business. Geographically speaking,

Germany and Great Britain continue to be key markets for HOYER in terms of providing delivery logistics for fuels and bitumen. Measures were initiated to stabilise the business in the weaker Scandinavian market.

When trends become transitions

The fuels marketplace is fundamentally changing. The possibility of long-term reductions in fuel sales through retail service station networks is driving a detectable change in market participants. Large oil corporations, which just a few years ago were still Petrolog's main customers, are increasingly withdrawing from service station ownership and being replaced by retail store specialists who are developing an adjusted business format that includes food, coffee and high-quality convenience store offerings. Filling up the car becomes incidental. Instead of a few large customers, Petrolog now has numerous retail customers. Meanwhile, the complexity of delivery logistics increases: reduced

stockholding and increased demand volatility now requires a faster logistics response at much shorter notice. This change in the nature of service station culture is a response to the social change towards alternative fuels – in particular towards electro-mobility.

Preparing now for future requirements

The automotive industry has made significantly greater technological advances in the development of alternatively fuelled engines for passenger vehicles than in that of heavy goods vehicles, but changes are also expected there soon. We will continue to monitor how they affect the market and its requirements. We are strengthening our networking with customers, fine-tuning the technology of automated service station supply, and structurally preparing ourselves for greater speed, flexibility and agility in the supply of fuels. This will enable HOYER to maintain its market-leading position in high-quality petroleum logistics.



“The incredible depth of knowledge of dangerous goods and their transport has always been a key feature at HOYER. There is another, second driving force at Netlog – change. The business unit is constantly reinventing itself in order to stay one step ahead at all times.”

⊙ Always on the move, always in touch with the times

The Netlog business unit not only looks after the equipment, but also accepts the challenge of identifying the suitable material for each product and of designing the tank container management ideally. Today, innovation is part of our daily business.

Since 2016, HOYER has been consolidating all container activity in the Netlog business unit. Fleet management ensures that the ideal transport equipment is available all over the world – whether this involves small intermediate bulk containers (IBCs) or large tank containers. This allows volumes to be combined, empty trips to be avoided and equipment purchasing to be optimised. The fleet is one of the most modern in the world, and we work on it every day.

Comprehensive portfolio

Netlog unites the expertise of different segments: individual customer advice on fleet management, engineering work on state-of-the-art tank containers, specialised IBC logistics by the Multilog business line, and the comprehensive care of containers in Europe with depots as well as cleaning and workshop sites provided by the cotac brand. At Netlog everything comes from a single source. The business unit's top priority today is to improve quality and standards, and to make optimum use of synergies.

Success story Smart Tank

Innovative approaches and experimental work on tank containers and IBCs are part of the HOYER tradition. In 2017, the know-how of skilled manual engineering was linked to new hardware and software, thus reaching a new level: sensors were developed for tank containers that report data on their location, temperature, filling level and density. Customers can call up the evaluated data via the

associated Smart Logistics portal. The potential for optimising the resource planning created by the system resembles a quantum leap in fleet management. Netlog is planning to equip HOYER's entire tank container fleet with this intelligent technology. The response has been positive: at the end of 2017, a major chemicals producer placed an order for its worldwide tank container fleet to be equipped with the smart technology.

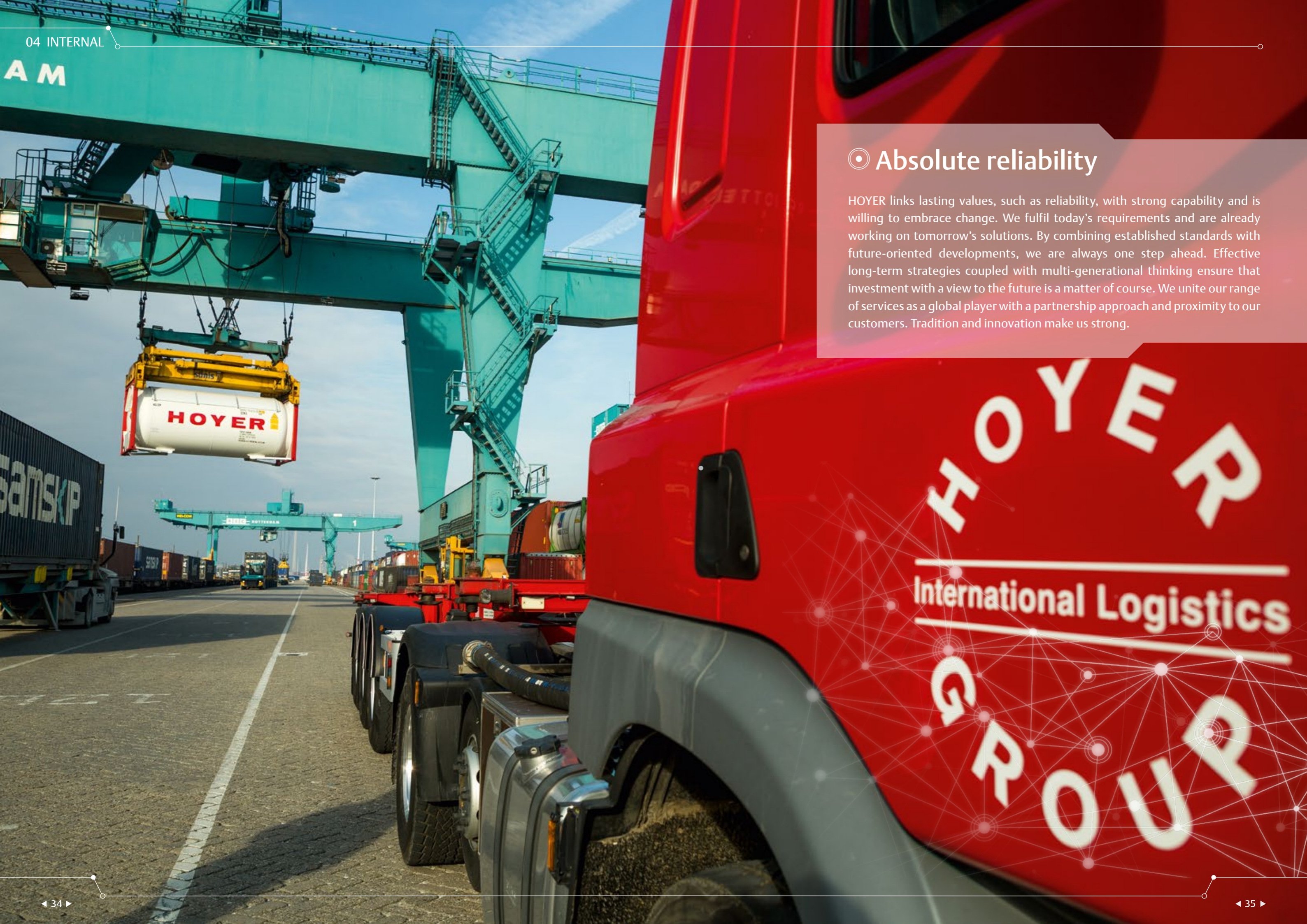
European market leader for IBCs

The IBC business of HOYER also caught the wind in its sails in 2017. With the acquisition of the French brand CCR, we have further strengthened our position as the market-leading supplier of these small stainless steel containers in Europe. The cooperation has developed very positively; entry into the US market has taken place, activities in China have been successfully expanded and it has been possible to increase the overall fleet utilisation.

A unique interaction of qualities

Netlog has responded to the growing demand for complex consultancy services, particularly in Europe, by investing in personnel and training. In addition, existing structures and processes have been analysed and optimised. Netlog's special strength is the interaction of the expertise of experienced engineers and up-and-coming software developers – thus opening new avenues. Customers in the chemical industry value HOYER's competence in the special construction of tank containers, whether it be 45' tank containers or composite tanks. The growth rates in the leasing of special containers to the chemical industry speak for themselves. For Netlog, this means embracing change and remaining flexible, always adapting and being in touch with the times.





◎ Absolute reliability

HOYER links lasting values, such as reliability, with strong capability and is willing to embrace change. We fulfil today's requirements and are already working on tomorrow's solutions. By combining established standards with future-oriented developments, we are always one step ahead. Effective long-term strategies coupled with multi-generational thinking ensure that investment with a view to the future is a matter of course. We unite our range of services as a global player with a partnership approach and proximity to our customers. Tradition and innovation make us strong.

HOYER
International Logistics
GROW

Highlights 2017

St Louis, USA

In St Louis, USA, HOYER receives an order from a customer in November 2017 to manufacture 540 specialised lined tank containers. In future, they will be used for the international transport of the company's raw materials. This is the largest contract we have received to date.

Brunsbüttel, Germany

In March 2017, HOYER is awarded "Best Supplier" by Covestro in the category Cost Transformation. The chemical company awards the prize for the successful outsourcing and takeover of logistics at the plant and the professional support provided by our Supply Chain Solutions team during the change processes at the Brunsbüttel site in Germany.

Berlin, Germany

The Smart Logistics digitisation strategy of HOYER receives the Digital Leader Award in Berlin, Germany, in June 2017 as one of the top 3 corporate strategies in the Create Impact category. The distinction honours courageous pioneers in established companies that are driving forward the German economy's digital transformation and successfully breaking new ground.

Urumqi, China

With the joint venture China Containerized Bulk Logistics Co., Ltd. (CCBL), HOYER is expanding its business activities in Asia. Founded in Urumqi, China, together with China Logistics in August 2017, the company handles the logistics of liquid and dry bulk. CCBL already carries out bitumen transports for the Chinese Belt & Road infrastructure project.

Kansas City, USA

HOYER wins the contract with Bayer Crop Science to supply all their tank containers worldwide with smart technology, including tracking and alerting functions. We provide devices, system and services. In November 2017, the international roll-out starts in Kansas City, USA.

Kuala Lumpur, Malaysia

Powertex Asia Pacific, a wholly owned subsidiary of the HOYER Group, manufactures its 30,000th flexitank near Kuala Lumpur, Malaysia, in March 2017. The linear low-density polyethylene (LLDPE) tanks of different sizes enable weight-reduced transport of foodstuffs and harmless chemicals.

Neuss, Germany

In November 2017, the HOYER Group and the H&S Group join forces in the joint venture H&H Foodlog with headquarters in Neuss, Germany. The combination of the assets and knowledge of our Foodlog division and H&S's own transport business (H&S Foodtrans) creates a strong pan-European network and enables innovative logistical solutions and hence the best possible service for customers.

Al Jubail, Saudi Arabia

HOYER expands the operational activities of Supply Chain Solutions in the Middle East: in November 2017, we found the joint venture HOYER Middle East with Petrochem Middle East FZE and Al Fahdah Al Arabia Trading Company Ltd. The construction of our first filling and blending business in Al Jubail, Saudi Arabia, develops this growth market.

Paris, France

With the acquisition of CCR, the French major lessor of IBCs and Small Portable Tanks with headquarters in Paris, HOYER opens up a new market segment in the cosmetics industry. The merger in August 2017 strengthens the further development of the China business and activities in North America. We thus have about 41,200 intermediate bulk containers (IBCs).

Shah Alam, Malaysia

HOYER strengthens its presence in Asia by opening an own subsidiary in Shah Alam, Malaysia. Since July 2017, ten employees of our Deep Sea business unit have been coordinating international transport logistics and are also active in sales, purchasing and administration near Kuala Lumpur.

“The rate of digitisation and automation has increased in many areas of our social and economic life. We see entrepreneurial opportunities for HOYER in this change, and we grasp them while remaining true to our principles as a family business. Far from being a contradiction, this is a fundamental necessity for successful long-term development.”

Thomas R. J. Hoyer, Chairman of the Advisory Board of the HOYER Group

Enduring values in a changed world

Digital transformation is changing many areas of our everyday life. It shapes the private and working lives of each one of us. Digitisation and the automation process are well known in industry under the keyword Industry 4.0. This development does not stop at the logistics sector either. Whereas the accompanying shifts may appear menacing due to its rapidity, HOYER consciously faces up to it and takes advantage of change as an opportunity, while remaining loyal to enduring values as the keys to success.

Globalisation, digitisation, networking and automation: the business world is challenged by these developments. Which changes will prevail in the future? How must our own technological infrastructure adapt? Which structural modifications are necessary? Traditional businesses find themselves directly confronted by competing start-up companies that question long-established market practices. HOYER closely observes how this transformation is changing the market and its participants. The importance of agility and flexibility is becoming ever greater, and fast response is indispensable. Nonetheless, combining them with long-established values is exactly what tips the balance towards further positive corporate development. Returning part of this success to society is the task of the Friedel and Walter Hoyer Foundation, which sponsors cultural, charitable and social projects.

HOYER has always been acutely conscious of the core values of reliability, safety and quality, which are the responsibility of every employee worldwide at all levels of the company – in spite of changes and volatile markets. For HOYER, the need to adapt is part of the culture that is reflected in creative and innovative thinking. Whereas in the past this mainly involved innovations in material properties and equipment characteristics, we now recognise the digital revolution as a new force driving developments such as the Smart Tank. It is an area in which hardware and software applications are expanding traditional engineering competence. Ortwin Nast, Chief Executive Officer of the HOYER Group, outlines “Of course we respond to the market’s changed requirements. But we want to go further: shape the future of logistics digitally.” This gives new importance to our identity as a family business with a strongly developed system of values. Agility and flexibility meet stability and continuity at HOYER.

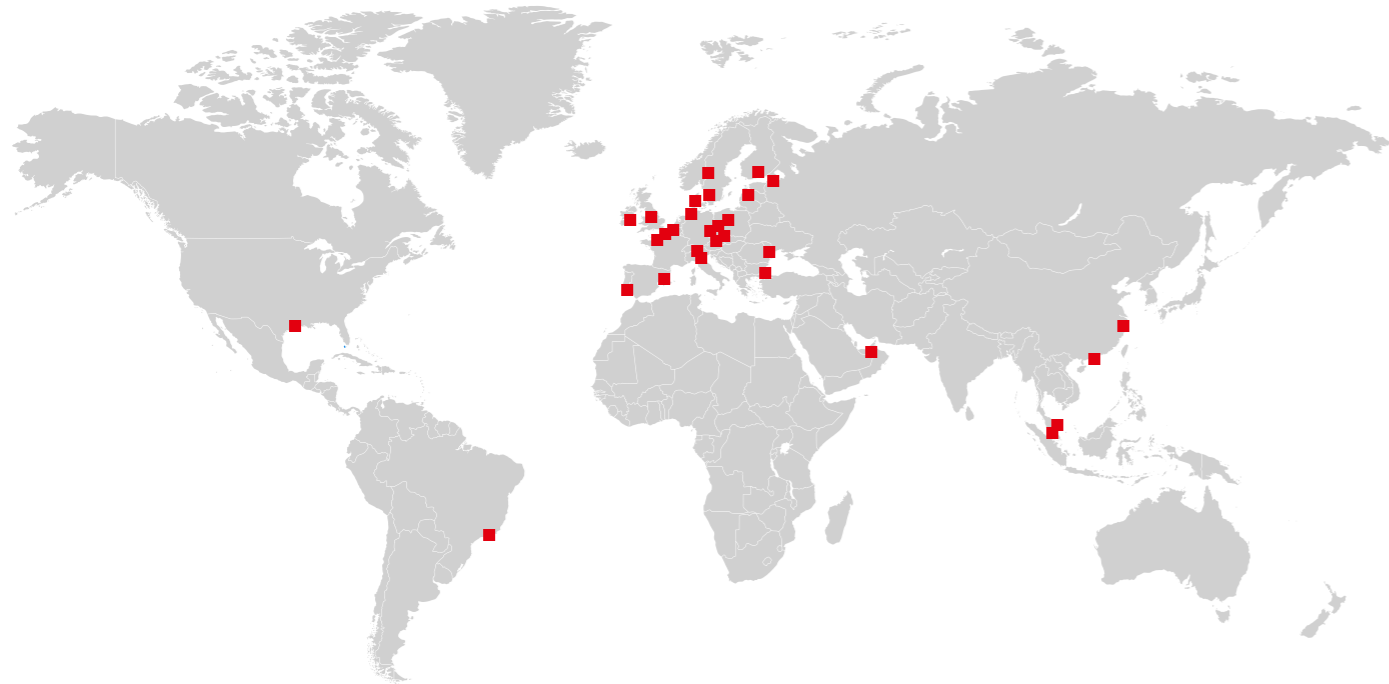


The expertise of long-standing employees teams up with the inspiration of young colleagues. Through encouraging synergies, HOYER resolves contrasts between the old and the new world, which is characterised by digital transformation. The corporate culture supported by collaboration worldwide serves as a link, even during controversial discussions: awareness of responsibility, respectful conduct towards one another, trust and common aims. The company’s most important asset is its workforce, and their skills and dedication are appreciated. Their observations, questions and ideas, together with impulses from partners and customers, are the driving forces through which HOYER develops innovations. Ortwin Nast adds “We see innovation as an opportunity to design our processes more efficiently, more securely and more economically, and to fulfil our customers’ wishes better than our competitors. A good, well-proportioned symbiosis between tradition and innovation is what accounts for our success.” The flat hierarchies at HOYER enable uncomplicated interdisciplinary exchange. Experts from various departments collaborate on specific issues to work efficiently and comprehensively on solutions. This is all the more important in view of

the ever-faster changes brought about by digitisation. One thing is and remains unchanging, especially at the present time: the human factor. It is a central starting point for the digital transformation. By combining human know-how with technology, digitisation and networking we create a new world and shape the future of logistics.



Global presence



- HOYER Belgie N.V./Antwerp
- HOYER Slovenská rep. s.r.o./Bratislava
- HOYER Bulgaria EOOD/Burgas
- HOYER Italia S.r.l./Busto Arsizio
- HOYER Portugal Unipessoal Lda./Cabanas
- HOYER Global Transport FZE/Dubai
- HOYER Ireland Ltd./Dublin
- HOYER Danmark A/S/Fredericia
- HOYER Türkiye Ltd./Gebze
- HOYER Svenska AB/Gothenburg
- HOYER GmbH
Internationale Fachspedition/Hamburg
- HOYER Finland OY/Helsinki
- HOYER Limited/Hong Kong
- HOYER Global (USA) Inc./Houston
- HOYER UK Ltd./Huddersfield
- HOYER Polska Sp. z o.o./Katowice
- HOYER Baltic Expedition UAB/Klaipeda
- HOYER Norway AS/Lena
- HOYER (Svizzera) SA/Mendrisio
- HOYER Nederland B.V./Rotterdam
- HOYER France S.A.S./Rouen
- HOYER Slovenija d.o.o./Ruse
- HOYER Global (Brasil) Ltda./São Paulo
- HOYER Sinobulk Transport Co. Ltd./Shanghai
- HOYER Deepsea Malaysia Sdn Bhd/Shah Alam
- HOYER Global Singapore Pte Ltd./Singapore
- OOO HOYER RUS/St Petersburg
- HOYER Hungária KFT/Szombathely
- HOYER España S.A./Tarragona
- HOYER Austria GmbH/Vienna

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Design: Implizit GmbH
Photography: Markus Heimbach,
Tom Lee, Shutterstock/Toria,
Oliver Vonberg

