

Bunker Holding sees 'controlled growth' as preferred long-term strategy

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CEO Keld Demant discusses the group's master plan for 2020 and beyond.



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The key objective of Bunker Holding Group in the medium and long term is to achieve "controlled growth", CEO Keld Demant has told Bunker Index.

In order to achieve this objective and support its strategy of being the preferred marine fuel seller worldwide, the company intends to take on more staff and expand its operations in a controlled and sustainable manner - and only "if the quality is there", Demant says.

The company's master plan for the future is set against the backdrop of solid financial results for 2017-18, which saw Bunker Holding deliver a 16 percent improvement in earnings before tax to \$40 million, a rise in sales volume, and a year-on-year jump in revenue of 26.2 percent to \$8,153m - the best since 2014-15.

Demant told Bunker Index that one of the key reasons for the improved results is the firm's investment in people.

"We have remained with the same good people for a long time. We've invested in new people and training these people has paid off because the clients we have are becoming even more demanding. Therefore, it's really important that you're up to speed both on what's going on and what's going to happen," Demant explained.

Another main reason for the growth figures, according to the Bunker Holding CEO, is the role played by its owner, Torben Oestergaard-Nielsen.

"We have been owned by an individual who really understands this industry, which means that we are in a position for decisions to be taken really fast and we can make the right moves," he said.

Looking ahead to the implementation of the 0.5 percent global cap on fuel sulphur content in 2020, Demant noted that there will be "some" additional investment costs in the run up to the implementation date, but that "the majority of these have already been taken".

The CEO pointed out that Bunker Holding has been investing in people as part of its 2020 strategy - including the knowledge acquired with the recent appointment of Carlos Torres from BP.

Additionally, "a lot" is said to have been invested in IT in a move designed to better understand the needs of its clients, with the company keen to ensure that it is able to meet the fuel purchasing requirements of customers in ports around the world.

Demant said a key issue that the company has had to prepare for ahead of 2020 has been understanding what refuelling solutions its clients will be choosing - whether it be distillates, low-sulphur fuel oil, alternative fuels or high-sulphur fuel oil with scrubbers.

"Quite obviously, you also need to prepare yourself to understand what direction your clients are taking and making sure that you have a plan for how to show them. If you start doing that mid/late 2019, it's too late. If you haven't started yet, I would say that you're already late," he remarked.

And with the average bunker price set to jump in 2020 due to the use of more expensive fuels, Demant noted that the company has also had to prepare for the future financial needs of its clients.

"You want to prepare yourself to be in a position to be able to cope with that also," he stressed.