

# SDA Holding - International vehicle distributor grows from Africa to Europe and beyond

As a top-performing but relatively small economy, Belgium has built itself up on the strength of its service economy. The United Nations Conference on Trade and Development reports that service exports nearly doubled between 2005 and 2020 to hit \$116.1 billion, driven by growth in the transportation, logistics, and distribution segments. Top Belgian firms have found enormous success expanding beyond the country's borders, as evidenced by the impressive evolution of SDA Holding, a leading distributor of premium brand vehicles and machinery.

The group traces its origins back to 1991, when Belgian entrepreneur Philippe de Moerloose launched a vehicle distribution business serving the African market. The business extended its reach to more than 30 countries across the continent before it was officially founded as SDA in 2008. It set its sights on Europe after that because, as de Moerloose explained, geographic diversification is the key to success: "We are in three different regions: Africa, Europe, and Great Britain, and it

while DEM Group, a second subsidiary, is in charge of other premium brands such as Hitachi, John Deere and Wirtgen. The group employs more than 2000 people across its operations, and expects to record a consolidated turnover of €1 billion this year on the strength of resurgent global demand and post-pandemic recovery.

The group's growth story is remarkable. It has evolved from a local automotive import-export company into a tier one player and distributor of premium heavy equipment with a number of value-added subsidiaries.



has become clear to us that diversification is very important. With Covid last year for example, Great Britain was hit very hard by that and Brexit, but Africa was going very well. Now Africa is suffering from the second wave of Covid, but Europe is doing much better than last year."

SDA's core industrial activities are centred on the distribution of premium heavy equipment brands. SDA's operating subsidiary, SMT Holding, is the exclusive distributor of brands among which Volvo Construction Equipment and Volvo Trucks,

These business lines concentrate resources in fields where the group already has deep expertise and works to develop world-leading heavy equipment distribution for industrial, transportation, quarries, agricultural and civil engineering clients.

The group was able to expand rapidly in Africa because of its multi-pronged development strategy that focused on organic growth, joint ventures and acquisitions. This same strategy also helped it expand beyond Africa: In 2015, the group acquired Kuiken Groep, the exclusive dealer



Philippe de Moerloose  
Founder and Chairman - SDA Holding

of Volvo Construction Equipment in Benelux.

It followed up on these successful ventures with the acquisition of Volvo Construction Equipment's exclusive dealership in Great Britain in 2017. Today SDA's subsidiaries distribute around 4000 heavy equipment units on its territories. As de Moerloose explains, this success came about because of its innovative and competitive value proposition:

"We provide a premium service to the client. This is why we're investing a lot in digitalization. Today with SMT we are able to track our machines, which means that with every machine we're selling, we know when we have to make a preventive maintenance check, we can control the fuel and oil consumption and prevent breakdowns. We're extremely proud to be at the forefront of innovation and offer this kind of service to the client; you can go on the website and control your fleet of machines operating anywhere in the world. I think this is the future of this kind of activity," he said.

Having already realized considerable success in its core markets, SDA Holding's teams focus on new expansion plans and the group is now looking to attain critical mass by expanding into the world's two largest markets: the US and Asia. As de Moerloose explained, it's the logical next step for his fast-growing business:

"Today the ambition of the group is to try to reduce our exposure to Africa risk and develop the business in more mature markets. We would also be looking for possible acquisitions, and with that in mind, we have decided to enter into the United States, and the step after that will be Asia. The critical mass is there, in the US and Asia. We have worked a lot with China, and our partner Volvo has its own Chinese brand, so why not work in a joint-venture with Volvo and open dealerships in China, for example?"