

Unipart announces financial results for the year ended 31 December 2023

*Unipart delivers strong growth and revenues exceed £1bn
Profits recovered well following a year of significant growth and expansion*

- Like-for-like revenue increase by 14.2% to more than £1bn for the first time
- Profit recovers and exceeds pre Covid levels
- Strong year end cash position with minimal borrowings
- Continued strong safety and environmental performance

Unipart, the supply chain solutions and performance improvement technologies partner, is pleased to announce it delivered a strong year of growth and expansion in 2023.

Group turnover increased to £1,047.9m (2022: £917.3m), delivering underlying Group profit before interest and tax to £21.7m (2022: £12.2m). Unipart's international regions delivered strong profit growth, with the UK business showing solid progress over 2022.

Darren Leigh, Unipart Chief Executive Officer, said: "I am proud of the progress we've made in accelerating our growth in 2023. It was a strong year for us - surpassing £1 billion in revenue and materially strengthening our profitability.

"In the face of ongoing market headwinds and external disruption to global supply chains, Unipart's supply chain solutions and performance improvement technologies are needed by our customers more than ever before. We are uniquely placed to offer deep supply chain expertise coupled with delivery of high performance and value for our customers. I would like to thank our colleagues for their dedication and hard work, and our customers and partners for their ongoing support and commitment.

"With a clear growth strategy across our seven core market sectors, a robust order book and a talented, committed team of experts, I am confident in the outlook for 2024 and our next chapter of growth.

"This is an exciting year for Unipart - we celebrate the 50th anniversary of the Unipart brand. While much has changed over the last half century - today we stand as a diversified business of over 12,000 colleagues operating in 21 countries - what has always remained at Unipart's core is our commitment to serving our customers better than anyone else."

John Neill, Unipart Executive Chairman, said: "This year we celebrate the 50th anniversary of the Unipart brand and the guiding philosophy established in 1974: *"To understand the real and perceived needs of our customers better than anyone else and serve them better than anyone else."* Living by this philosophy has enabled us to continually reinvent our business to participate in the future and continuing to do so is more important than ever.

"We need to keep growing in a faster changing world which in some respects is hard to calibrate so we must and will embrace the multitude of Generative AI tools to enable us to create innovative products, services and solutions for our company and our customers. I have been very encouraged by Darren's personal commitment to the philosophy and unambiguous commitment to The Unipart Way which continues to be our source of competitive advantage.

"Unipart pioneered the stakeholder management philosophy in Britain and I'm grateful to all of our stakeholders, particularly to our customers and all my fellow employees for their engagement, support and commitment."

Business growth

In 2023, Unipart delivered growth across its seven market sectors, working with leading global and UK customers.

In the UK, Unipart renewed contracts with prominent industry leaders, such as Volkswagen Group UK, which involved implementing advanced quality and environmental management systems, further solidifying Unipart's commitment to driving efficiency and sustainability within its partnerships.

In the technology sector, Unipart extended its expertise into broadband infrastructure services, winning a logistics contract with G.Network. The successful implementation of The Unipart Way methodology played a crucial role in ensuring the project's smooth execution, underscoring Unipart's commitment to operational excellence across the technology sector.

Furthermore, the extension of partnerships with telecommunications giants Vodafone and Three UK demonstrated Unipart's dedication to fostering long-term collaborative relationships. These renewals emphasised Unipart's role as a trusted partner in delivering forward logistics services and operational excellence to support its customers' evolving needs.

Unipart mobilised a major new contract with Airbus to provide differentiated logistics solutions to support across a wide range of areas. The team at Airbus were among 3,000 people to join Unipart in 2023.

Unipart's collaboration with NHS Supply Chain showcased its ability to drive cost savings and execute strategic projects in the healthcare sector, further cementing its position as a reliable partner in healthcare logistics.

Performance improvement technologies

Unipart's role as a performance improvement technology partner in the rail sector has been pivotal amidst industry challenges. Despite ongoing trading difficulties and organisational changes within Network Rail, Unipart's transformative technology solutions and supply chain expertise have been instrumental in driving efficiency and innovation. Collaborations with third-party innovators have resulted in the adoption of disruptive technologies like Fuel Active and Gripple, enhancing operational performance, improving efficiency and reducing installation time for overhead line components.

Moreover, Unipart's success in securing government grants for innovation projects underscores its commitment to advancing technology in the rail sector. Initiatives such as the development of a robust communication network and the implementation of digital solutions like 'Request to Stop' have not only improved passenger experience but also yielded environmental benefits, reducing carbon emissions and enhancing timetable resilience.

Unipart's international expansion in North America and Australia has introduced advanced rail maintenance equipment, promoting efficiency and safety in track construction projects. Contracts for heating ventilation and air conditioning system overhauls in the US further demonstrate Unipart's global presence and commitment to delivering high-quality solutions across diverse markets.

New products, services and solutions

In 2023, Unipart launched Eco Insight, a real-time monitoring solution, enabling easy identification of energy inefficiencies, driving benefits for both Unipart and its customers. Unipart Construction Technologies introduced Laser Cut Reinforcement, revolutionising structural concrete applications with a low-cost, low-carbon alternative to traditional steel rebar.

During the year, Unipart launched its Lead Logistics Provider proposition, offering comprehensive supply chain management to drive transformation and innovation globally, and its e-commerce, consumer and retail sector proposition to provide flexible and commercially-viable solutions for small to medium-sized operations, supported by Unipart's expertise and guidance.

Sustainability

Unipart's ambitious net zero 2040 strategy was validated as a science-based target in 2023. The Science Based Targets initiative validated Unipart's commitment to reach net-zero greenhouse gas emissions across the Unipart's operations and value chain (Scope 1, 2 and 3) by 2040.

Across Unipart's UK sites, electricity consumption, general waste, dependency on natural gas and single-use plastics, were all reduced.

Unipart has established a portfolio of products, services and solutions that support the drive towards net zero targets in line with government legislation.

In 2023 it introduced life cycle assessment reports for its manufactured rail products and is identifying and working to reduce areas of high-carbon impacts. Unipart's Growth in the Green Economy strategy builds on this and supports faster identification and development of new technologies and solutions, and the continued deployment of existing solutions into the sectors serviced to reduce and eliminate carbon, and deliver a step change in sustainability performance for Unipart and its customers.

During the year, Unipart became the first organisation ever to be recognised with a world-class safety, wellbeing and sustainability 'treble' by the British Safety Council.

Ends

Unipart Group is a leading provider of supply chain solutions and performance improvement technologies. It has deep expertise and breadth of capabilities in seven core sectors - automotive, rail and public transport, technology, healthcare, aerospace and defence, e-commerce, consumer and retail, and industrial sectors.

Unipart's customer promise is: 'To understand the real and perceived needs of our customers better than anyone else and to serve them better than anyone else.' At the heart of delivering this is 'The Unipart Way', which is demonstrated in the way colleagues think, work and behave. The Unipart Way empowers more than 12,000 colleagues across operations in the UK and 20 international markets with a continuous improvement mindset, delivering operational excellence and added value for customers, everyday.

In 2023 Unipart delivered £1bn turnover. In 2024 it is celebrating the 50th Anniversary of the Unipart brand, having been a division within British Leyland in 1974 and becoming a private company through a management buyout in 1987.

Unipart is committed to setting the highest standards for colleague safety and wellbeing and sustainability. In 2023 it became the first organisation ever to be recognised with a world-class safety, wellbeing and sustainability 'treble' by the British Safety Council, and had its ambitious near-term and net-zero targets validated by the Science Based Targets initiative (SBTi).