

Pre-close Trading Update

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DX (Group) PLC
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DX (Group) plc
("DX" or "the Group")

Pre-close Trading Update

DX, the provider of delivery solutions, including parcel freight, secure, courier and logistics services, announces the following pre-close trading update for the financial year ended 30 June 2019.

The Board is pleased to announce that results are expected to be in line with market forecasts, with DX moving back into profitability, generating EBITDA of £3.2m (2018: EBITDA loss of £4.9m) from revenue up by 8% to c. £322.5m, (2018: £299.5m). Net debt at the year-end is expected to be significantly better than forecast at approximately £1.3m (30 June 2018: £1.1m). This is after a £3.3m capital investment in the business and reflects improved working capital management.

Both DX Freight and DX Express contributed to the improvement. DX Freight, which includes the Group's irregular dimensions & weight and logistics activities, benefitted from significant improvements in operational efficiency and customer service. It continues to secure healthy levels of new business, which is improving the utilisation of the existing capacity in its network.

DX Express, which includes DX Exchange, Secure and Courier services, has further slowed the rate of attrition of the annuity revenue at the Document Exchange. Its Courier offering is growing, which will help offset the impact of the non-renewal of the HMPO contract due to expire in January 2020, as previously announced on 28 May 2019.

The Group is well-positioned to make further progress in the new financial year and remains on track to achieve market forecasts of EBITDA of £7.7m, as reported on 28 May 2019.

Full year results are expected to be announced on 24 September 2019.

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via regulatory news service this inside information is now considered to be in the public domain.

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