

Trading Update

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

Trading Update

DX, the provider of delivery solutions, including parcel freight, secure courier and logistics services, is pleased to announce an update on trading for the 53 weeks ended 3 July 2021.

Since the last market update on 13 May 2021, the Group has continued to trade well, with strong ongoing momentum at DX Freight, ahead of management expectations, and good progress at DX Express. As a result, the Board now anticipates that DX will significantly exceed existing market forecasts¹ for adjusted profit before tax for the financial year ended 3 July 2021. Reflecting the increase in profitability, net cash at the year-end is also better than expected at £16.8m (2020: net cash of £12.3m), a rise of 37% year-on-year.

The outperformance at DX Freight is expected to result in the division's revenue for the financial year being approximately £6m higher than previously anticipated. DX Express, which provides secure express deliveries, performed well, in line with management expectations as lockdown restrictions lifted. Both divisions secured good levels of new customer wins and increased volumes from existing customers. These increased volumes, coupled with productivity improvements, have benefited operating margins, particularly at DX Freight.

The Group has continued to expand its depot network, in line with growth plans. As well as adding capacity, this has also driven customer service benefits. Since March 2021, three new DX Express depots have been opened, in Glasgow, Rotherham and Middlesbrough, and the existing DX Freight depot at Maidstone has been significantly enlarged. The Hoddesdon depot, which serves DX Freight, was also extensively upgraded in April. Further investment in the depot network is on track, and a total of fifteen new depots are now planned over the next two years.

The Board remains confident about DX's prospects, and expects to publish the Group's preliminary results for the 53 weeks ended 3 July 2021 in late September 2021.

Note 1: *Adjusted pre-tax profit excludes share-based payments and amortisation of acquired intangibles. Prior to this announcement, the range of market estimates for adjusted pre-tax profit for the current financial year was £10.0m - £10.3m.*

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

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About DX (Group) plc:

DX is a well-established provider of a wide range of delivery services to both business and residential addresses across the UK and Ireland. First established in 1975 as a Document Exchange service to the legal sector, DX now provides one of the widest ranges of overnight delivery services in the market, as well as logistics services. Items that DX transports range from confidential documents and valuable packages to large, awkward-to-handle freight, unsuitable for automated conveyor.

DX Freight: comprises DX 1-Man, DX 2-Man and Logistics. The Division specialises in the delivery of irregular dimension and weight freight ("IDW").

DX Express: comprises DX Parcels and DX Exchange and Mail. The Division specialises in the express delivery of parcels and documents.

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