

Trading Update

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DX (Group) PLC
14 July 2020

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

Trading Update

DX, a leading provider of delivery solutions, including parcel freight, secure, courier and logistics services, is pleased to provide an update on trading for the 52 weeks ended 27 June 2020. As an essential service provider, DX continued to maintain operations at all of its depots and service centres after the UK Government's COVID-19 'lockdown' measures came into effect, with the health and safety of all employees and customers remaining paramount.

Since the Company's last update on 28 May 2020, trading in both the Freight and Express divisions has continued to improve, and Group revenue for June was only 3% below previous forecast levels (set prior to the COVID-19 pandemic). This improved performance across both divisions mainly reflects recovery in volumes from existing customers but also some new business wins.

As a result, the Board expects that revenue and adjusted EBITDA for the full year (both on an IAS17 and IFRS16 basis) will be in line with current market forecasts¹ and that the Company will report an adjusted pre-tax profit² on an IAS17 basis. This will be DX's first full year adjusted pre-tax profit since the current management team initiated its turnaround plan for the business in spring 2018. The net cash position of £12.3m at the year-end (2019: net debt of £1.3m), was better than market expectations, although it has benefited from payment deferrals of £11.9m in total, including VAT and other agreed payment holidays.

Volumes are continuing to rise, supported by strong levels of customer service. Both divisions are experiencing a business mix slightly more weighted to B2C than previously anticipated. The Company's £10.0m capital investment programme, to be completed over the course of FY20 and FY21, is progressing as planned.

Full year results are expected to be announced in late September.

Ronald Series, Chairman of DX, commented:

"Having launched our turnaround plan two and a half years ago, we are delighted to report the Company's expected return to adjusted pre-tax profit. It demonstrates the hard work, expertise and resilience of our people. We have a clear vision for ongoing growth and remain wholly focused on the next stage of the Company's development."

Notes

Note 1 The Board believes that the consensus market estimate for revenue for the financial year ending 27 June 2020 prior to this announcement was £326.7m and that the estimate for adjusted EBITDA was £3.4m (IAS 17 basis) and £24.0m (IFRS 16 basis)

Note 2 Adjusted pre-tax profit excludes share-based payments and amortisation of acquired intangibles. Prior to this announcement the market estimates of adjusted pre-tax profit were a loss of £0.9m (IFRS16 basis) and a profit of £0.4m (IAS17 basis)

The information communicated in this announcement contains inside information for the

purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

Enquiries:

DX (Group) plc

Ronald Series, Chairman
Lloyd Dunn, Chief Executive Officer
David Mulligan, Chief Financial Officer

T: 020 3178 6378 (c/o KTZ
Communications)

finnCap (Nominated Adviser and Joint Broker to DX)

Matt Goode/Simon Hicks/Hannah Boros (Corporate
Finance)
Andrew Burdis/Camille Gochez (ECM)

T: 020 7220 0500

Liberum (Joint Broker to DX)

Robert Morton/Euan Brown/William Hall

T: 020 3100 2000

KTZ Communications

Katie Tzouliadis
Dan Mahoney

T: 020 3178 6378

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