Trading Update

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

Trading Update

DX, the provider of delivery solutions, including parcel freight, secure courier and logistics services, is pleased to provide an update on trading for the 27 weeks ending 2 January 2021, the first half of its current financial year.

Trading over the period continued to track materially ahead of last year up until Christmas. Since then momentum has remained encouraging although B2B volumes have been modestly impacted by the national lockdown imposed in December. Nonetheless, the Board now anticipates that DX will materially exceed current market expectations for adjusted profit before tax for the financial year.

The outperformance reflects continuing strong progress at DX Freight, where both volumes and margins have improved over the same period last year. Volumes at DX Express were slightly better than management expected but margins have softened. This was due to the business mix, with a greater proportion of B2C deliveries as B2B volumes were impacted by the coronavirus restrictions. Net new business across both divisions remains encouraging and the new business pipeline is very healthy.

The Group's delivery network has been expanded with three recent depot openings at DX Freight. This will support DX's continuing growth and improve productivity. Plans to expand the network with a further three sites over the second half of the financial year are well under way, reflecting management confidence and new business opportunities.

The Group's financial position remains strong, with high levels of liquidity and significant headroom within DX's invoice discounting facility.

The Board expects to report interim results in early March 2021 and will provide further details on trading at that time.

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 standard conveyors.

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