

# Trading Update

RNS Number : 6602F  
DX (Group) PLC  
13 November 2015

**13 November 2015**

**AIM: DX.**

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

## **Trading Update**

DX, the leading independent parcels, mail and logistics operator, announces an update on trading for the financial year to 30 June 2016.

As previously reported, trading conditions in the new financial year remain challenging, with pricing pressure a significant factor. While the company continues to make satisfactory progress towards its long term goals under the OneDX programme, trading patterns in the first half to date have deteriorated.

In particular, the DX Exchange operation is experiencing a higher than expected level of volume erosion and there have been increased cost base pressures, mainly arising from driver resourcing issues (where there is an industry wide shortage). In addition, the new business pipeline in our parcels operation, while healthy, is converting more slowly. This means that while revenues for the first four months are 5.3% down against the prior period, the Board now expects that profits will be significantly below current market forecasts. The balance sheet remains robust, with low levels of net debt (30 June 2015: £1.8m). The Board anticipates the dividend payout for the full year to amount to 2.5p per share.

The company has signed a number of major new customer accounts in the period to date, including accounts which have yet to start trading, and management remains focused on opportunities for long term relationships providing commercially acceptable returns.

Petar Cvetkovic, Chief Executive Officer of DX, said:

*"This announcement is very disappointing. However we continue to position the business for long term success, creating a more efficient operating structure to support our services under our OneDX programme. The fundamentals of the business remain robust and while trading conditions are challenging, we are building strong foundations for future growth."*

### **Enquiries:**

#### **DX (Group) plc**

Bob Holt, Chairman

T: 07778 798 816

Petar Cvetkovic, Chief Executive Officer

T: 01753 631624

Ian Pain, Chief Financial Officer

T: 01753 631624

#### **Zeus Capital (Nominated Advisor and Joint Broker)**

T: 020 3829 5000

Nick How/ Dan Bate

John Goold/ Dominic King

#### **Numis Securities (Joint Broker)**

T: 020 7260 1000

Rupert Krefting

Stuart Skinner

#### **KTZ Communications**

T: 020 3178 6378

Katie Tzouliadis

This information is provided by RNS  
The company news service from the London Stock Exchange

END

TSTGGGBCGUPAGUW