

Interim Results

RNS Number : 7658E
DX (Group) PLC
03 March 2020

3 March 2020
AIM: DX.

DX (Group) plc
("DX" or "the Group" or "the Company")
*A leading provider of delivery solutions,
including parcel freight, secure, courier and logistics services*

Interim Results
For the period ended 28 December 2019

On Track to Return to Pre-tax Profit in the Current Financial Year

	Period ended 28 Dec 2019	Period ended 28 Dec 2019	6 months ended 31 Dec 2018	Change
	IFRS16¹	IAS17¹	IAS17	IAS17
Revenue	£170.1m	£170.1m	£157.0m	+£13.1m
EBITDA ²	£10.4m	£0.1m	£(2.5)m	+£2.6m
Underlying results from operating activities ²	£0.4m	£(1.0)m	£(4.4)m	+£3.4m
Reported results from operating activities	£(0.3)m	£(1.7)m	£(5.1)m	+£3.4m
Adjusted loss before tax ²	£(1.7)m	£(1.2)m	£(4.6)m	+£3.4m
(Loss) before tax	£(2.4)m	£(1.9)m	£(5.3)m	+£3.4m
Adjusted (loss) per share ²	(0.3)p	(0.3)p	(0.9)p	+0.6p
(Loss) per share - basic	(0.5)p	(0.4)p	(1.0)p	+0.6p
Net debt ²	£8.4m	£8.4m	£3.5m	+£4.9m
Cash flow from operating activities	£3.5m	£(4.9)m	£(1.4)m	-£3.5m

Discussion of the results for the period ended 28 December 2019 is on a comparable IAS 17 basis unless stated otherwise.

Financial Key Points

- Benefits of the turnaround strategy are continuing to come through
 - o Group revenue rose by 8% to £170.1m, driven by strong growth and ongoing turnaround at DX Freight division
 - o EBITDA positive for H1 2020; £2.6m improvement to £0.1m (2018: loss £2.5m, 2017: loss £4.4m)
 - o Adjusted loss before tax² decreased by 74% to £1.2m (2018: loss of £4.6m)
 - o Adjusted loss per share² reduced by 67% to 0.3p (2018: loss of 0.9p)
 - o Net debt of £8.4m (2018: £3.5m) as a result of the seasonal increase of working capital, which is expected to largely reverse in H2 2020, and increased capital expenditure

Operational Key Points

- DX Freight division:
 - o Strong improvement with revenue up 11% to £86.9m and EBITDA loss down 65% to £1.9m
 - o Performance driven by new commercial processes, improved customer service and productivity gains
 - o 1-Man, which specialises in IDW ('awkward') freight, performed especially strongly, with revenue up 18% to £56.5m
 - o Basic mechanisation was introduced across the network, including the main hub,

- which will increase capacity and improve productivity
 - o Post period, new depot opened at Ipswich, with further site openings and improvements planned over the coming year
- DX Express division:
 - o Revenue up 5% to £83.2m and EBITDA decreased by 6% to £10.9m, as expected
 - o DX Courier and DX Secure revenue grew by 10% and 6.5% respectively
 - o Attrition in annuity income at DX Exchange slowed to 6% (2018: 8%)
 - o initiative to provide 'one-stop' mail delivery service to legal customers to be launched soon
 - o Roll-out of new 'Estimated Time of Arrival' functionality commenced; will improve DX Secure's market proposition

Outlook

- The Board is monitoring the situation regarding the coronavirus and its potential effects on the UK economy and the supply chain of customers, and consequently on DX volumes. It believes it prudent to expect a slight softening in volumes in the remainder of this financial year
- DX is nonetheless expected to make further significant operational progress in H2 and to return to pre-tax profit

Ronald Series, Chairman, commented:

"The hard work of the last two years is continuing to pay off, as the significant improvement in these first half results show. The key factors driving the improvement are higher levels of customer service and operational gains from better delivery productivity and more efficient trunking and sortation across the network."

"We have initiated a £10m capital investment programme, which will be spent over this financial year and the next to support further growth of the business. The programme will be fully funded from existing resources."

"Trading in the second half is marginally ahead of the same period last year. The potential effects of the spread of coronavirus on customers' supply chains are, as yet, hard to predict but it is prudent to expect a slight softening in volumes. Nonetheless, we expect the Group to return to pre-tax profit this financial year and it remains well positioned to continue to grow profitably in FY21 and beyond."

Notes

- 1 IFRS16 Lease was adopted on 1 July 2019 using the modified retrospective, without restating prior year figures. As a result, the discussion of results for the period to 28 December 2019 is based on the previous standard IAS 17 Leases unless otherwise stated.
- 2 The Group uses alternative performance measures ("APMs") to measure performance. See notes 2 and 10 to the financial information for details of APMs used, including reconciliations of these APMs to IFRS reported measures.

From 1 July 2019 the Group changed its reporting periods from a calendar basis to a '4-5-4 weekly' basis, which better reflects its cost base and operations. The period to 28 December 2019 is consequently from 1 July to 28 December 2019 (26 weeks less one day), whereas the comparative half-year period was from 1 July 18 to 31 December 2018 (26 weeks plus two days). The year ended 30 June 2019 was for the full calendar year.

The current year full financial statements will be prepared for the period 1 July 2019 to 27 June 2020. Future years will be for either 52 weeks or occasionally 53 weeks in order to keep the year-end date as close as possible to 30 June.

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The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

Discussion of the results for the period ended 28 December 2019 is on a comparable IAS 17 basis unless stated otherwise.

INTRODUCTION

We are pleased to report that the turnaround initiatives implemented over the past two years, which included significant structural changes, are continuing to translate into an improving financial performance. The Group's interim results show an 8% increase in revenue to £170.1 million (2018: £157.0 million) and the adjusted loss before tax has decreased by 74% to £1.2 million (2018: loss of £4.6 million).

Having restructured and reorganised the business, our focus has been on driving strong commercial disciplines, especially around sales, and operational improvement so that the transition into profitable growth is securely underpinned.

At the heart of these improved results are higher levels of customer service and operational gains from better delivery productivity and more efficient trunking and sortation across the network.

The first half also marked the beginning of our £10 million two year investment programme to support ongoing growth. Over this year and next, we are refreshing existing systems, expanding and upgrading our site network, and improving the Group's operational capability with sortation mechanisation. So far we have invested £2.2 million of the total, which will be wholly funded from existing financial resources.

FINANCIAL RESULTS

Revenue for the period from 1 July to 28 December 2019 increased by 8% to £170.1 million (2018: £157.0 million), largely driven by continuing growth at DX Freight. This fuelled a £2.6 million improvement in EBITDA to £0.1 million for the period (2018: loss of £2.5 million).

The adjusted loss before tax decreased substantially to £1.2 million (2018: loss of £4.6 million), a 74% improvement, and the adjusted loss per share decreased by 67% to 0.3p (2018: 0.9p). These figures are adjusted for share-based payments charge and amortisation of acquired intangibles, which together totalled £0.7 million (2018: £0.7 million). On an IAS 17 basis, loss before tax reduced by 64% to £1.9 million (2018: £5.3 million), and the loss per share by 60% to 0.4p (2018: 1.0p).

The Group's financial position remains robust. Net debt at 28 December 2019 was £8.4 million (31 December 2018: £3.5 million), reflecting the seasonal increase in working capital, increased capital expenditure and tax paid during the period. Net cash used in operating activities for the period was £4.9 million (2018: £1.4 million) reflecting the improved EBITDA offset by the seasonal working capital increase and tax payments.

DX FREIGHT

DX Freight continued to make good progress in its turnaround, and we are pleased to report a 65% reduction in EBITDA loss to £1.9 million (2018: loss of £5.5 million) on revenue up by 11% to £86.9 million (2018: £78.0 million). These results reflect the strong commercial disciplines that are now in place and which help to ensure that we continue to secure new business at a profitable margin.

DX 1-Man, the largest service in this division, increased revenue by 18% to £56.5 million, supported by significantly improved levels of customer service. Revenue at DX 2-Man increased by 34% to £9.8 million. While DX Logistics revenue decreased by £2.3 million to £20.6 million, this reduction resulted from the cessation of some low margin contracts.

During the period, we established a unit to assist with the repatriation to customers of freight that has lost labels or delivery instructions. This measure reduces the cost of claims and improves the customer service. We were able to repatriate the vast majority of unidentified freight in the period. We also commenced investment in basic mechanisation across the network, starting at the main Hub in Willenhall in the West Midlands and at the regional sortation sites. This initiative will help to increase capacity and throughput of parcel freight so improving the efficiency of the sortation process. After the period end, in January 2020, we opened a new depot at Ipswich to extend the network and improve the customer service in the East of England.

DX Freight's performance has also been improved by higher levels of trunking and delivery productivity, driven by an earlier finish time of the overnight sort and greater productivity through the day from the delivery fleet.

We continue to focus on securing profitable new business and plan to expand the network at a controlled rate. Two further sites are expected to be opened in Burnley and Dewsbury in the coming year, and we will continue to upgrade existing sites where necessary.

DX EXPRESS

Revenue at DX Express increased by 5% to £83.2 million (2018: £79.0 million) while, as expected, EBITDA reduced to £10.9 million (2018: £11.6 million) for the period to 28 December 2019.

DX Courier's revenue increased by 10% to £33.2 million while DX Secure revenue increased by 6.5% to £24.8 million. The revenue contribution from DX Exchange decreased by £0.3 million to £23.6 million, with attrition in the annuity income slowing to 6%, in line with management expectations (2018: 8% attrition). DX Mail maintained broadly flat revenue at £1.6 million.

DX Exchange's management team has identified opportunities to extend additional services to the customer base by providing a wider, 'one-stop' shop mail delivery service. This will provide an additional revenue stream as well as improve the overall delivery experience to this important customer base. Additional sales resources are now focused on these opportunities and we expect to make progress in the coming months.

As previously announced, DX Express was not successful in its re-tender for the secure delivery contract for Her Majesty's Passport Office. The current contract will therefore fully transition to the new provider by the end of this financial year.

An exciting development during the period was the successful pilot of the new 'Estimated Time of Arrival' functionality, which will improve delivery notifications via email and text to recipients and provide much-enhanced delivery information. The new technology is now being used by the division and its roll-out is expected to be completed by the end of April. It will allow DX Express to better compete for opportunities for its Secure and Courier services and will be a catalyst for further profitable growth.

Further improvements to the network are planned, including moving to new and larger premises at Ipswich and Glasgow in the near future.

IFRS 16 TRANSITION

The Group has adopted and implemented IFRS 16 'Leases', which has resulted in the recognition on the balance sheet of approximately £80 million of assets and liabilities relating to leases that were previously accounted for as operating leases. The impact on the income statement has been an increase in finance and depreciation costs of £1.9 million and £8.9 million respectively, and a decrease in other operating costs of £10.3 million. The overall impact on the income statement has been to increase the loss before tax by £0.5 million in the period to 28 December 2019. The net impact to Group cash flows

was £nil.

Further details of the impact of the changes are given in the Financial Review and in the Notes to the Financial Information below.

OUTLOOK

The first half of the financial year showed a significant improvement in performance over the same period last year, and we are pleased to report continuing progress. As we have previously reported, the second half of the financial year typically generates a greater proportion of earnings and positive cash flow. This reflects stronger volumes, particularly at DX Express, and the fact that the first half is affected by the December holiday period when volumes and revenue are lower, particularly at DX Freight, which operates a largely fixed cost base. We expect this weighting between the two halves of the year to follow the same pattern in this financial year.

Having completed the first phase of the Group's turnaround, we are focusing more heavily on investment. The £10 million of investment that we are making, over this financial year and next, in IT, property and operational equipment will continue the transformation of DX, supporting its return to long-term profit growth.

Trading in the second half is marginally ahead of the same period last year. However, the Board is monitoring the situation regarding the coronavirus and its potential effects on the UK economy and the supply chain of customers, and consequently on DX volumes. It believes it prudent to expect a slight softening in volumes in the remainder of this financial year. Nonetheless, we expect the Group to make further significant operational progress and to return to pre-tax profit this financial year.

**Ronald
Chairman**

Series,

**Lloyd Dunn,
Executive Officer**

Chief

FINANCIAL REVIEW

Revenue of £170.1 million for the first half was 8% ahead of the comparable period in the prior year (2018: £157.0 million), reflecting strong growth in the DX Freight division, whilst revenue in the DX Express division has remained similar to prior year as the anticipated decline in DX Exchange was offset by net growth in the other DX Express services.

Underlying results from operating activities for the period improved by £3.4 million to a loss of £1.0 million (2018: £4.4 million loss) as a result of the productivity efficiency and revenue improvements undertaken by management, along with a reduction in amortisation costs resulting from the impairment of assets in previous years.

Net debt at 28 December 2019 was £8.4 million (2018: £3.5 million) and operating cash flow outflow for the period was £4.9 million (2018: £1.4 million outflow).

	Period ended 28 December 2019 IFRS 16 ¹ £m	Period ended 28 December 2019 IAS 17 ¹ £m	Six months ended 31 December 2018 IAS 17 £m	Change £m
Revenue	170.1	170.1	157.0	13.1
Operating costs before depreciation, amortisation, exceptional items and share- based payments charge	(159.7)	(170.0)	(159.5)	(10.5)
EBITDA²	10.4	0.1	(2.5)	2.6
Depreciation	(9.8)	(0.9)	(1.3)	0.4
Amortisation of software and development costs	(0.2)	(0.2)	(0.6)	0.4

Underlying results from operating activities²	0.4	(1.0)	(4.4)	3.4
Amortisation of acquired intangibles	(0.1)	(0.1)	(0.1)	-
Share-based payments charge	(0.6)	(0.6)	(0.6)	-
Reported results from operating activities	(0.3)	(1.7)	(5.1)	3.4
Finance costs	(2.1)	(0.2)	(0.2)	-
Loss before Tax	(2.4)	(1.9)	(5.3)	3.4

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. As a result, the discussion of results is based on an IAS 17 basis, unless otherwise stated.

² See notes 2 and 10 for details of alternative performance measures ("APMs") used, including reconciliations of APMs to IFRS reported measures.

Revenue by segment

A breakdown of Group revenue is shown below and further commentary on each Division's performance is provided in the Chairman and Chief Executive's Statement.

	Period ended 28 December 2019 £m	Six months ended 31 December 2018 £m	Change £m
DX Express	83.2	79.0	4.2
DX Freight	86.9	78.0	8.9
Total revenue	170.1	157.0	13.1

EBITDA

EBITDA for the period on an IAS 17 basis was £0.1 million (2018: £2.5 million loss), an improvement of £2.6 million over the prior period.

Net assets

A summary of the Group's net assets is set out below:

	28 December 2019 IFRS 16 ¹ £m	28 December 2019 IAS 17 ¹ £m	31 December 2018 IAS 17 £m	30 June 2019 IAS 17 £m
Non-current assets	122.6	44.0	42.1	43.0
Current assets excluding cash and cash equivalents	36.5	37.9	36.1	43.2
Cash and cash equivalents	1.2	1.2	4.2	1.8
Current liabilities excluding debt	(58.5)	(46.3)	(51.4)	(56.3)
Non-current liabilities excluding debt	(70.7)	(5.2)	(3.5)	(5.0)
Invoice discounting facility	(9.6)	(9.6)	(7.7)	(3.1)
Deferred debt issue costs	-	-	0.1	-
Net assets	21.5	22.0	19.9	23.6

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. As a result, the discussion of results is based on an IAS 17 basis, unless otherwise stated.

The reduction in net assets since the year ended 30 June 2019 represents the loss for the period.

Cash flows and net debt

	Period ended 28 December 2019 IFRS 16 ¹ £m	Period ended 28 December 2019 IAS 17 ¹ £m	Six months ended 31 December 2018 IAS 17 £m	Change IAS 17 £m
EBITDA²	10.4	0.1	(2.5)	2.6
Movement in working capital	(4.7)	(4.6)	0.4	(5.0)
Interest paid	(2.0)	(0.2)	(0.1)	(0.1)
Tax received/(paid) - net	(0.2)	(0.2)	0.8	(1.0)
Net cash generated/(used) in operating activities	3.5	(4.9)	(1.4)	(3.5)
Capital expenditure	(2.2)	(2.2)	(1.0)	(1.2)
Proceeds from sale of fixed assets	-	-	-	-
Free cash flow	1.3	(7.1)	(2.4)	(4.7)
Drawings/(repayments) on short term facility	6.5	6.5	4.6	1.9
Lease repayments	(8.4)	-	-	-
Net increase/(decrease) in cash	(0.6)	(0.6)	2.2	(2.8)
	28 December 2019 IFRS 16 ¹ £m	28 December 2019 IAS 17 ¹ £m	31 December 2018 IAS17 £m	30 June 2019 IAS 17 £m
Gross debt	9.6	9.6	7.7	3.1
Cash and cash equivalents	(1.2)	(1.2)	(4.2)	(1.8)
Net debt²	8.4	8.4	3.5	1.3

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. As a result, the discussion of results is based on an IAS 17 basis, unless otherwise stated.

² See notes 2 and 10 for details of alternative performance measures ("APMs") used, including reconciliations of APMs to IFRS reported measures.

Net debt at 28 December 2019 was £8.4 million, an increase of £7.1 million since the year ended 30 June 2019. The increase was driven by the capital expenditure, interest and tax outflows along with changes in working capital. Net cash from operating activities on an IAS 17 basis was a £4.9 million outflow (2018: £1.4 million outflow), whilst capital expenditure was £2.2 million, resulting in free cash outflow of £7.1 million for the period (2018: £2.4 million outflow).

Working capital increased by £4.6 million in the period, due to reductions in payables and deferred income outweighing reductions in receivables. This seasonal movement is largely expected to reverse in the second half of this financial year albeit a small working capital increase is expected over the course of the financial year from an expected decrease in the level of deferred income.

Interest paid in the period was £0.2 million, a small increase from £0.1 million in the prior year.

Tax for the period was a net payment of £0.2 million (2018: £0.8 million receipt), consisting of a rebate of £0.1 million relating to prior years along with a tax payment of £0.3 million relating to the Group's Irish operations.

Capital expenditure for the period was £2.2 million (2018: £1.0 million), consisting principally of investment in IT and operational equipment along with property and security improvements. The rate of investment will increase in the second half as capital expenditure is expected to be £5.0 million for this financial year.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 28 December 2019

	Notes	Period ended 28 Dec 2019 IFRS 16 ¹	Period ended 28 Dec 2019 IAS 17 ¹	6 months ended 31 Dec 2018 IAS 17	Year ended 30 Jun 2019 IAS 17
		£m	£m	£m	£m
Revenue	3	170.1	170.1	157.0	322.5
Operating costs		(170.4)	(171.8)	(162.1)	(323.8)
Results from operating activities		(0.3)	(1.7)	(5.1)	(1.3)
Analysis of results from operating activities:					
EBITDA		10.4	0.1	(2.5)	3.3
Depreciation and amortisation		(10.1)	(1.2)	(2.0)	(3.4)
Share-based payments charge		(0.6)	(0.6)	(0.6)	(1.2)
Results from operating activities		(0.3)	(1.7)	(5.1)	(1.3)
Finance costs	5	(2.1)	(0.2)	(0.2)	(0.4)
Loss before tax		(2.4)	(1.9)	(5.3)	(1.7)
Tax		(0.3)	(0.3)	(0.3)	(0.8)
Loss for the period		(2.7)	(2.2)	(5.6)	(2.5)
Other comprehensive expense		-	-	-	-
Total comprehensive expense for the period		(2.7)	(2.2)	(5.6)	(2.5)
Loss per share (pence):					
Basic	6	(0.5)	(0.4)	(1.0)	(0.4)
Diluted	6	(0.5)	(0.4)	(1.0)	(0.4)
Adjusted	6	(0.3)	(0.3)	(0.9)	(0.2)

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 28 December 2019**

	Notes	28 Dec 2019 IFRS 16 ¹ £m	28 Dec 2019 IAS 17 ¹ £m	31 Dec 2018 IAS 17 £m	30 June 2019 IAS 17 £m
Non-current assets					
Property, plant and equipment		10.5	10.5	8.4	9.7
Right of use asset	11	78.6	-	-	-
Intangible assets and goodwill		31.2	31.2	31.1	31.0
Deferred tax assets		2.3	2.3	2.6	2.3
Total non-current assets		122.6	44.0	42.1	43.0
Current assets					
Trade and other receivables		36.5	37.9	36.1	43.1
Current tax receivable		-	-	-	0.1

Cash and cash equivalents		1.2	1.2	4.2	1.8
Total current assets		37.7	39.1	40.3	45.0
Total assets		160.3	83.1	82.4	88.0
Equity					
Share capital		5.7	5.7	5.7	5.7
Share premium		25.2	25.2	25.2	25.2
Retained earnings		(9.4)	(8.9)	(11.0)	(7.3)
Total equity		21.5	22.0	19.9	23.6
Non-current liabilities					
Loans and borrowings	7	-	-	-	-
Lease liabilities	11	66.7	-	-	-
Provisions		4.0	5.2	3.5	5.0
Total non-current liabilities		70.7	5.2	3.5	5.0
Current liabilities					
Current tax liabilities		-	-	-	-
Loans and borrowings	7	9.6	9.6	7.6	3.1
Trade and other payables		28.9	31.8	34.4	38.1
Lease liabilities	11	15.1	-	-	-
Deferred income		13.7	13.7	15.9	17.2
Provisions		0.8	0.8	1.1	1.0
Total current liabilities		68.1	55.9	59.0	59.4
Total liabilities		138.8	61.1	62.5	64.4
Total equity and liabilities		160.3	83.1	82.4	88.0

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the period ended 28 December 2019

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
At 1 July 2018	5.7	25.2	(6.0)	24.9
Loss for the period under IAS 17 ¹	-	-	(5.6)	(5.6)
Other comprehensive expense	-	-	-	-
Share-based payment transactions	-	-	0.6	0.6
At 31 December 2018	5.7	25.2	(11.0)	19.9
Profit for the period under IAS 17 ¹	-	-	3.1	3.1
Other comprehensive expense	-	-	-	-
Share-based payment transactions	-	-	0.6	0.6
At 30 June 2019	5.7	25.2	(7.3)	23.6
Loss for the period under IFRS 16 ¹	-	-	(2.7)	(2.7)
Other comprehensive expense	-	-	-	-

Share-based payment transactions	-	-	0.6	0.6
At 28 December 2019	5.7	25.2	(9.4)	21.5

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS For the period ended 28 December 2018

	Notes	Period ended 28 Dec 2019 IFRS 16 ¹ £m	Period ended 28 Dec 2019 IAS 17 ¹ £m	6 months ended 31 Dec 2018 IAS 17 £m	Year ended 30 June 2019 IAS 17 £m
Cash generated from/(used in) operations	8	5.7	(4.5)	(2.1)	3.1
- Interest paid		(2.0)	(0.2)	(0.1)	(0.4)
- Tax received/(paid) - net		(0.2)	(0.2)	0.8	0.5
Net cash generated from/(used in) operating activities		3.5	(4.9)	(1.4)	3.2
Cash flows from investing activities					
Acquisition of property, plant and equipment		(1.8)	(1.8)	(0.8)	(2.9)
Software and development expenditure		(0.4)	(0.4)	(0.2)	(0.5)
Net cash generated from/(used in) investing activities		(2.2)	(2.2)	(1.0)	(3.4)
Net increase/(decrease) in cash before financing activities		1.3	(7.1)	(2.4)	(0.2)
Cash flows from financing activities					
Movement on invoice discounting facility		6.5	6.5	4.6	-
Lease repayments	11	(8.4)	-	-	-
Net cash generated from/(used in) financing activities		(1.9)	6.5	4.6	-
Net (decrease)/increase in cash and cash equivalents		(0.6)	(0.6)	2.2	(0.2)
Cash and cash equivalents at beginning of period		1.8	1.8	2.0	2.0
Effect of exchange rate fluctuations on cash held		-	-	-	-
Cash and cash equivalents at end of period		1.2	1.2	4.2	1.8

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

NOTES TO THE FINANCIAL INFORMATION

1 General information

DX (Group) plc is incorporated in England and domiciled in the United Kingdom. The address of its registered office is Ditton Park, Riding Court Road, Datchet, Slough, SL3 9GL. The registered number of the Company is 08696699.

The condensed interim financial statements were approved by the Board of Directors on 2 March 2020.

2 Basis of preparation

The condensed consolidated interim financial information has been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting and the Disclosure and Transparency Rules of the UK's Financial Services Authority, which are applicable to DX (Group) plc. The accounting policies applied in these condensed interim financial statements are the same as those set out in the annual report and accounts for the year ended 30 June 2019, except as noted below for new standards adopted.

Discussion of the results for the period ended 28 December 2019 is on a comparable IAS 17 basis unless stated otherwise.

From 1 July 2019 the Group changed its reporting periods from a calendar basis to a '4-5-4 weekly' basis which better reflects its cost base and operations. The period to 28 December 2019 is consequently from 1 July to 28 December 2019 (26 weeks less one day), whereas the comparative half-year period was from 1 July 18 to 31 December 2018 (26 weeks plus two days). The year ended 30 June 2019 was for the full calendar year.

The current year full financial statements will be prepared for the period 1 July 2019 to 27 June 2020. Future years will be for either 52 weeks or occasionally 53 weeks in order to keep the year-end date as close as possible to 30 June.

The half year results for the current and comparative period are unaudited. The information for the year ended 30 June 2019 does not constitute statutory consolidated financial statements as defined in section 434 of the Companies Act 2006. The annual report and accounts for that year has been filed with the Registrar of Companies and the audit opinion on those accounts was unmodified.

Based on the Group's cash flow forecasts and projections, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Group continues to adopt the going concern basis in preparing these interim financial statements.

The preparation of financial information in conformity with IAS 34 requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual events ultimately may differ from those estimates.

The Group has adopted IFRS 16 Leases from 1 July 2019. IFRS 16 introduced a single, on Balance sheet accounting model for lessees. As a result, the Group has recognised right of use assets (representing its right to use the underlying assets) and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment at 1 July 2019 with no restatement of comparative information. Comparative information continues to be reported under IAS 17 and related interpretations. Details of the adoption of IFRS 16 are provided in note 11.

The Group use alternative performance measures ("APMs") to measure performance. These APMs are applied consistently from one period to the next and the Directors believe that this information is important for the shareholders as it allows them to understand the difference between the reported results and the trading performance excluding certain non-cash charges and other items which are not expected to recur. Details of the APMs used by the Group along with reconciliations to the respective IFRS reported measures are shown in note 10.

3 Revenue

In the following table, revenue is disaggregated by service. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see

note 4).

	Period ended 28 Dec 2019 £m	Six months ended 31 Dec 2018 £m	Year ended 30 Jun 2019 £m
DX Express			
DX Courier	33.2	30.1	62.3
DX Secure	24.8	23.3	50.7
DX Exchange	23.6	23.9	47.6
DX Mail	1.6	1.7	3.3
Total DX Express	83.2	79.0	163.9
DX Freight			
DX 1-Man	56.5	47.8	98.6
DX Logistics	20.6	22.9	43.7
DX 2-Man	9.8	7.3	16.3
Total DX Freight	86.9	78.0	158.6
Total revenue	170.1	157.0	322.5

4 Segment information

<i>Period ended 28 December 2019: (prepared under IFRS 16¹)</i>	DX Express £m	DX Freight £m	Central £m	Total £m
Revenue	83.2	86.9	-	170.1
Costs before overheads	(65.6)	(78.5)	-	(144.1)
Profit/(loss) before overheads	17.6	8.4	-	26.0
Overheads	(4.0)	(2.7)	(8.9)	(15.6)
EBITDA	13.6	5.7	(8.9)	10.4
Depreciation and amortisation	-	-	(10.1)	(10.1)
Share-based payments charge	-	-	(0.6)	(0.6)
Results from operating activities	13.6	5.7	(19.6)	(0.3)
Finance costs	-	-	(2.1)	(2.1)
Profit/(loss) before tax	13.6	5.7	(21.7)	(2.4)
Tax	-	-	(0.3)	(0.3)
Profit/(loss) for the period	13.6	5.7	(22.0)	(2.7)
<i>Period ended 28 December 2019: (prepared under IAS 17¹)</i>	DX Express £m	DX Freight £m	Central £m	Total £m
Revenue	83.2	86.9	-	170.01

Costs before overheads	(68.3)	(86.1)	-	(154.4)
Profit/(loss) before overheads	14.9	0.8	-	15.7
Overheads	(4.0)	(2.7)	(8.9)	(15.6)
EBITDA	10.9	(1.9)	(8.9)	0.1
Depreciation and amortisation	-	-	(1.2)	(1.2)
Share-based payments charge	-	-	(0.6)	(0.6)
Results from operating activities	10.9	(1.9)	(10.7)	(1.7)
Finance costs	-	-	(0.2)	(0.2)
Profit/(loss) before tax	10.9	(1.9)	(10.9)	(1.9)
Tax	-	-	(0.3)	(0.3)
Profit/(loss) for the period	10.9	(1.9)	(11.2)	(2.2)

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

Period ended 31 December 2018: <i>(prepared under IAS 17¹)</i>	DX Express	DX Freight	Central	Total
	£m	£m		
Revenue	79.0	78.0	-	157.0
Costs before overheads	(63.6)	(81.2)	-	(144.8)
Profit/(loss) before overheads	15.4	(3.2)	-	12.2
Overheads	(3.8)	(2.3)	(8.6)	(14.7)
EBITDA	11.6	(5.5)	(8.6)	(2.5)
Depreciation and amortisation	-	-	(2.0)	(2.0)
Share-based payments charge	-	-	(0.6)	(0.6)
Results from operating activities	11.6	(5.5)	(11.2)	(5.1)
Finance costs	-	-	(0.2)	(0.2)
Profit/(loss) before tax	11.6	(5.5)	(11.4)	(5.3)
Tax	-	-	(0.3)	(0.3)
Profit/(loss) for the period	11.6	(5.5)	(11.7)	(5.6)

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

Year ended 30 June 2019: <i>(prepared under IAS 17)</i>	DX Express	DX Freight	Central	Total
	£m	£m		
Revenue	163.9	158.6	-	322.5
Costs before overheads	(129.5)	(161.7)	-	(291.2)
Profit/(loss) before	34.4	(3.1)		

overheads			-	31.3
Overheads	(7.5)	(4.7)	(15.8)	(28.0)
EBITDA	26.9	(7.8)	(15.8)	3.3
Depreciation and amortisation	-	-	(3.4)	(3.4)
Share-based payments charge	-	-	(1.2)	(1.2)
Results from operating activities	26.9	(7.8)	(20.4)	(1.3)
Finance costs	-	-	(0.4)	(0.4)
Profit/(loss) before tax	26.9	(7.8)	(20.8)	(1.7)
Tax	-	-	(0.8)	(0.8)
Profit/(loss) for the year	26.9	(7.8)	(21.6)	(2.5)

The Board of Directors is considered to be the chief operating decision maker ("the CODM"). The Group has two separate Divisions, DX Express and DX Freight. Whilst the CODM considers that assets and liabilities are reviewed on a Group basis, the profitability of these two Divisions is reviewed and managed separately. Given overheads are largely integrated, the EBITDA of the two Divisions above is shown before any allocation of certain central overheads between DX Express and DX Freight. Central overheads comprise costs relating to finance, legal, HR, property, internal audit, IT, procurement and administrative activities that cannot be specifically allocated to an individual division. The CODM considers there to be only one material geographical segment, being the United Kingdom and the Republic of Ireland.

5 Finance costs

	Period ended 28 Dec 2019 IFRS 16 ¹ £m	Period ended 28 Dec 2019 IAS 17 ¹ £m	Six months ended 31 Dec 2018 IAS 17 £m	Year ended 30 June 2019 IAS 17 £m
Interest on bank borrowings	0.2	0.2	0.1	0.3
Amortisation of financing costs	-	-	0.1	0.1
Interest on lease liabilities	1.9	-	-	-
Total finance costs	2.1	0.2	0.2	0.4
Trading	2.1	0.2	0.2	0.4
Total finance costs	2.1	0.2	0.2	0.4

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

6 Earnings per share

The calculation of basic loss per share at 28 December 2019 is based on the loss after tax for the period and the weighted average number of shares in issue.

Adjusted loss per share is calculated based on the loss after tax, adjusted for certain non-cash charges and other items which are not expected to recur. Adjusted loss per share represents an alternative performance measure. Further details about the use of alternative performance measures are detailed in notes 2 and 10.

Diluted loss per share is calculated based on the weighted average number of shares in issue. No adjustment is made for share options issued under the Group's share option programmes as these would reduce the loss per share.

	28 Dec 2019 IFRS 16 ¹ £m	28 Dec 2019 IAS 17 ¹ £m	31 Dec 2018 IAS 17 £m	30 June 2019 IAS 17 £m
Loss for the period	(2.7)	(2.2)	(5.6)	(2.5)
Adjusted for:				
- Amortisation of acquired intangibles	0.1	0.1	0.1	0.3
- Share-based payments charge	0.6	0.6	0.6	1.2
Adjusted loss for the period	(2.0)	(1.5)	(4.9)	(1.0)
	Million	Million	Million	Million
Weighted average number of shares in issue	573.7	573.7	573.7	573.7
Potentially dilutive share options	-	-	-	-
Weighted average number of diluted ordinary shares	573.7	573.7	573.7	573.7
	Pence	Pence	Pence	Pence
Basic loss per share	(0.5)	(0.4)	(1.0)	(0.4)
Diluted loss per share	(0.5)	(0.4)	(1.0)	(0.4)
Adjusted loss per share	(0.3)	(0.3)	(0.9)	(0.2)

These following instruments were not included in the calculation of diluted earnings per share, because to do so would have been anti-dilutive.

	Million	Million	Million	Million
Potentially dilutive share options	20.7	20.7	0.3	0.7

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

7 Loans and borrowings

	28 Dec 2019 IFRS 16 ¹ £m	28 Dec 2019 IAS 17 ¹ £m	31 Dec 2018 IAS 17 £m	30 June 2019 IAS 17 £m
Current liabilities				
Invoice discounting facility	9.6	9.6	7.7	3.1
Deferred debt issue costs	-	-	(0.1)	-
	9.6	9.6	7.6	3.1
Total Loans and borrowings	9.6	9.6	7.6	3.1

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

The Group's only borrowing is a £20.0 million invoice discounting facility. The facility is a rolling facility with three months' notice on each side. The available balance is based on 90% of the outstanding trade receivables, adjusted to exclude amounts billed in advance and old debt. Drawings on the invoice discounting facility at 28 December 2019 were £9.6 million (2018: £7.7 million).

8 Cash generated from operating activities

Period ended	Period	6 months	Year
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	28 Dec 2019 IFRS 16¹ £m	ended 28 Dec 2019 IAS 17¹ £m	ended 31 Dec 2018 IAS 17 £m	ended 30 Jun 2019 IAS 17 £m
Cash flows from operating activities				
Loss for the period	(2.7)	(2.2)	(5.6)	(2.5)
Adjustments for:				
- Depreciation	9.8	0.9	1.3	2.2
- Amortisation of intangible assets	0.3	0.3	0.7	1.2
- Finance costs	2.1	0.2	0.2	0.4
- Tax expense/(credit)	0.3	0.3	0.3	0.8
- Equity-settled share-based payment transactions	0.6	0.6	0.6	1.2
Net cash profit/(loss)	10.4	0.1	(2.5)	3.3
Changes in:				
- Trade and other receivables	5.2	5.2	5.8	(1.2)
- Trade and other payables	(6.4)	(6.3)	(2.1)	1.5
- Deferred income	(3.5)	(3.5)	(2.9)	(1.6)
- Provisions	-	-	(0.4)	1.1
Net change in working capital	(4.7)	(4.6)	0.4	(0.2)
Cash generated from/(used in) operations	5.7	(4.5)	(2.1)	3.1

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

9 Related party transactions

The nature of other related party transactions of the Group have not changed from those described in the annual report and accounts for the year ended 30 June 2019.

All transactions undertaken with related parties were undertaken at arms' length and on normal commercial terms.

10 Alternative performance measures ("APMs")

The Group use APMs to measure performance. These APMs are applied consistently from one period to the next and the Directors believe that this information is important for the shareholders as it allows them to understand the difference between the reported results and the trading performance excluding certain non-cash charges and other items which are not expected to recur. The Group presents EBITDA, adjusted loss before tax ("adjusted LBT"), adjusted loss per share ("adjusted LPS") and underlying results from operating activities, which are calculated as the statutory measures stated before amortisation of acquired intangibles, exceptional items and share-based payments charge, including related tax where applicable. The Group also presents net debt, calculated as gross debt before debt issue costs and net of cash. The reconciliations between these APMs and the IFRS reported measures are shown in the below locations:

APM	IFRS reported measure	Location of reconciliation
EBITDA	Results from operating activities	Note 4
Adjusted LBT	Loss before tax	See below
Adjusted LPS	Loss per share	Note 6
Net debt	Debt	Financial review section
Underlying results from operating activities	Results from operating activities	Financial review section
Profit / (loss) before	Profit / (loss) before tax	Note 11

tax before IFRS 16
adjustments

The reconciliation of the adjusted loss before tax APM to the IFRS reported measure of loss before tax is shown below:

	28 Dec 2019 IFRS 16¹	28 Dec 2019 IAS 17¹ £m	31 Dec 2018 IAS 17 £m	30 June 2019 IAS 17 £m
Reported loss before tax	(2.4)	(1.9)	(5.3)	(1.7)
Adjusted for:				
- Amortisation of acquired intangibles	0.1	0.1	0.1	0.3
- Exceptional items	-	-	-	-
- Share-based payments charge	0.6	0.6	0.6	1.2
Adjusted loss before tax	(1.7)	(1.2)	(4.6)	(0.2)

¹ IFRS 16 was adopted on 1 July 2019 using the modified retrospective approach, without restating prior year figures. Information on the impact of adopting IFRS 16 is presented in note 11 to the consolidated half year financial statements.

11 IFRS 16 Adoption

The Group has previously prepared its financial statements in accordance with IAS 17 *Leases* which classified leases into operating leases or finance leases, and expensed operating lease rentals within operating costs. IAS 17 was superseded by IFRS 16 *Leases* which is effective for periods beginning on or after 1 January 2019.

The Group has adopted IFRS 16 *Leases* from 1 July 2019. IFRS 16 introduced a single, on balance sheet accounting model for lessees. As a result, the Group has recognised right of use assets (representing its right to use the underlying assets) and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment at 1 July 2019 with no restatement of comparative information. Comparative information continues to be reported under IAS 17 and related interpretations.

The Group leases many assets, including properties, vehicles and equipment. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases and leases of low-value assets. The Group continues to recognise the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group presents lease liabilities in current and non-current liabilities in the statement of financial position. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation (straight line) and impairment losses, and adjusted for remeasurement of the lease liability.

Lease Liability

The lease liability is initially measured at the present value of the future lease payments as at the commencement date, discounted using the Group's incremental borrowing rate. On transition, the Group's weighted average incremental borrowing rate was estimated to be 4.5%. These include future fixed lease rental payments, variable lease payments that depend on an index or a rate (these are initially measured at the index or rate as at the commencement date) and payments of penalties for terminating the lease earlier, if the conditions reflect the Group exercising an option to terminate the lease.

The lease liability is subsequently increased by the interest cost on the lease liability and

decreased by lease payments made. It is re-measured when there is a lease extension, a change in future lease payments or the Group changes its assessment of whether it will exercise an extension or termination option.

The Group has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

Previously, the Group classified property leases and equipment leases as operating leases under IAS 17. Leases are typically made for fixed periods of time. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Some leases provide for additional rent payments that are based on an index which is not yet known.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019.

The Group used the practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 on a lease-by-lease basis:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as at 30 June 2019 as an alternative to performing an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Impact on transition

On transition to IFRS 16, the Group recognised right-of-use assets and lease liabilities. There was no net impact on retained earnings as the right of use asset was measured at an amount equal to the lease liability, allowing for prepayments and accruals. The impact on transition is summarised below:

	1 July 2019
	£000
Right of use assets included in property, plant and equipment	80.0
Lease liabilities	(82.6)
Prepayments	(1.4)
Rent free accrual	2.8
Onerous lease provision	1.2
Net impact on retained earnings	-

	1 July 2019
	£m
Operating lease commitments disclosed at 30 June 2019	75.3
Difference between non-cancellable lease term and lease term used to calculate the IFRS 16 liability	19.9
Short term and small leases excluded	(0.6)
Discounted using the lessee's incremental borrowing rate as at 1 July 2019	(11.8)
Lease liability recognised as at 1 July 2019	82.6

Comprising:	
Current lease liabilities	15.8
Non-current lease liabilities	66.8
Total lease liabilities	82.6

The carrying amount of the right-of-use assets are as below:

Right of Use Asset	28 December 2019	1 July 2019
	£m	£m
Properties	55.6	56.9
Plant, Equipment and Vehicles	23.0	23.1
Total Right of Use Assets	78.6	80.0

Impact in the period

As a result of applying IFRS 16 the Group recognised £78.6m of right-of-use assets and £81.8m of lease liabilities as at 28 December 2019. Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the period ending December 2019, the Group recognised £8.9m of depreciation charges and £1.9m of interest costs from these leases.

The impact on the profit / (loss) for the period is summarised below:

	£m
Profit / (loss) before tax before IFRS16 adjustments	(1.9)
Remove IAS17 rental charge	10.3
Depreciation charge on Right of Use Asset	(8.9)
Interest cost on lease liability	(1.9)
Net Impact on profit / (loss)	(0.5)
Profit / (loss) before tax	(2.4)

The impact during the period on the Consolidated Statement of Financial Position of adopting IFRS16 was as follows.

	1 Jul 2019	Change to IFRS 16	1 Jul 2019	Move-ments IFRS 16	Other move-ments	28 Dec 2019
	IAS 17	IFRS 16	IFRS 16	IFRS 16	IFRS 16	IFRS 16
	£m	£m	£m	£m	£m	£m
Non-current assets						
Right of use asset	-	80.0	80.0	(1.4)	-	78.6
Other non-current assets	43.0	-	43.0	-	1.0	44.0
Total non-current assets	43.0	80.0	123.0	(1.4)	1.0	122.6
Current assets	45.0	(1.4)	43.6	-	(5.9)	37.7
Total assets	88.0	78.6	166.6	(1.4)	(4.9)	160.3
Total equity	23.6	-	23.6	(0.5)	(1.6)	21.5
Non-current liabilities						
Lease liabilities	-	66.8	66.8	(0.1)	-	66.7
Provisions	5.0	(1.0)	4.0	-	-	4.0
Total non-current liabilities	5.0	65.8	70.8	(0.1)	-	70.7
Current liabilities						
Trade and other payables	38.1	(2.8)	35.3	(0.1)	(6.3)	28.9
Lease liabilities	-	15.8	15.8	(0.7)	-	15.1
Provisions	1.0	(0.2)	0.8	-	-	0.8
Other current liabilities	20.3	-	20.3	-	3.0	23.3
Total current liabilities	59.4	12.8	72.2	(0.8)	(3.3)	68.1

Total liabilities	64.4	78.6	143.0	(0.9)	(3.3)	138.8
Total equity and liabilities	88.0	78.6	166.6	(1.4)	(4.9)	160.3

Forward-looking statements

This announcement may include certain forward-looking statements, beliefs or opinions, including statements with respect to DX's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology. These statements are made by the DX Directors in good faith based on the information available to them at the date of this announcement and reflect the DX Directors' beliefs and expectations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, developments in the global economy, changes in UK government policies, spending and procurement methodologies, and failure in health, safety or environmental policies.

No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements speak only as at the date of this announcement and DX (Group) plc and its advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement. No statement in the announcement is intended to be, or intended to be construed as, a profit forecast or to be interpreted to mean that earnings per DX (Group) plc share for the current or future financial years will necessarily match or exceed the historical earnings. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

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