

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 26 weeks ended 31 December 2022, the first half of its current financial year. In a separate announcement published today, DX is also pleased to report the appointment of its new Chief Executive Officer.

Trading over the period was strong, in line with the Board's expectations, with Group revenue approximately 15% ahead of the first half of the previous financial year. Customer supply chain issues have normalised, labour market pressures have eased, and costs have been managed effectively. The Board remains confident that the Group is well-positioned to meet its expectations for the financial year despite the economic headwinds, as it enters the second half of the year.

The Group's financial position remains strong. Net cash at the period end totalled £36.4m (1 January 2022: £14.5m) and the £20m invoice discounting facility remains undrawn, giving the Group significant levels of headroom.

Both divisions, DX Freight and DX Express, contributed to revenue growth and both have improved margins against the same period last year, helped by operational improvements and price increases. Net new business at each division in the period continued to be healthy and the pipeline of new business opportunities remains strong.

Reflecting DX's growth opportunities and the pipeline of new business, the Group continues to expand its depot networks. Four new depots were opened in the first half, and a further two new depots are planned in the second half, with an additional three depots relocating to larger premises. This expansion will also drive productivity improvements and further enhance customer service.

Interim results are expected to be announced at the end of February 2023.

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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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