

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 ending 1 January 2022, the first half of its current financial year.

Trading over the period was in line with the Board's expectations, despite the tight labour market and customers' supply chain disruptions. Group revenue was approximately 11% ahead of the first half of the previous financial year, and the trading momentum has continued into the third quarter of the financial year.

DX Freight continued to improve its volumes and margins against the same period last year. Volumes at DX Express were consistent with the first half of last year, with the product mix showing a slight shift back towards its historic B2B weighting rather than B2C, following the easing of coronavirus restrictions. Net new business at both divisions continued to be robust and the pipeline of new business opportunities remains extremely healthy.

Network expansion plans progressed well in the period. Following the opening of four new depots and the expansion of a further depot in the first half, two new depots were opened in early January 2022, at Bodmin and Coventry, in line with plans. They will support productivity improvement at DX Freight. An additional five depots are scheduled to become operational in the second half of the financial year, supporting both DX Freight and DX Express activities, and reflecting DX's growth opportunities and the pipeline of new business.

The Group's financial position remains strong. Net cash at the period end totalled £14.5m (2 January 2021: £14.1m) and the £20m invoice discounting facility was undrawn, giving the Group significant levels of headroom.

The corporate governance inquiry announced on 25 November 2021 is proceeding, and the Company will provide a further update in due course.

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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 conveyer.

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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