5 March 2019
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 six months ended 31 December 2018

Key Points

Summary

- Encouraging progress made with business turnaround initiatives
- H1 performance is in line with management expectations
- DX is well positioned for further progress in H2 and beyond

Financial

- Revenue up by 7% to £157.0m (2017: £146.6m)
- EBITDA[1] loss reduced by 43% to £2.5m (2017: loss of £4.4m)
- Adjusted loss before tax[1] down by 46% to £4.6m (2017: £8.5m)/Reported loss before tax down by 62% to £5.3m (2017: £14.1m)
- Adjusted loss per share[1] reduced by 79% to 0.9p (2017: 4.3p)/Reported loss per share reduced by 86% to 1.0p (2017: 7.2p)
- No exceptional items incurred in the period (2017: £5.5m)
- Net debt[1] at 31 December 2018 of £3.5m (2017: £25.6m)
- Cash outflow from operating activities reduced to £1.4m (2017: £9.9m)

Operational

- New Group structure and reorganisation is helping to drive improved performance
  - devolution of accountability to general and regional managers
- Investment in sales teams across both Divisions has delivered strong new business wins and reinvigorated new business pipeline
  - commercially realistic price policies implemented
- Continued focus on customer service levels and operational efficiencies
- DX Exchange annuity attrition is at a slower rate than in the prior year - 8% compared to 12%
- Two depots reopened and a new depot is to be opened in H2
- New 7.5T vehicles are on order for delivery in Q4

[1] The Group uses alternative performance measures ("APMs") to measure performance. See notes 2 and 11 for details of APMs used, including reconciliations of these APMs to IFRS reported measures.

Ronald Series, Chairman, commented:

"DX's *turnaround continues to progress encouragingly, and the Group's results are in line with management expectations.*

"A fundamental element of our turnaround strategy is devolving accountability to our local depots and service centres and this has now been implemented across the Group. Alongside this, we have restructured our sales teams, introduced new pricing policies and are focusing on operational efficiencies and service levels across both Divisions.

"These initiatives are now beginning to bear fruit and DX remains well positioned for further performance improvement. Trading in the second half has improved over the same period last year and we remain confident of achieving our targets for the full year."

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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

INTRODUCTION

It is now some 16 months since the new Board was appointed to drive a major turnaround at DX and establish a solid platform for long-term profitable growth. We announced the new Board's turnaround plans in our interim statement this time last year, and are now pleased to report on the progress that has been made in the six months ended 31 December 2018.

As we have previously stated, placing the depots and service centres at the heart of DX and devolving accountability to the general and regional managers is a key element of the turnaround strategy. This reorganisation, together with early initiatives to improve sales, customer service processes and operations, has helped to deliver an encouraging improvement in the Group's financial performance, with revenue up by 7% to £157.0 million and the adjusted loss before tax down by 46% to £4.6 million.

These results are in line with management expectations and, with a healthy pipeline of opportunities ahead of us and our continuing focus on sales and operational improvements, we believe that the Group remains on track to return to positive EBITDA this financial year.

FINANCIAL RESULTS

Revenue for the six months to 31 December 2018 increased by 7% to £157.0 million (2017: £146.6 million), and the EBITDA loss reduced by 43% to £2.5 million (2017: loss of £4.4 million) as the initial turnaround initiatives gained traction.

The adjusted loss before tax, which excludes certain non-cash charges and items not expected to recur, decreased by 46% to £4.6 million (2017: £8.5m) and the adjusted loss per share decreased by 79% to 0.9p (2017: 4.3p). On a reported basis, the loss before tax reduced by 62% to £5.3 million (2017: £14.1 million), and the loss per share by 86% to 1.0p (2017: 7.2p), with improvements in both underlying activities and non-recurring items. No exceptional items were incurred in the period (2017: £5.5 million).

The Group's financial position has significantly improved year-on-year. Net debt at 31 December 2018 was £3.5 million (2017: £25.6 million), largely reflecting the completion of the restructuring of the balance sheet in May 2018. Operating cash flow for the period was £1.4 million outflow (2017: £9.9 million outflow). The strengthened balance sheet has had positive impacts on customer and supplier relationships and continues to underpin the ongoing turnaround.

DX FREIGHT

DX Freight remains loss-making, as expected, but we are pleased to report a 16% uplift in the Division's revenue to £78.0 million (2017: £67.4 million) while the EBITDA loss has reduced by 32% to £5.5 million (2017: £8.1 million loss).

These results were supported by our initiatives to strengthen the sales team and by our comprehensive review of pricing policies. DX 1-Man, our largest operation in this Division, increased revenue by £5.0 million to £47.8 million, with the new pricing policy and strong net new business at the right rates driving this increase in almost equal measure. DX Logistics added £5.9 million in new revenue in the period, largely from existing customers, taking its revenue contribution to £22.9 million. Revenue at DX 2-Man decreased slightly by £0.3 million to £7.3 million.

As previously reported, the Division's sales team is now aligned to the local depot and regional structure, and a major focus of the team's activity is now on B2B customers. This sector better suits the makeup of the Division's fleet and is more aligned to its underlying capabilities. As we shift the balance further, we expect to see consequent productivity benefits, including in collection and delivery costs. New 7.5T vehicles are due for delivery in the final quarter of the year, thereby enabling us to reduce the number of smaller 3.5T vehicles. This increase in capacity together with the accompanying reduction in the number of drivers will help to reduce costs and drive improved productivity.

In order to support the Division's growth, we re-opened two previously moth-balled depots, at Cannock, in Staffordshire, and Pucklechurch, in South Gloucestershire, at the beginning of the period. We also plan to open a new depot at Maidstone, in Kent, before the year end. The site has been chosen for its proximity to existing customers, and will therefore provide an opportunity for service and productivity improvements as well as facilitating additional new business.

Service levels across the Division have continued to improve, with a noticeable reduction in lost business as a result. These improvements were also helped by increased hub productivity, and better trunking performance.

As planned, investment in partial mechanisation at the hub and at four regional sites is close to being finalised. We expect to see the resultant productivity benefits come through more fully in the next financial year. We are also planning to further invest in IT infrastructure, which will help drive operational control and decision making across the Division.

DX EXPRESS

The Division's revenue was flat at £79.0 million (2017: £79.2 million) and EBITDA reduced by 18% to £11.6 million (2017: £14.2 million) in the first half. The revenue contribution from DX Exchange decreased by £1.8 million to £23.9 million, with attrition in the annuity slowing to 8% in line with management expectations (2017: 12% attrition). DX Courier's revenue contribution increased by 9% or £2.4 million to £30.1 million while DX Secure revenue reduced slightly by £0.7 million to £23.3 million. DX Mail maintained a broadly flat revenue contribution at £1.7 million.

We have significantly strengthened the management team at DX Exchange, a process which began towards the end of the prior financial year, and have also focused on service levels and the customer experience. It is encouraging to see some positive early signs of the benefits of these measures, with a lower level of attrition of the base income, and prospects for growth in new customers.

As previously announced, we took the decision to reinforce DX Exchange as an exclusive members' network and are separating out elements of the operation in order to further drive customer service improvements. We continue to proceed with this initiative across the network in controlled phases.

The contract with Her Majesty's Passport Office, which currently runs to October 2019, was retendered in February and a decision is expected in April.

We have invested significantly in the Division's sales team, with dedicated sales managers at each service centre focusing on their respective local markets. Alongside this, we have simplified pricing structures and reduced complexity in order to provide a more straightforward market proposal. Whilst the new structure continues to mature, the early signs have been very positive, with a significant number of new customers secured along with a strong pipeline of opportunities.

BREXIT

Currently, it is not expected that Brexit will have a material impact either on the operations or the financial performance of DX but we remain mindful of the potential impact on general economic activity and the effect it may have on our customers. At the same time, we continue to monitor the Group's operations in the UK and Ireland in the light of potential challenges arising from Brexit and current political and economic uncertainties.

OUTLOOK

Traditionally, the Group's trading performance is seasonally weighted towards the second half of the financial year. This reflects both stronger volumes across the Group in the second half, 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 to follow the same pattern this financial year.

More broadly, we remain encouraged by the positive early signs from the turnaround initiatives that we have implemented and believe that the Group is well positioned to make further progress. Trading in the second half has improved over the same period last year and we remain confident that DX remains on track to return to positive EBITDA for the financial year and to achieve its targets.

Ronald Series, Chairman **Lloyd Dunn, Chief Executive Officer**

FINANCIAL REVIEW

Revenue of £157.0 million for the first half was 7% ahead of the comparable period in the prior year (2017: £146.6 million), reflecting strong growth in the 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 £3.5 million to a loss of £4.4 million (2017: £7.9 million loss) as a result of the initial efficiency and revenue improvements undertaken by the management, along with a reduction in amortisation costs resulting from the impairment of assets in the prior year.

Net debt at 31 December 2018 was £3.5 million (2017: £25.6 million) and operating cash flow for the period was £1.4 million outflow (2017: £9.9 million outflow).

	Six months ended 31 December 2018 £m	Six months ended 31 December 2017 £m	Change £m
Revenue	157.0	146.6	10.4
Operating costs before depreciation, amortisation, exceptional items and share-based payments charge	(159.5)	(151.0)	(8.5)
EBITDA[1]	**(2.5)**	**(4.4)**	**1.9**
Depreciation	(1.3)	(1.4)	0.1
Amortisation of software and development costs	(0.6)	(2.1)	1.5
Underlying results from operating activities[1]	**(4.4)**	**(7.9)**	**3.5**
Amortisation of acquired intangibles	(0.1)	(0.1)	-
Share-based payments charge	(0.6)	-	(0.6)
Exceptional items	-	(5.1)	5.1
Reported results from operating activities	**(5.1)**	**(13.1)**	**8.0**

[1] See notes 2 and 11 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.

	Six months ended 31 December 2018 £m	Six months ended 31 December 2017 £m	Change £m
DX Express	79.0	79.2	(0.2)
DX Freight	78.0	67.4	10.6
Total revenue	**157.0**	**146.6**	**10.4**

EBITDA

The EBITDA loss for the period was £2.5 million (2017: £4.4 million loss), an improvement of £1.9 million from the prior period.

Exceptional items

Following various exceptional restructuring costs and impairment charges incurred in recent years, including £5.5 million in the prior period, no such costs have been incurred in the current period.

Net assets

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

	31 December 2018 £m	30 June 2018 £m	31 December 2017 £m
Non-current assets	42.1	43.2	44.0
Current assets excluding cash and cash equivalents	36.1	43.0	36.1
Cash and cash equivalents	4.2	2.0	2.5
Current liabilities excluding debt	(51.4)	(56.7)	(47.1)
Non-current liabilities excluding debt	(3.5)	(3.6)	(5.5)
Invoice discounting facility	(7.7)	(3.1)	(4.6)
Loan Notes	-	-	(23.5)
Deferred debt issue costs	0.1	0.1	0.2
Net assets	**19.9**	**24.9**	**2.1**

The reduction in net assets since the year ended 30 June 2018 represents the loss for the period. Net assets at 31 December 2017 included £23.5 million Loan Notes which were subsequently cancelled and replaced with equity during the year ended 30 June 2018.

Cash flows and net debt

Cash flow:	Six months ended 31 December 2018 £m	Six months ended 31 December 2017 £m	Change £m
EBITDA[1]	**(2.5)**	**(4.4)**	**1.9**
Movement in working capital	0.4	(4.5)	4.9
Interest paid	(0.1)	(0.2)	0.1
Tax received/(paid) – net	0.8	(0.1)	0.9
Exceptional items	-	(0.7)	0.7
Net cash used in operating activities	**(1.4)**	**(9.9)**	**8.5**
Capital expenditure	(1.0)	(0.8)	(0.2)
Proceeds from sale of fixed assets	-	4.4	(4.4)
Free cash flow	**(2.4)**	**(6.3)**	**3.9**
Proceeds from Loan Notes issued	-	24.0	(24.0)
Drawings/(repayments) on short term facility	4.6	(10.7)	15.3
Repayment of bank borrowings	-	(5.8)	5.8
Debt issue costs paid	-	(0.7)	0.7
Net increase in cash	**2.2**	**0.5**	**1.7**

Net debt:	31 December 2018 £m	31 December 2017 £m	30 June 2018 £m
Gross debt	7.7	28.1	3.1
Cash and cash equivalents	(4.2)	(2.5)	(2.0)
Net debt[1]	**3.5**	**25.6**	**1.1**

[1] See notes 2 and 11 for details of alternative performance measures ("APMs") used, including reconciliations of APMs to IFRS reported measures.

Net debt at 31 December 2018 was £3.5 million, an increase of £2.4 million since the year ended 30 June 2018. The increase was largely driven by the EBITDA loss of £2.5 million with capital expenditure and interest outflows being offset by improvements in working capital and tax receipts. Net cash from operating activities was a £1.4 million outflow (2017: £9.9 million outflow), whilst capital expenditure was £1.0 million, resulting in free cash outflow of £2.4 million for the period (2017: £6.3 million outflow).

Working capital improved by £0.4 million in the period, where the reduction in receivables slightly outweighed the reduction in payables and provisions.

Interest paid in the period was £0.1 million, a reduction from £0.2 million in the prior year due to a reduction in debt.

Tax for the period was a net receipt of £0.8 million (2017: £0.2 million paid), consisting of a rebate of £1.1 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 £1.0 million (2017: £0.8 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 £3-4 million for this financial year.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 December 2018

	Notes	Six months ended 31 Dec 2018 £m	Six months ended 31 Dec 2017 £m	Year ended 30 June 2018 £m
Revenue	3	157.0	146.6	299.5
Operating costs before exceptional items		(162.1)	(154.6)	(310.9)
Results from operating activities before exceptional items		**(5.1)**	**(8.0)**	**(11.4)**
Exceptional items	5	-	(5.1)	(5.7)
Results from operating activities after exceptional items		**(5.1)**	**(13.1)**	**(17.1)**
Analysis of results from operating activities:				
EBITDA		(2.5)	(4.4)	(4.9)
Depreciation and amortisation		(2.0)	(3.6)	(6.3)
Share-based payments charge		(0.6)	-	(0.2)
Exceptional items	5	-	(5.1)	(5.7)
Results from operating activities after exceptional items		**(5.1)**	**(13.1)**	**(17.1)**
Finance costs – excluding exceptional items	6	(0.2)	(0.6)	(0.9)
Finance costs – exceptional items	5, 6	-	(0.4)	(1.9)
Loss before tax		**(5.3)**	**(14.1)**	**(19.9)**
Tax – excluding exceptional items		(0.3)	(0.2)	(0.5)
Tax – exceptional items	5	-	-	0.9
Loss for the period		**(5.6)**	**(14.3)**	**(19.5)**
Other comprehensive expense		**-**	**-**	-
Total comprehensive expense for the period		**(5.6)**	**(14.3)**	**(19.5)**
Loss per share (pence):				
Basic	7	(1.0)	(7.2)	(8.1)
Diluted	7	(1.0)	(7.2)	(8.1)
Adjusted	7	(0.9)	(4.3)	(5.1)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	31 Dec 2018 £m	31 Dec 2017 £m	30 June 2018 £m
Non-current assets				
Property, plant and equipment		8.4	9.9	8.9
Intangible assets and goodwill		31.1	32.7	31.7
Deferred tax assets		2.6	1.4	2.6
Total non-current assets		**42.1**	**44.0**	**43.2**
Current assets				
Trade and other receivables		36.1	34.4	41.9
Current tax receivable		-	1.7	1.1
Cash and cash equivalents		4.2	2.5	2.0
Total current assets		**40.3**	**38.6**	45.0
Total assets		**82.4**	**82.6**	**88.2**
Equity				
Share capital		5.7	2.0	5.7
Share premium		25.2	-	25.2
Capital redemption reserve		-	0.4	-
Retained earnings		(11.0)	(0.3)	(6.0)
Total equity		**19.9**	**2.1**	**24.9**
Non-current liabilities				
Loans and borrowings	8	-	23.5	-
Provisions		3.5	5.5	3.6
Total non-current liabilities		**3.5**	**29.0**	**3.6**
Current liabilities				
Current tax liabilities		-	-	0.1
Loans and borrowings	8	7.6	4.4	3.0
Trade and other payables		34.4	30.3	36.5
Deferred income		15.9	16.8	18.8
Provisions		1.1	-	1.3
Total current liabilities		**59.0**	**51.5**	**59.7**
Total liabilities		**62.5**	**80.5**	**63.3**
Total equity and liabilities		**82.4**	**82.6**	**88.2**

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2018

	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total £m
At 1 July 2017	2.0	-	-	14.0	16.0
Loss for the period	-	-	-	(14.3)	(14.3)
Other comprehensive expense	-	-	-	-	-
Issue of convertible Loan Notes	-	-	0.4	-	0.4
At 31 December 2017	**2.0**	**-**	**0.4**	**(0.3)**	**2.1**
Loss for the period	-	-	-	(5.2)	(5.2)
Other comprehensive expense	-	-	-	-	-
Issue of shares	3.7	25.6	-	-	29.3
Share issue expenses	-	(0.4)	-	-	(0.4)
Loan Note cancellation adjustment	-	-	(0.4)	(0.7)	(1.1)
Share-based payment transactions	-	-	-	0.2	0.2
At 30 June 2018	**5.7**	**25.2**	**-**	**(6.0)**	**24.9**
Loss for the period	-	-	-	(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**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 December 2018

	Notes	Six months ended 31 Dec 2018 £m	Six months ended 31 Dec 2017 £m	Year ended 30 June 2018 £m
Cash used in operations	9	(2.1)	(9.6)	(10.4)
- Interest paid		(0.1)	(0.2)	(1.5)
- Tax received/(paid) – net		0.8	(0.1)	(0.1)
Net cash used in operating activities		**(1.4)**	**(9.9)**	**(12.0)**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		-	4.4	4.5
Acquisition of property, plant and equipment		(0.8)	(0.6)	(1.6)
Software and development expenditure		(0.2)	(0.2)	(0.2)
Net cash generated (used in)/from investing activities		**(1.0)**	**3.6**	**2.7**
Net decrease in cash before financing activities		**(2.4)**	**(6.3)**	**(9.3)**
Cash flows from financing activities				
Movement on invoice discounting facility		4.6	(10.7)	(12.2)
Repayment of bank borrowings		-	(5.8)	(5.8)
Loan notes issued (subsequently cancelled and replaced with equity)		-	24.0	24.0
Issue of Share Capital		-	-	4.5
Costs of issue of Share Capital, Loan Notes and refinancing		-	(0.7)	(1.2)
Net cash generated from financing activities		**4.6**	**6.8**	**9.3**
Net increase in cash and cash equivalents		**2.2**	**0.5**	**-**
Cash and cash equivalents at beginning of period		**2.0**	**2.0**	**2.0**
Effect of exchange rate fluctuations on cash held		-	-	-
Cash and cash equivalents at end of period		**4.2**	**2.5**	**2.0**

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 5 March 2019.

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 2018, except as noted below for new standards adopted.

The half year results for the current and comparative period are unaudited. The information for the year ended 30 June 2018 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 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' from 1 July 2018. IFRS 9 results in changes to the measurement of financial instruments, and introduces a new expected loss impairment model. Under IFRS 15 revenue is recognised when the customer obtains control of goods and services transferred by the Group and the related performance obligations have been satisfied. This differs from the current standard which considers when risks and rewards of goods and services are transferred as opposed to control of these goods and services per IFRS 15. Neither standard has a material effect on the Group's financial statements. As the effect of the application of IFRS 9 and IFRS 15 is not material, further details of the changes to the accounting policies will be set out in the Group's consolidated financial statements for the year ending 30 June 2019. The Group has applied the cumulative effect method for IFRS 15, therefore comparative periods have not been restated, and are presented as previously reported.

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 11.

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).

	Six months ended 31 Dec 2018 £m	**Six months ended 31 Dec 2017 £m**	**Year ended 30 June 2018 £m**
DX Express			
DX Courier	30.1	27.7	55.4
DX Secure	23.3	24.0	52.7
DX Exchange	23.9	25.7	50.1
DX Mail	1.7	1.8	3.5
Total DX Express	**79.0**	**79.2**	**161.7**
DX Freight			
DX 1-Man	47.8	42.8	86.2
DX Logistics	22.9	17.0	36.1
DX 2-Man	7.3	7.6	15.5
Total DX Freight	**78.0**	**67.4**	**137.8**
Total revenue	**157.0**	**146.6**	**299.5**

4 Segment information

Period ended 31 December 2018:	**DX Express £m**	**DX Freight £m**	**Central £m**	**Exceptional Items £m**	**Total £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)**
Exceptional items	-	-	-	-	**-**
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)**

Period ended 31 December 2017:	**DX Express £m**	**DX Freight £m**	**Central £m**	**Exceptional Items £m**	**Total £m**
Revenue	79.2	67.4	-	-	**146.6**
Costs before overheads	(60.9)	(74.0)	-	-	**(134.9)**
Profit/(loss) before overheads	**18.3**	**(6.6)**	**-**	**-**	**11.7**
Overheads[1]	(4.1)	(1.5)	(10.5)	-	**(16.1)**
EBITDA	**14.2**	**(8.1)**	**(10.5)**	**-**	**(4.4)**
Depreciation and amortisation	-	-	(3.6)	-	**(3.6)**
Share-based payments charge	-	-	-	-	**-**
Exceptional items	-	-	-	(5.1)	**(5.1)**
Results from operating activities	**14.2**	**(8.1)**	**(14.1)**	**(5.1)**	**(13.1)**
Finance costs	-	-	(0.6)	(0.4)	**(1.0)**
Profit/(loss) before tax	**14.2**	**(8.1)**	**(14.7)**	**(5.5)**	**(14.1)**
Tax	-	-	(0.2)	-	**(0.2)**
Profit/(loss) for the period	**14.2**	**(8.1)**	**(14.9)**	**(5.5)**	**(14.3)**

[1] The segmental allocation of overheads for the period ended 31 December 2017 has been revised from what was previously reported. This change follows a review of cost allocations in which management concluded that certain costs previously shown as DX Express or DX Freight costs should instead be shown as Central costs. Whilst there has since been reorganisation and reallocation of resources within the DX Group, in particular in the second half of the prior year, this revision ensures the basis of allocation is now broadly aligned to the reported results for the period ended 31 December 2018 and year ended 30 June 2018.

Year ended 30 June 2018:	**DX Express £m**	**DX Freight £m**	**Central £m**	**Exceptional Items £m**	**Total £m**
Revenue	161.7	137.8	-	-	**299.5**
Costs before overheads	(124.1)	(148.6)	-	-	**(272.7)**
Profit/(loss) before overheads	**37.6**	**(10.8)**	**-**	**-**	**26.8**
Overheads	(8.3)	(3.4)	(20.0)	-	**(31.7)**
EBITDA	**29.3**	**(14.2)**	**(20.0)**	**-**	**(4.9)**
Depreciation and amortisation	-	-	(6.3)	-	**(6.3)**
Share-based payments charge	-	-	(0.2)	-	**(0.2)**
Exceptional items	-	-	-	(5.7)	**(5.7)**
Results from operating activities	**29.3**	**(14.2)**	**(26.5)**	**(5.7)**	**(17.1)**
Finance costs	-	-	(0.9)	(1.9)	**(2.8)**
Profit/(loss) before tax	**29.3**	**(14.2)**	**(27.4)**	**(7.6)**	**(19.9)**
Tax	-	-	(0.5)	0.9	**0.4**
Profit/(loss) for the year	**29.3**	**(14.2)**	**(27.9)**	**(6.7)**	**(19.5)**

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 Exceptional items

	Six months ended 31 Dec 2018 £m	Six months ended 31 Dec 2017 £m	Year ended 30 June 2018 £m
Impairment charges	-	5.3	5.3
Restructuring, professional costs and other	-	0.4	0.4
Senior management departures	-	0.3	0.9
Profit on sale of freehold properties	-	(0.9)	(0.9)
Exceptional items in results from operating activities	**-**	**5.1**	**5.7**
Finance costs	-	0.4	1.9
Tax	-	-	(0.9)
Total exceptional items	**-**	**5.5**	**6.7**

The Group did not incur any exceptional costs in the period. Details about prior periods' exceptional items are set out in the annual report and accounts for the year ended 30 June 2018.

6 Finance costs

	Six months ended 31 Dec 2018 £m	Six months ended 31 Dec 2017 £m	Year ended 30 June 2018 £m
Interest on bank borrowings	0.1	0.2	0.5
Amortisation of financing costs	0.1	0.4	0.4
Loan Notes finance costs – exceptional	-	0.4	1.9
Total finance costs	**0.2**	**1.0**	**2.8**
Trading	0.2	0.6	0.9
Exceptional items (see note 5)	-	0.4	1.9
Total finance costs	**0.2**	**1.0**	**2.8**

7 Earnings per share

The calculation of basic loss per share at 31 December 2018 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 11.

Diluted loss per share is calculated based on the weighted average number of shares in issue, adjusted for any potentially dilutive share options issued under the Group's share option programmes.

	31 Dec 2018 £m	**31 Dec 2017 £m**	**30 June 2018 £m**
Loss for the period	(5.6)	(14.3)	(19.5)
Adjusted for:			
- Amortisation of acquired intangibles	0.1	0.1	0.3
- Exceptional items	-	5.5	6.7
- Share-based payments charge	0.6	-	0.2
Adjusted loss for the period	**(4.9)**	**(8.7)**	**(12.3)**
	Million	**Million**	**Million**
Weighted average number of shares in issue	573.7	200.5	239.4
Potentially dilutive share options	0.3	-	-
Weighted average number of diluted ordinary shares	**574.0**	**200.5**	**239.4**
	Pence	**Pence**	**Pence**
Basic loss per share	(1.0)	(7.2)	(8.1)
Diluted loss per share	(1.0)	(7.2)	(8.1)
Adjusted loss per share	(0.9)	(4.3)	(5.1)

8 Loans and borrowings

	31 Dec 2018 £m	31 Dec 2017 £m	30 June 2018 £m
Non-current liabilities			
Loan notes	-	23.5	-
	-	**23.5**	**-**
Current liabilities			
Invoice discounting facility	7.7	4.6	3.1
Deferred debt issue costs	(0.1)	(0.2)	(0.1)
	7.6	**4.4**	**3.0**
Total Loans and borrowings	**7.6**	**27.9**	**3.0**

The Group has a £25.0 million evergreen invoice discounting facility. Drawings on the invoice discounting facility at 31 December 2018 were £7.7 million (2017: £4.6 million).

9 Cash generated from operating activities

	Six months ended 31 Dec 2018 £m	Six months ended 31 Dec 2017 £m	Year ended 30 June 2018 £m
Cash flows from operating activities			
Loss for the period	(5.6)	(14.3)	(19.5)
Adjustments for:			
- Exceptional impairment charges	-	5.3	5.3
- Depreciation	1.3	1.4	2.9
- Amortisation of intangible assets	0.7	2.2	3.4
- Finance costs	0.2	1.0	2.8
- Tax expense/(credit)	0.3	0.2	(0.4)
- Gain on sale of property, plant and equipment	-	(0.9)	(0.7)
- Equity-settled share-based payment transactions	0.6	-	0.2
Net cash loss	**(2.5)**	**(5.1)**	**(6.0)**
Changes in:			
- Trade and other receivables	5.8	8.9	1.4
- Trade and other payables	(2.1)	(9.8)	(3.6)
- Deferred income	(2.9)	(2.8)	(0.8)
- Provisions	(0.4)	(0.8)	(1.4)
Net change in working capital	**0.4**	**(4.5)**	**(4.4)**
Cash used in operations	**(2.1)**	**(9.6)**	**(10.4)**

10 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 2018.

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

11 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 7
Net debt	Debt	Financial review section
Underlying results from operating activities	Results from operating activities	Financial review section

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

	31 Dec 2018 £m	31 Dec 2017 £m	30 June 2018 £m
Reported loss before tax	**(5.3)**	**(14.1)**	**(19.9)**
Adjusted for:			
- Amortisation of acquired intangibles	0.1	0.1	0.3
- Exceptional items	-	5.5	7.6
- Share-based payments charge	0.6	-	0.2
Adjusted loss before tax	**(4.6)**	**(8.5)**	**(11.8)**

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.