For immediate release **2 September 2020**

Gooch & Housego PLC
("G&H" or the "Company")

Trading Update
"Trading in line with expectations"

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of photonic components & systems, provides an update for the 10 months ended 31 July 2020. Overall, trading remains in line with management's expectations for the full year ending 30 September 2020.

Trading

The Group's manufacturing locations in the UK, USA and China are now fully open, thanks to measures that were quickly and efficiently put in place by our site teams, minimising the disruption of the COVID-19 pandemic for our customers whilst keeping our employees safe. Most recently, our Torquay site in the UK has returned to full capacity.

Trading levels in June and July reflected the recovery in the Company's manufacturing capacity and some of our larger customers' manufacturing sites reopening.

Orders for fibre optics, hi- reliability fibre couplers for undersea cables and our A&D and life science capabilities remain robust. There continues to be improved demand for medical diagnostics, in particular for ventilator systems. As previously communicated, industrial laser demand remains at below "normalised" levels, although the semiconductor subsector has demonstrated sustained improvement.

The previously announced cost control measures have been implemented and will support the Group's profitability in H2 FY '20 and beyond.

Priorities in the COVID-19 emergency

Our primary concern during the emergency is the health and safety of our staff, customers and suppliers. Extensive measures have been put in place at all of our sites to ensure we rigorously meet social distancing and cleanliness requirements and all other relevant guidelines and regulations.

Financial strength

The Company remains in a good financial position with a strong balance sheet and liquidity levels that have continued to improve during the period. Total headroom increased to £28.1 million; this included a $10 million extension to the Group's revolving credit facility taking the total to $50 million, as announced in April 2020.

Outlook

There remains significant global economic uncertainty due to the COVID-19 emergency in the short term. That said, our telecommunications, A&D and life sciences businesses have held up well during the period, though the timing and pace of the industrial laser market recovery remains difficult to predict.

Improved industrial laser demand will be driven by technical innovation such as 5G and new laser based manufacturing techniques. There remains substantial long term growth potential for our photonic technologies and system capabilities in all of our target sectors.

The streamlining of our manufacturing sites is on schedule and will deliver the profit improvements previously announced.

Mark Webster, Chief Executive Officer of Gooch and Housego, commented:

"We are proud of the way that our staff and management have responded to the COVID-19 emergency. All of our sites in the UK, USA and China are now open and fully compliant with all relevant health and safety requirements. This has been achieved, quickly, efficiently and most importantly, safely.

"While there remains considerable short term economic uncertainty our order book remains robust, the Company's balance sheet has strengthened during the period and we have continued to invest in our high priority R&D targets.

"The COVID-19 emergency has validated G&H's long term strategy of diversification and moving up the value chain. We will continue to pursue this policy through internal investment and where appropriate, acquisitions."

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Notes to editors

1. Gooch & Housego is a photonics technology business headquartered in Ilminster, Somerset, UK with operations in the USA and Europe. A world leader in its field, the company researches, designs, engineers and manufactures advanced photonic systems, components and instrumentation for applications in the Aerospace & Defence, Industrial, Life Sciences and Scientific Research sectors. World leading design, development and manufacturing expertise is offered across a broad range of complementary technologies.

2. All financial information included in this announcement is sourced from unaudited management accounts and excludes any specific items. This announcement contains certain forward-looking statements that are based on management's current expectations or beliefs as well as assumptions about future events. These are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries and sectors in which G&H operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results, and G&H's plans and objectives, to differ materially from those currently anticipated or implied in the forward-looking statements. Investors should not place undue reliance on any such statements. Nothing in this announcement should be construed as a profit forecast.