30 October 2024

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

G&H Extends its Precision Optics Capabilities in A&D with the Acquisition of Phoenix Optical

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of optical components & systems, announces that it has acquired UK-based Phoenix Optical ("Phoenix") for a total consideration of up to £6.75 million. This acquisition extends G&H's precision optics capabilities in its Aerospace & Defence markets and creates new opportunities for the cross selling of the combined capabilities.

From its facilities in St. Asaph, North Wales, Phoenix supplies polished, coated and assembled precision optics to customers around the world. The company has one of the largest diamond turning facilities in Europe, as well as on site capabilities for the moulding and annealing of glass.

In line with G&H's strategy of 'speed to value' acquisitions, Phoenix provides the Group with the opportunity to expand and accelerate its reach in the UK and European Aerospace & Defence markets. Phoenix and G&H share complementary specialist capabilities in precision optics, allowing us to serve a broader customer base with a comprehensive portfolio whilst achieving synergies from sharing our combined manufacturing capacity and optical systems engineering expertise in St Asaph where we already have our Optical Systems Innovation Centre.

Charlie Peppiatt, Chief Executive Officer of Gooch & Housego, commented:

"I am delighted to welcome Phoenix to the G&H Group. Phoenix is a highly capable, well-regarded UK precision optics supplier with a strong portfolio of products and services. Together we will be able to better serve our customers' most complex optical systems requirements. The combination of the Phoenix and G&H teams brings together industry leading technology and know-how with efficient scalable operations that will support G&H to deliver an exceptional customer experience and accelerate our journey towards sustainable margin growth."

Terms of acquisition

The Company has acquired the entire issued share capital of Fawkes Newco 2 Limited, a newly established holding company of the Phoenix Optical group of companies. The total consideration payable for Phoenix by G&H is up to £6.75 million. This comprises an initial cash consideration of £3.4 million, funded from existing resources. There is a deferred contingent cash consideration of up to £3.35 million, payable based upon Phoenix's performance in the three years ending 30 June 2027.

In its financial year ended 30 June 2024 Phoenix's revenue was c.£6.6 million and its reported EBITDA was c.£0.4 million. As at the end of June 2024 Phoenix had gross assets of c.£4.4 million.

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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.