For immediate release **7 April 2021**

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

Half Year Trading Update

"Recovery of industrial laser demand and further progress streamlining manufacturing"

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of photonic components & systems, provides an update on trading in the six months ended 31 March 2021.

Trading

In the first half of the financial year we have seen a recovery in the industrial laser sector in line with the trends previously announced in our AGM trading statement in February 2021. Demand for fibre optics, hi- reliability fibre couplers and our life sciences products and services remains strong. Our Defence markets have been robust, whilst demand from our limited number of commercial aerospace customers has been affected by current end-market conditions.

The Asian markets have led the recovery in industrial lasers and we are now seeing the US and European markets also emerging from the pandemic downturn. The roll out of new technologies such as 5G, along with greater use of new materials in microelectronic manufacturing has fuelled demand, building on the sustained growth in semiconductors.

In the UK we have secured important new A&D business for our UK Precision Optic (PO) hub, adding to the strong US Defence order book.

Medical diagnostics has continued to demonstrate good growth and we are now seeing improving levels of demand for our specialist medical laser products, which were adversely affected by the reduction in elective procedures in FY 2020 owing to COVID-19.

As at 31 March 2021 our order book was at £92.8 million (31 March 2020: £91.7 million), an increase of 1.3%, or 7.9% at constant currency, compared with the same time last year.

Operations

We are proud of the way our staff have responded to the challenge of the pandemic. All of our sites remain fully open and are operating in line with all relevant health and safety rules and regulations. Nevertheless, travel restrictions and some staff self isolating have presented hurdles that we have worked hard to overcome. We anticipate that these issues will ease as the vaccine roll out progresses in the UK and USA.

As part of the Company's ongoing performance improvement programme we are making good progress streamlining our manufacturing sites. As previously reported all of the product lines at our Glenrothes, Scotland facility have been transferred to our new UK PO hub in Ilminster and the Glenrothes site has been closed. Outsourcing of the Acousto Optic (AO) products from Ilminster to our contract manufacturer in Asia is progressing well and we expect this to be substantially complete by the end of the current financial year. The costs and full year benefits of the above mentioned moves are expected to be in line with previous communications.

Our two further site streamlining projects are also progressing to plan. Production at our Baltimore, MD facility is in the process of being transferred to our Boston, MA and Torquay, Devon facilities and our

Baltimore site will be closed. We are also transferring production from our facility in St Asaph, Wales to our UK PO hub in Ilminster. We will retain an optical systems engineering and design centre in St Asaph, housing our world leading optical systems engineers.

We are on track to complete both projects by the end of the current financial year and to reap the full year benefits of the reduced cost base in FY2022.

Financial Strength

The Group's cash generation in the first half of the financial year has been strong. The payment of the final earn out associated with the acquisition of the ITL business has been completed, with that business achieving at its maximum target level. In the first half of the year the Group's liquidity levels improved and total headroom from existing facilities has increased.

Continued execution of our strategy

Our long standing strategic objectives are to diversify our business and move up the value chain. We continue to make considerable progress against these objectives and we are securing important new orders thanks to our growing systems capability across all three of our business sectors.

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

"Trading in the first half of the financial year has been in line with our expectations. A broader based recovery of the industrial laser market is encouraging, driven by new technologies such as 5G and stronger, more flexible materials used in smart phone and tablet screens.

"We are very proud of the way our staff have responded to the challenge of the pandemic. The vaccine roll out programme in the UK and USA should enable some of the restrictions and hurdles associated with the pandemic to ease however, our priority remains the health and safety of all our staff, customers and suppliers.

"G&H has made significant progress with the streamlining of our manufacturing base. We are on track to have substantially completed all of the ongoing projects by the end of the financial year. This will enable us to reap the full year effects in FY2022.

"The challenge of the pandemic has validated our long term strategic goals of diversification and moving up the value chain. We intend to vigorously pursue these goals through internal investment and where appropriate, acquisitions."

The Company's Interim Results, for the six months ended 31 March 2021, are expected to be announced on Tuesday 1 June 2021.

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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, Europe and China. 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.