For immediate release **5 October 2021**

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

Full Year Trading Update

"Trading slightly ahead of expectations"

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of photonic components & systems, announces that profits for the year ended 30 September 2021 are slightly ahead of management's previous expectations. The Company will announce its results for the year ended 30 September 2021 on 30 November 2021.

Trading

The Group's trading performance in the second half of the financial year has been good thanks to further strengthening in end market demand, despite currency headwinds and some supply chain constraints.

Industrial laser demand continues to be strong, in particular the semiconductor market where we have a range of growth opportunities. Life science markets are performing well. Demand for our medical diagnostics remains at previous high levels and orders for our specialist medical laser products have been strong as this market recovers from the low levels of elective surgery during the pandemic. We completed a number of significant deliveries to our aerospace and defence customers, though we do not expect commercial aerospace volumes to recover until 2023.

The streamlining of the Group's manufacturing facilities is progressing well. At the beginning of FY2021 we had 12 manufacturing sites and we now have 9. We have moved our Baltimore, Maryland production to our Boston site creating a single US fibre optic facility. In the UK we have moved our Glenrothes, Scotland and St Asaph, Wales production into Ilminster, Somerset, creating a UK precision optics hub. Our world leading optical systems engineering team has been relocated to an innovation hub in St Asaph and they remain focused on target development projects. Outsourcing of our Ilminster acousto optic production to a South East Asian manufacturer is well advanced and the final product transfers are expected to be complete over the next few months.

G&H's strong revenue performance in the second half of the financial year together with the benefits of our streamlining programme mean that Group profits are expected to be slightly ahead of management's previous expectations.

The Group delivered strong operating cashflow through the second half of the financial year and has further reduced its level of borrowings.

Outlook

G&H has entered its new financial year with a robust order book. As at 30 September 2021 it stood at £97.8 million (30 September 2020: £92.4 million), 5.6% higher than same period previous year, or 8.4% on a constant currency basis. The strength of the order book provides the Group with good momentum as its enters the new financial year. Industrial and medical lasers are demonstrating sustained recovery, while telecommunications and life sciences continue to perform well.

The streamlining of our manufacturing sites is on track to deliver the previously announced full year profit improvements.

We have an active development portfolio, targeted at our key growth sectors and we are working closely with many of our customers on their next generation products. There remains susbstantial long term growth potential for our photonic technologies and system capabilities in all of our target sectors. G&H is well placed to execute on acquisitions that support our strategy.

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

"*Trading in the second half was strong, reflecting the sustained recovery in industrial and medical lasers and the robust performance of telecommunications and life sciences. Our ambitious programme to streamline our manufacturing sites is on track to deliver the previously announced full year profit improvements.*

"There has been some 'drag' on performance due to currency headwinds, self isolation and supply chain issues. It is though a far better business environment than last year and we believe these factors will improve over time.

"We intend to vigoursly pursue our long term strategic goals of diversification and moving up the value chain, 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,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.