**For immediate release** **24 February 2021**

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

**AGM Trading Update**

*"Improved levels of industrial laser demand and further streamlining of manufacturing"*

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of photonic components & systems, will hold its Annual General Meeting at 11.00am today at the Company's headquarters in Ilminster, Somerset. As previously disclosed, owing to COVID-19 guidelines the AGM will run as a closed meeting and shareholders will not be permitted to attend in person.

**Current trading and outlook**

During the first four months of the financial year we have seen improved levels of demand across the industrial laser sector. In line with previously reported trends there have been continuing high levels of demand for fibre optics, hi- reliability fibre couplers and our A&D capabilities. Life sciences has continued to grow strongly.

Asian markets have led the recovery in industrial lasers, though US and European markets are also now demonstrating encouraging trends. The roll out of new technologies, such as 5G, has fuelled demand led growth, building on the previously reported recovery in semiconductors.

Our A&D order book remains robust with new UK optical system orders, which have built on our existing US A&D contracts.

Medical diagnostics has continued to demonstrate good growth and we are now seeing improved levels of demand for our medical laser products, which were affected by the reduction in non- COVID-19 procedures in FY2020.

All of our manufacturing sites remain fully open. We have established effective working practices which prioritise the health and safety of our staff, customers and suppliers. Nevertheless travel restrictions and the need for some of our employees to self-isolate has presented some operational challenges.

The Group's cash generation has remained robust and the net debt of the Group has further reduced during the first four months of the financial year, despite the payment of the final earn out associated with the acquisition of the ITL business.

As at 31 January 2021 our order book was at £95.0 million (31 January 2020: £94.1 million), an increase of 1.0%, or 3.3% at constant currency, compared with the same time last year.

**Streamlining of our manufacturing**

As part of the Company's ongoing performance improvement programme we are making good progress streamlining our manufacturing sites. All of the product lines at our Glenrothes, Scotland facility have been transferred to our new UK Precision Optics( 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 predicted to be in line with previous communications.

We launched a further two streamlining projects. Production at our Baltimore, MD facility will be transferred to our Boston, MA and Torquay, Devon facilities and our site in Baltimore will be closed. Many of our Baltimore customers are also served by our Boston and Torquay facilities. This will result in two fibre optic hubs, one on each side of the Atlantic.

We have also begun transferring production from our facility in St Asaph, Wales to our UK Precision Optics hub in Ilminster. An optical systems engineering and design centre will be retained in St Asaph, housing our world leading optical systems engineers in order to continue their work developing a pipeline of innovative new products.

We are targeting 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.

**Continued execution of our strategy**

Our longstanding strategic objectives are to diversify our business and move up the value chain. We continue to make considerable progress on both these counts. A&D represents around a third of our revenue and life sciences continues to grow strongly, now representing over 25% of Group revenues. 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 four months of the financial year has seen improved levels of demand in industrial and medical lasers.*

*"We are proud of the way that 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 present ongoing hurdles that we are working hard to overcome.*

*"Good progress has been made on the first phase of streamlining our manufacturing base. In addition, two further sites have started to move their manufacturing to other established sites. We expect both phases to be substantially complete by the end of current financial year.*

*"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."*

A slide deck to accompany the AGM can be viewed at the investor section of the Company's website, https://gandh.com/investors/

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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.