AGM

Proxy Voting

24th February 2025

SUMMARY OF PROXY VOTES

	Resolution	Votes For	Votes Against	Withheld
1	To receive the 2024 Annual Report	15,812,800	37	769
2	To receive and approve the Remuneration Committee Report	15,755,372	52,892	5,342
3	Approve final dividend of 8.3p per share	15,813,155	437	14
4	To re-elect G Bullard	15,807,402	2,354	3,850
5	To re-elect C Peppiatt	15,807,802	1,954	3,850
6	To re-elect C Jewell	15,807,812	2,344	3,450
7	To re-elect L Evans	15,808,804	952	3,850
8	To re-elect J Haynes	15,807,802	1,954	3,850
9	To re-elect S Searle	15,809,214	942	3,450
10	To reappoint PwC as auditors	15,758,053	55,139	414
11	To authorise the Directors to fix the auditors' remuneration	15,808,453	4,384	769
12	Authority to allot shares	12,483,060	3,330,481	65
13 (a)	Authority to allot shares pursuant to Section 570 of the CA2006	15,468,495	345,046	65
13 (b)	Authority to partially apply statutory rights of pre-emption	15,468,495	345,046	65
14	Authority to purchase own shares	13,013,466	51,937	2,748,203

AGM CEO Update

24th February 2025

AGENDA

- Business Overview
- Strategy Update
- Acquisition of Phoenix Optical
- Order Book Growth
- Summary

Charlie Peppiatt - CEO

BUSINESS OVERVIEW

2024 Revenue: £136M (2023: £135M)

Life Sciences	Aerospace and Defence	Industrial and Telecom
25%	25%	50%

LIFE SCIENCES	AEROSPACE & DEFENSE	INDUSTRIAL & TELECOM
• Medical imaging • Flow cytometry • Diagnostics • Laser surgery • DNA sequencing • Aesthetic procedures • Microscopy • Drug delivery	• Navigation • Targeting • Range finding • Imaging • Satellite comms • Sights for AFVs • Soldier protection • Laser Weapons	• Laser manufacturing • Photolithography • Microelectronics • Undersea networks • Perimeter sensing • Wind sensing • Laser fusion • Machine vision

Emerging applications increasingly employ photonics as the enabler.

Our customers require specialized, reliable and high-performance solutions.

G&H pushes the boundaries in these key areas and provides differentiating product solutions.

We maintain close and long-lasting relationships with our customers.

G&H

BROAD PHOTONICS EXPERTISE WITH GLOBAL REACH

Acquisitive Growth

In 2024 G&H acquired:

Phoenix, St Asaph, UK (Precision Optics)

G&H employs 980 skilled employees across 10 manufacturing and design facilities

RESPONSIBLE BUSINESS

Environment

- Sustainability Committee launched in 2024
- FY24 reduction of 14.3% in carbon intensity measure
- 81% of the Group's purchased electricity now from non-carbon sources
- On track to achieve target of being net zero scope 1 & 2 by 2035
- Scope 3 assessments to be undertaken in FY2025
- 50% of sites now ISO 14001 accredited – Environmental Management

Social

- New HR Information System launched
- Quarterly Group wide newsletter, "The Pulse" launched

Governance

- Engagement with external accreditation agencies

COMMITTED ecovadis JUN 2024

MSCI ESG RATINGS A

CDP DISCLOSURE INSIGHT ACTION

G&H

G&H STRATEGY – SUSTAINABLE GROWTH

Our strategy is focused upon us becoming an 'innovative customer focused technology company' making a 'better world with photonics' and the 'first choice' for all our stakeholders

OFFERING DIFFERENTIATED PERFORMANCE THROUGH 4 KEY STRATEGIC PRIORITIES:

1
Establish dynamic high-performance teams and a purpose-led culture
PEOPLE

▶

2
Deliver exceptional customer experience and superior operational execution
SELF-HELP

▶

3
Create enhanced value through technology and platform solutions
TECHNOLOGY

▶

4
Focus investment to accelerate accretive growth, both organic and inorganic
INVESTMENT

Achieved by following G&H's guiding values to deliver fundamental and sustainable improvement for employees, company profitability and our planet

G&H

STRATEGIC PROGRESS

PEOPLE	FY2022	FY2023	FY2024	RAG
Open Positions	78	52	24	
ISO14001 Accreditions	1	3	5	
HRIS Implementation	-	-	US Sites	
Employee Engagement Survey	-	-	78%	
Scope 1&2 Emissions/Rev tCO2e (£m)	31.6	21.1	18	

TECHNOLOGY	FY2022	FY2023	FY2024	RAG
R&D Investment (£m) excluding EM4	7.2	7.4	7.8	
R&D Investment (% Sales)	6.2%	5.5%	5.8%	
New Products Revenue (£m)	17.9	23.7	25.3	
New Products (Number)	54	57	48	

PEOPLE | SELF-HELP | TECHNOLOGY | INVESTMENT

SELF-HELP	FY2022	FY2023	FY2024	RAG
Average Leadtime PO (weeks)	42	30	18	
Factory Pastdue Backlog (£m)	11.2	5.5	3.2	
On Time Delivery	67.4%	81.1%	83.9%	
Sites Achieving Efficency Target (%)	33%	45%	56%	
Outsourcing (LCR) Revenue	<5%	7.7%	8.5%	
Customer Survey NPS	10	11	42	

INVESTMENT	FY2022	FY2023	FY2024	RAG
Net Cap Ex (£m)	6.7	5.8	5.2	
Portfolio Adjustments / M&A	0	3	2	
Cash Conversion (Op Cashflow less Capex/EBITA)	-28%	77%	86%	
Debt Leverage (Net Debt / EBITDA)	0.7	1.1	0.9	

VERTICAL INTEGRATION

SYSTEMS & SERVICES

- System manufacturing
- Next Gen Design engineering

SUB-SYSTEMS

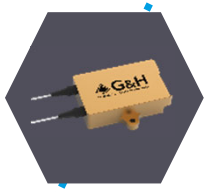
- Optical instrumentation
- Photonic subsystems

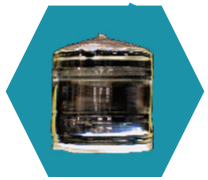
COMPONENTS AND MATERIALS PROCESSING

- Fiber optics
- Electro-optics
- Acousto-optics
- Crystal optics
- Optics

MATERIALS

- Crystals





OUTSOURCING

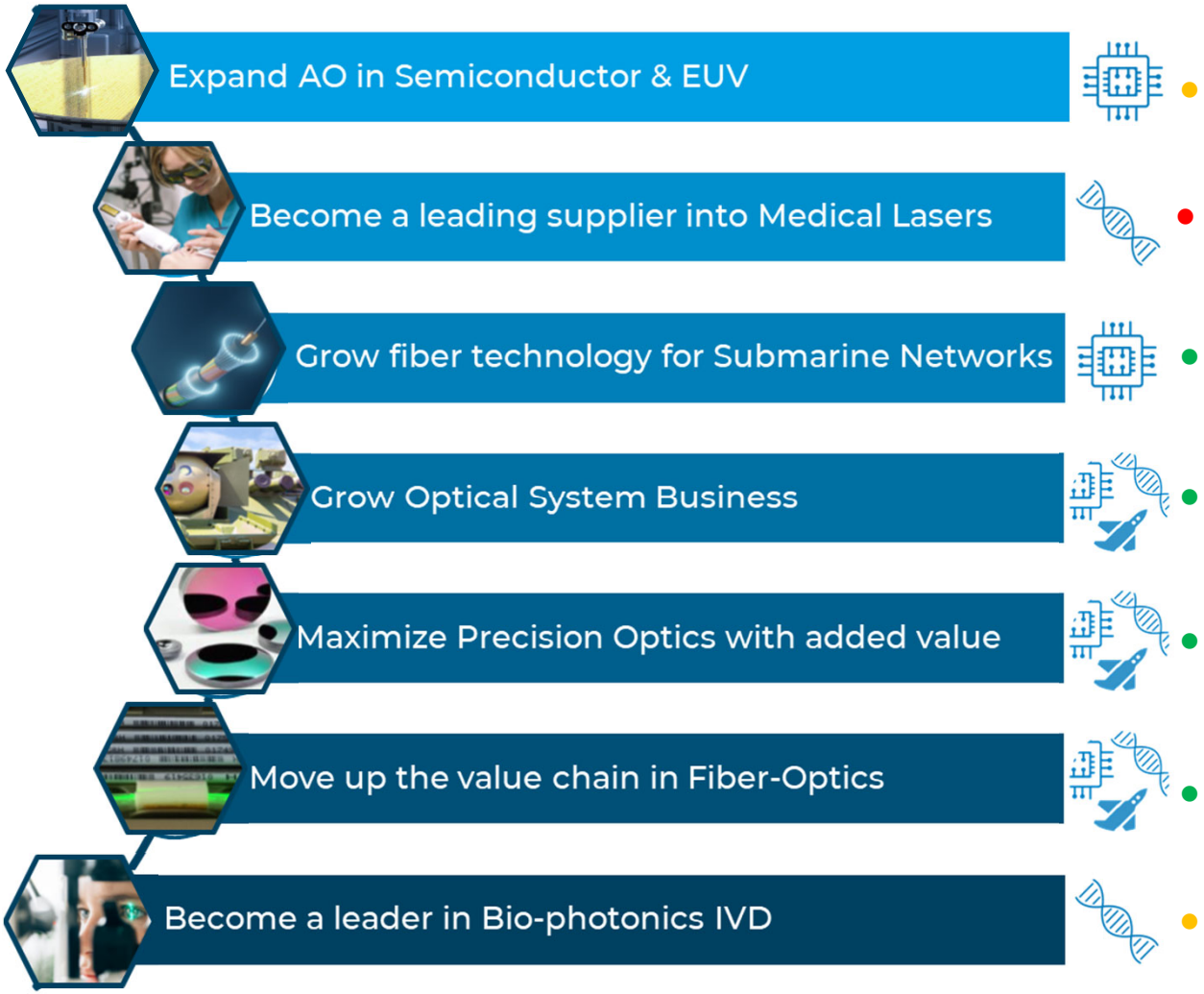
Proactive outsourcing of products earlier in their life cycle where technological sovereignty is not a differentiator

- Dedicated leadership and resources added
- Supply of acousto-optic products expanding
- Hi-Rel couplers further ramp-up in FY2025
- Additional product & partner selection underway
- Growth plans to >25% of Group revenue

People	Self-Help	Technology	Investment

G&H

VALUE CREATION FROM TECHNOLOGY FOCUS

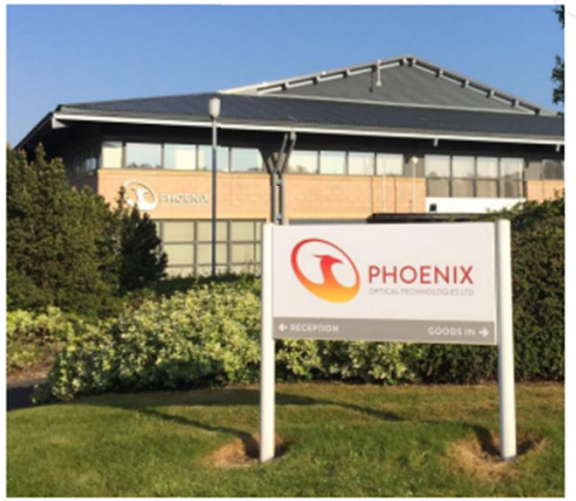


- Technology roadmap providing focus on where G&H can differentiate and drive ‘value creation’
- R&D effort and investment prioritised and deployed behind ‘vital few’ areas
- Investment into innovation hubs and R&D organisation to enable strategy
- 6 out of 7 performing well. Medical Lasers under threat from lower cost Asian competition
- >£50m of margin accretive business from new products in these areas over the medium term

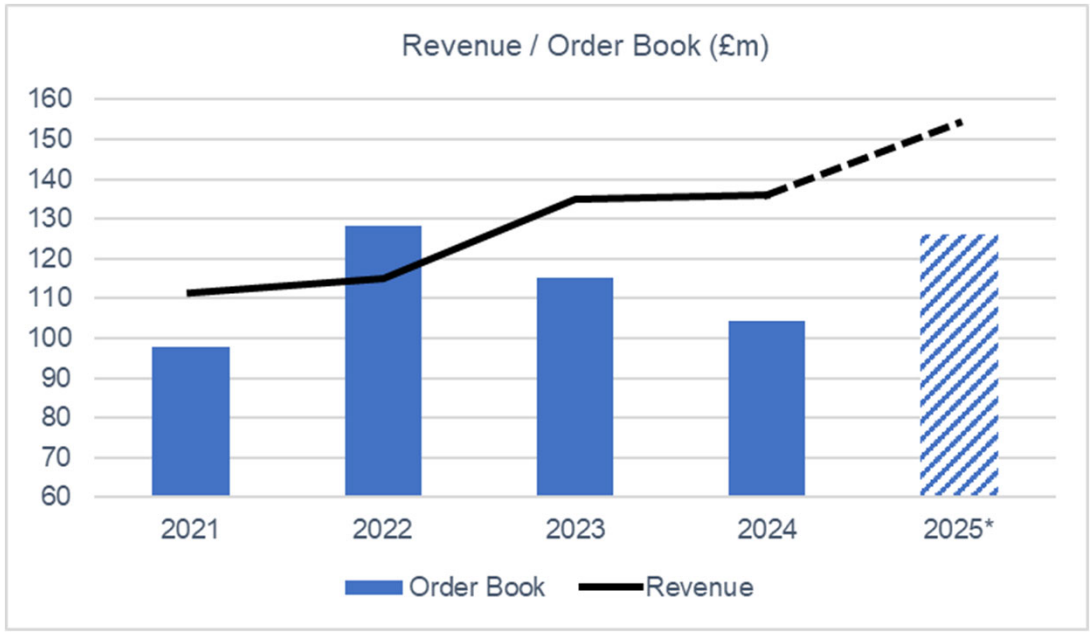
PHOENIX OPTICAL ACQUISITION

- Phoenix Optical acquired Oct-24 for total consideration up to £6.75m
- Well-regarded UK precision optics designer and manufacturer
- Strong team located in St Asaph, a hub for photonics talent
- Well invested facility with impressive diamond turning capabilities
- Long standing relationship with UK and European A&D customers
- Strategic rationale:
  - Revenue synergies through combined commercial pipeline
  - Scalable sovereign capability for A&D partners
  - Cost synergies – procurement, footprint & technology optimisation
  - Capability and know-how enhancement through combination

"Together we will be able to better serve our customers' most complex optical system requirements with industry leading technology and know-how."



OUTLOOK



Continuing Operations - adjusted to remove EM4

** Current order book and forecast revenue*

"G&H is now better positioned to benefit from the anticipated sustained recovery from our end markets in FY2025 thanks to the disciplined implementation of our strategy."

- Prior years' order book flattered by high past due backlog
- Solid growth for FY2025 order book with strong demand for medical diagnostics products in Life Sciences and Defence Optical Systems
- Refocused A&D business with positive multi-year demand outlook
- Semi recovery further delayed into H2 CY2025
- Current order book £126.4m including Phoenix

SUMMARY

- G&H's refocused technologies and capabilities aligned to mega trends
- Order book growth to £126.4m (FY2024: £104.5m)
- Continued progress with operational execution, outsourcing and customer experience
- 'Value creation' synergies identified from acquisitions, complemented by recent addition of Phoenix
- Net debt* at end of January 2025 increased to £19.2m (FY2024: £16.0m)
- Despite macro challenges, improved financial performance expected in FY2025

"While mindful of the increasingly uncertain macroeconomic and geopolitical landscape, G&H remains well positioned to deliver a path to mid teen returns in the medium term with a robust pipeline underpinned by solid demand for our Life Sciences and A&D products and reflecting the significant operational improvements that have been made across the company"

** excluding lease liabilities that totalled £10.2m at end of Jan-25 (Sept-24 £9.9m)*

CAUTIONARY STATEMENT

- For the purposes of the following disclaimers, references to this 'document' shall be deemed to include references to the presenters' speeches, the question and answer session and any other related verbal or written communications.

- This document contains forward-looking statements. These have been made by the Directors in good faith based on the information available to them up to the time of their approval of this document. The Directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

- The Directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

G&H