2 December 2025

GOOCH & HOUSEGO PLC

("G&H", the "Company" or the "Group")

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of optical components and systems, today announces its audited results for the year ended 30 September 2025.

Key Financials

Year ended 30 September (Continuing operations)	**2025**	2024	Change
Revenue (£m)	**150.5**	136.0	10.7%
Adjusted operating profit (£m)	**14.4**	10.5	37.3%
Adjusted profit before tax (£m) *	**11.9**	8.1	46.8%
Adjusted basic earnings per share (pence) *	**35.4p**	25.5p	38.8%
Statutory profit before tax (£m)	**5.3**	4.2	26.6%
Basic earnings per share (pence)	**13.7p**	12.7p	7.9%
Total dividend per share (pence)	**13.2p**	13.2p	-
Net bank debt excluding IFRS 16 (£m)	**29.9**	16.0	13.9
Net debt (£m)	**43.9**	25.8	18.1
Group leverage	**1.3**	0.9	0.4

* Adjusted figures exclude the amortisation of acquired intangible assets, amortisation of acquired intangible assets, non-underlying items being site closure costs, costs of acquisitions, release of deferred consideration, restructuring and litigation costs, together with the related tax impact.

Key Points

- **Strategy** – Strong progress delivering the strategic changes that will support mid-teen returns on sales in the medium-term.
- **Revenue** – up 10.7% to £150.5m (FY2024: £136.0m) or 5.6% on an organic constant currency basis. Aerospace & Defence up 52.1%; Industrial down 5.3%; Life Sciences flat
- **Profit** – adjusted operating profit up 37.3% to £14.4m (FY2024: £10.5m) reflecting an improved adjusted operating margin of 9.6% (FY2024: 7.7%). Statutory profit before tax at £5.3m (FY2024: £4.2m).
- **Order book** – order book closed at £142.4m, up 36.2% (FY2024: £104.5m) and with over 80% billable in FY26 complemented by a strong order pipeline, particularly for our A&D business. Order intake was £178.6m.
- **Debt** – net debt increased to £43.9m (FY2024: £25.8m) following £10.1m spent on acquisitions and £7.5m strategic investment in inventory.
- **Portfolio** – 'speed to value' acquisitions of Phoenix Optical in October 2024 and Global Photonics in June 2025, both of which continue to strengthen and support the Group's transformation journey.
- **Outlook** – Underpinned by our strategy which is making G&H a better, more sustainable business, the Board's expectations for FY2026 are unchanged and we are confident that the Group will continue to deliver profitable growth in the medium term.

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

"I am delighted with the substantial progress the Group has made in FY2025. Our operational performance has shown sustained improvement and resilience in the face of a complex and uncertain macroeconomic environment, with unprecedented supply chain and tariff challenges. This is a testament to the positive progress the Group is making with the deployment of our strategy to deliver sustainable growth and to the quality of our workforce. With our growing order book and differentiated photonics expertise aligned to markets with structural growth from megatrends, we remain confident in our ability to deliver further progress."

Analyst meeting

A meeting for analysts will be held at 10.30 a.m. today at the offices of Burson Buchanan, 107 Cheapside, London EC2V 6DN. To register attendance, please contact Burson Buchanan at G&H@buchanan.uk.com.

For further information please contact:

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Notes to editors

1 Gooch & Housego is a photonics technology business 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 and Defence, Industrial and Telecom, and Life Sciences sectors. World leading design, development and manufacturing expertise is offered across a broad range of complementary technologies. It is headquartered in Ilminster, Somerset, UK.

2. 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.

Chairman's Statement

Introduction

I am delighted with the significant progress we are making on delivering our strategy. Despite the macroeconomic challenges, we have been able to report record revenue and an increase of 46.8% in adjusted profit before tax from £8.1m for FY2024 to £11.9m for FY2025.

Our People

The Board is committed to supporting inclusive, collaborative and safe ways of working at G&H. I am very pleased to see the progress that is being made to foster a "one team" culture through regular all employee briefing sessions supported by high quality published materials and materials available on the new HR information system that share information with our people about activities in other parts of the Group.

Meeting with our employees throughout the year I am always impressed by their commitment to the business and the skill with which they conduct their day-to-day operations. I would like to thank them all for their contribution. The progress that we have made in the year would not have been possible without their continued hard work and support.

The Board

Having served on the Board since 2019, Chris Jewell stepped down as Chief Financial Officer on 30 September 2025. On behalf of the Board, I would like to express our thanks for his substantial contribution to the company's development over the last six years. He has supported the business through operational and strategic changes, including the last four acquisitions and the divestment of EM4 in Boston.

The Company appointed Martin Hopcroft as Interim CFO and Company Secretary, effective from 28 July 2025 to enable a handover period. Martin, a seasoned finance leader with significant experience supporting listed companies through transition periods, has executive responsibility for the finance function while the Board makes good progress in its search for a permanent Chief Financial Officer.

As a Board we take our governance responsibilities very seriously and I am pleased to see the further progress with our assessment scores since we engaged with two new agencies, CDP and EcoVadis, in addition to MSCI, to provide our stakeholders with independent validation of the processes and controls that we have put in place.

On a more personal note, it is my intention to stand down from the Board in the coming year. The Nomination Committee has already begun the process to identify my successor and they expect an appointment will be made during FY2026.

Dividend

Given the Group's progress on delivering its strategy and the long-term positive outlook for the business, the Board is proposing an unchanged final dividend of 8.3 pence per share for approval at the Company's Annual General Meeting on 27 February 2026, representing a total dividend for the year of 13.2 pence. Payment of the dividend will be made on 6 March 2026, to shareholders on the register as at 30 January 2026.

Outlook

Underpinned by our strategy, which is making G&H a better, more sustainable business, the Board's expectations for FY2026 are unchanged and we are confident that the Group will continue to deliver profitable growth in the medium term.

Gary Bullard

Chairman

Chief Executive Officer's Statement

Group overview

I am pleased with the significant progress the Group continues to make with delivering our transformative strategy. Last year we acquired and have successfully integrated the Phoenix Optical and Global Photonics businesses, both further strengthening our optical systems and thin film coating capabilities. We have also seen positive progress with our self-help activities with improved operational performance, additional outsourcing and successful new product introductions. These actions help ensure that the Group can offer our customers differentiated products and technologies, generate synergies with other parts of G&H and support the Group's journey to mid-teen returns in the medium term.

The Group delivered strong profit growth and margin expansion despite the significant macroeconomic and geopolitical disruptions. G&H was impacted in the year by supply chain disruption resulting from raw materials and component restrictions due to retaliatory measures from China in response to US tariffs. Despite this there has been encouraging take up of newly developed products generated from a more focused portfolio, which continue to be recognised for their superior performance and reliability. I was particularly pleased by the substantial growth in the Group's order book during the year, reflecting the increasing demand for our photonics and optical systems solutions, especially in Aerospace and Defence.

We have continued to accelerate the transfer of certain product lines to selected outsourced manufacturing partners at the same time as successfully ramping new products in several of our own factories. I have been particularly impressed by the continuing transformation and expansion of our activities in Torquay, Ilminster and St Asaph during the last year. The Torquay site has now completed the transfer of all its hi-reliability fused fibre production to its supply partners and repurposed production for the manufacture of more complex fibre optic modules and, aligned to our strategy, we are securing greater market share of these products. This is an excellent example of the margin accretive changes being implemented across the Group and which will position G&H well to profit from the recovery we expect in our Industrial and Life Sciences markets.

Continued investment

We have continued to be disciplined in supporting the business with the focused investments it needs to grow. We have strengthened our leadership, sales and engineering group during the year with highly capable and experienced new team members. We have fully implemented a new HR information system (HRIS) across the Group allowing managers and the HR function to better support the global workforce in each region.

The Group acquired Phoenix Optical and Global Photonics which were both the culmination of many months of hard work by our team involved in the acquisition process and integrations. It has been great to be able to welcome such talented and experienced employees from both businesses to G&H. Both companies, which are highly regarded suppliers of precision optics and optical systems in their respective regions and end-markets, are highly complementary to the Group and I look forward to seeing them prosper under G&H ownership.

A sustainable business

At G&H we are focused on making our business sustainable and supporting the transition to a net zero carbon economy. With direction and oversight from the G&H Sustainability Committee, our employees are pleased to be playing their part in moving to a more sustainable and healthier world. Our medical diagnostic products support the earlier diagnosis of disease and illness, and our sensing products are an enabler to deliver clean and renewable energy with efficiency. Within our own business we are committed to achieving net zero for our Scope 1 and 2 emissions by 2035 and I am pleased to report that we made further positive progress towards that target in the financial year.

It is important for us to support the communities in which we operate. Our facilities provide high quality employment opportunities in the towns and cities where we are located, and our teams often host visits from local schools and colleges to foster excitement amongst their students to pursue careers in photonic technologies and advanced engineering. G&H employees are also active in supporting charities local to the sites in which they work, often matching with monies from G&H the amounts that have been raised.

G&H delivered a strong performance in the second half of the year underpinned by solid demand for our Life Sciences and A&D products, also reflecting the significant operational improvements that were made across the Group despite continuing challenges from the global macroeconomic environment.

Full year revenue increased by 10.7% to £150.5m (FY2024: £136.0m) or 5.6% on an organic constant currency basis with A&D revenues up 52.1%, Industrial down by 5.3% and Life Sciences broadly flat. Building on a positive first half, the further growth in revenue in the second half and the continued strong order intake reflects multi-year programme wins and the positive structural trends evident in many of our end markets. Albeit with Industrial revenues down slightly due to the recovery of the semiconductor market still not evident and now expected in the second half of FY2026. Whilst there are early signs of some recovery in demand from areas of the semiconductor market, we continue to closely monitor the short-term uncertainty in our Industrial markets created by ongoing macroeconomic and geopolitical challenges.

Our teams across the Group have executed exceptionally well in a challenging environment, given the significant supply chain and cost headwinds, to deliver a robust trading performance in the second half of the year in line with expectations that supports improved profit growth in FY2026. I am pleased with the continued foundational progress that has been made across the business through the collective hard work of the workforce which is now being harnessed effectively through a more focused and fully deployed strategy to deliver sustainable margin growth for the Group.

A significant cornerstone of our strategy is for the Group to become a more customer focused business and to deliver an exceptional customer experience when doing business with G&H. I am pleased to see how this is being embraced across the whole Company and the progress that is being made through a more disciplined focus on internal and external customer experience. It was encouraging to see progress in many of our customer metrics and the upgrade of our customer service, sales and product management teams during the year that resulted in increased orders, a growing pipeline of new business opportunities and demonstrated that our customers are recognising the changes we continue to make with this key strategic priority for the Company.

I am proud that G&H's products and technology are playing a part in building a better more sustainable world. Many of our products contribute directly to the reduction of energy consumption and the more efficient use of materials. In our own facilities we are also making great strides in reducing our impact on the environment. In FY2025 we achieved a 31.1% reduction in our emissions intensity measure as we work towards our goal of being net zero on our Scope 1 and 2 emissions by 2035.

Business Performance

Following the positive performance in the first half of the year, the Group continued to deliver strong trading momentum during the second half of the year with H2 revenue up 10.0% enabled by the focused operational improvements and capability investment made over the last year and careful proactive management of unforeseen supply challenges resulting from tariff disruptions and retaliatory measures. For the full financial year 2025, G&H achieved revenue from continuing operations of £150.5m which was up on the previous year by 10.7% (FY2024: £136.0m), or on an organic, constant currency basis with the full year benefits of Phoenix Optical and Global Photonics excluded, revenues were up 5.6%. Adjusted profit before tax from continuing operations was £11.9m, an increase of 46.8% over last year (FY2024: £8.1m).

Following the transfer of our acousto-optic products from our Ilminster facility to our Asian contract manufacturing partner, we have now qualified and successfully transferred the manufacture of our full hi-

reliability fibre coupler business to that same partner. During FY2025 we were able to accelerate the preparations for the transfer of further fibre optics and other products, where technological sovereignty is not a differentiator, building upon a proven model that has now been established with our selected contract manufacturing partners. During 2025 we also qualified an additional contract manufacturing partner in India to support with some of our in-country demand in that region.

We have continued to invest in our technology roadmaps albeit with a greater focus following the strategic review in 2023 and our R&D teams are working closely with many of our customers on the accelerated development of their next generation products. Total investment on product development activities was £7.3 million in FY2025 (FY2024: £7.8m).

During the year, the Group's net capital expenditure was to £6.0 million compared with £5.2 million in the previous year aligned to our strategic objectives. Notably spend in the period was focused on the integration of the new acquisitions, GS Optics and Phoenix Optical as well as establishing additional capability and capacity for our fibre optic business in Torquay. With our contract manufacturing partner carefully selected capital investment is also planned for our optical systems and precision optics business to address bottlenecks and meet increased Defence customer demand alongside the operational efficiency activities underway at these sites.

The Group retained high levels of inventory during FY2025 that are still above pre-pandemic levels, however, this reflects the additional inventory from acquisitions and the decision to increase inventory of some materials such as germanium in response to the uncertainties in the availability of these materials as a result of export restrictions imposed by the Chinese government. We also closed the year with an increase in past due backlog created by supply chain constraints that negatively impacted inventory levels. Inventory closed the year at a high-water mark, but as supply chains normalise and with greater focus on inventory management disciplines being implemented across the Group, we expect to see a reduction during FY2026.

Excluding lease liabilities, net debt at 30 September 2025 was £29.9m (30 September 2024: £16.0m), up £13.9m from the prior year end reflecting the two acquisitions and the increased inventory holdings. Our leverage as measured for our banking covenant stands at 1.3x (2024: 0.9x), which along with available committed and uncommitted bank facilities of $19.8m places G&H in a strong position to pursue our strategic goals.

During FY2025 the Group's order book continued to grow and at 30 September 2025 was £142.4m (31 March 2025: £121.5m; 30 September 2024: £104.5m). On an organic constant currency basis the order book grew by 15.3%. Over 80% of the order book is for delivery in FY2026, which underpins increased trading in the new financial year including the full year impact of recent acquisitions, partially offset by an increase in overheads.

Our order book grew in each of our three end markets with modest year on year increases in Life Sciences and an encouraging recovery in orders for our Industrial markets. However, the most significant increase came from our A&D customers where we saw strong growth, especially in the second half of the financial year thanks to increased demand from both our commercial and defence customers assisted by the enhanced value proposition we are able to offer into this buoyant end market. Our teams in the UK and US are focused on converting a healthy pipeline of new A&D prospects and there has been further extension of the order book following the year end.

Strategy

G&H is a business with outstanding products, enormous technical capability and highly talented people and as a result of the disciplined rigour with which our strategy for sustainable margin growth is being implemented we are starting to see the foundational benefits from greater focus on operational execution, customer experience, employee engagement and better prioritisation of our R&D technology and investment.

This strategy continues to refocus the whole business on delivering sustainable margin growth and transforming G&H to become an 'innovative customer focused technology company' delivered responsibly by making a 'better world with photonics'. We are making good progress to ensure that G&H becomes and remains the 'first choice' for all our stakeholders including our employees, our customers, our shareholders, our eco-system partners or the communities where we operate. We are offering a more differentiated performance through the four pillars of our strategy centred around, firstly, our people by establishing dynamic high-performance teams and a purpose-led culture; secondly, through self-help activities to deliver exceptional customer service and superior operational execution; thirdly, through value creation from our technology and photonics expertise; and, finally, by focused investment, both organic and inorganic, to accelerate accretive growth.

Acquisitions and Portfolio

The Group's strategy has identified a path to mid-teen returns over the medium term that includes benefits from our 'portfolio' activities achieved through addressing non-performers in combination with pursuing 'speed to value' acquisitions. Following the successful integration of the two synergistic acquisitions of GS Optics and Artemis Optical in the summer of 2023, we have made further good progress with two additional strategic acquisitions, Phoenix Optical at the end of October 2024 followed by Global Photonics, formerly Meopta US, announced in May 2025.

The integration of both Phoenix Optical and Global Photonics into G&H is proceeding to plan. The exploitation of operational and commercial synergies between Phoenix and the rest of the Group is already well underway with the main focus on germanium fabrication for our defence customers, and a number of newly combined optical substrate and coating offerings are now available to customers. Global Photonics brings expertise in cleanroom lithography, photolithographic reticle fabrication, ion beam etching and advanced thin film coatings that is hugely complementary to G&H's existing manufacturing capabilities. This, along with the significant available space at the new Tampa facility, helps scale the Group's offering into North America to meet the growing demand from US defence prime contractors, particularly for laser protection filtering, periscopes and complex optical systems. Both transactions represent 'speed to value' acquisitions for G&H focused on addressing the growing opportunities in the Aerospace & Defence sector and have been well received by customers with a number of exciting new potential orders being pursued.

Aligned to our strategy to review our portfolio to address non-performing or non-core parts of the Group, we took the proactive decision to exit the manufacture of Pockels Cells for medical lasers that are supplied from our facility in Cleveland, Ohio. The introduction of lower cost Asian manufactured products in this product segment means that over time these specific products supplied from G&H's Cleveland factory would not remain sufficiently differentiated to generate the level of returns needed to support the Group's journey to mid-teen returns. Following our announcement at the beginning of 2025 we have seen a positive response to the 'last time buy' notice for our Pockels Cells going into medical lasers, which will be delivered over the coming financial year, at which point our Cleveland facility will transition to further develop its capacity for the growth of crystals used both within our Group and by external customers for optical applications.

Our Markets

Industrial

G&H's principal industrial markets are industrial lasers, telecommunications, sensing and semiconductor manufacturing. Industrial lasers are used in a diverse range of precision material processing applications ranging from microelectronics and semiconductors to automotive manufacturing.

Industrial revenues in FY2025 at £64.3m declined by 5.3% from the prior year (FY2024: £67.9m) due to the continued subdued semiconductor market and protracted destocking in our Industrial markets. Despite these challenges in the year, volumes of our fibre optic modules and assemblies used in both next generation advanced lithography systems and subsea data networks remained robust with growth in the second half as new programmes ramped up to volume production and demand picked up for our long-standing hi-reliability fibre couplers and module solutions. The increased output of these more complex fibre optic assemblies has been enabled by the full transfer to our contract manufacturing partner of the build of our hi-reliability fibre couplers mainly for submarine applications. The successful execution of this part of our plan has meant that production space and skilled operators in Torquay have been transitioned to this new higher value more complex work.

Revenue from our industrial laser customers was weaker than the prior year remaining broadly flat through FY2025 and whilst some early signs of a pick-up in demand were evident towards the end of the year, we continue to watch developments closely and work with our key partners in this space to assess changes to demand visibility. Any sustained recovery from our broader industrial laser and semiconductor markets is now not expected until the second half of 2026.

Aerospace & Defence

A&D revenue in FY2025 continued to grow to £52.4m up 52.1% (FY2024: £34.5m) and on an organic constant currency basis grew by 27.2% compared with the prior year. The significant volume growth in Aerospace & Defence was underpinned by improved productive capacity at several of our sites, a more focused go-to-market strategy from the business development teams in all regions and the introduction of a number of new projects moving into volume production. This was complemented by the commercial synergy benefits from our A&D focused acquisitions of the Artemis Optical and Phoenix Optical starting to be realised especially around advance laser protection and germanium processing capabilities that we can now offer alongside our superior optical systems products. Our imaging and sighting systems business for armoured vehicles and UAVs continues to progress well with a number of multi-year new programme wins during FY2025 where the conflict in Ukraine is fuelling increased demand and greater urgency of supply. This was particularly evident from the second half revenue growth from deliveries of precision optics and advanced sighting systems into both air and land military platform programmes. In the commercial aerospace market demand for our ring laser gyro components remains particularly strong and the Group continued to benefit from productivity improvements and the additional capacity we have added to meet this increased demand. The integration of both Phoenix and Global Photonics into G&H is proceeding to plan. Both businesses are an excellent strategic and operational fit for the Group. In particular, Global Photonics, acquired in May 2025, brings strong relationships with U.S. defence primes and complementary manufacturing capabilities to our growing Optical Systems division in North America. Both acquisitions are accelerators to G&H becoming a partner of choice for high-precision optical systems and photonics in the UK, US and Europe.

Life Sciences

The Life Sciences business performed well overall with FY2025 revenues at £33.7m broadly flat on prior year (FY2024: £33.6m) on a constant currency basis. In H2 output of our Pockels Cells for medical lasers was negatively impacted by a number of supply challenges resulting from US tariff measures and retaliatory measures from China which frustratingly constrained our ability to ramp production as originally planned. However, we saw continued growth in demand for our medical diagnostic products. Two good

examples of this were, firstly a cancer care product initially designed by our customer and then productionised by our engineering team and secondly an advanced organ transplant and care device manufactured by G&H for our customer, both of which migrated through US FDA regulatory approvals and ramped production during the year to meet increased end user demand. We expect to see further growth from these and other product platforms in FY2026 and beyond.

Our Life Sciences R&D team remained engaged in supporting customers with the design and regulatory accreditations of their next generation instruments which are expected to convert to production revenue for the Group in the coming years. We also received the first purchase orders for initial design and production orders for our North American Life Sciences Centre of Excellence in Rochester NY which was established during 2024 and has already received ISO13484 certification for the manufacture of medical devices. We expect this facility to be a complementary part of our growth strategy for our Life Sciences business in the future.

Research and Development (R&D)

G&H continues to work closely within the global photonics ecosystem and with a range of tier one key partners to develop their next generation products. During FY2025 we introduced 79 new products (FY2024: 48) and delivered £31.7 million of revenue (FY2024: £25.3 million) from new products. Following our decision to end of life our Pockels Cells for medical lasers during 2025, we have reduced the vital few areas of R&D focus from seven down to six. These six R&D workstreams are proactively prioritised by our global R&D efforts and investment:

1. Expansion of AO technologies into semiconductor market and EUV eco-system.
2. Advanced fibre optics technology and systems supporting submarine networks.
3. Imaging and sighting systems, especially focused on the A&D market, for periscopes, sights and other optical sub-systems.
4. Precision optics added value and advanced coatings and laser protection filtering capabilities.
5. Moving up the value chain in fibre-optics with a focus on sensing, modules, LiDAR.
6. Medical diagnostics and bio-photonics IVD solutions with strategic focus on expanding our offering into the US Life Sciences market.

During FY2025 technology roadmaps and R&D activities have focused around these six ‘vital few’ areas for the Group to drive ‘value creation’. Progress is positive in all of these defined areas of focus. There has been investment to strengthen acoustic-optic engineering and product line teams with the addition of technical and product development capability. In the Fibre optics business, we continued to see strong progress with the customer-led development of next generation systems for semi fab, submarine network and medical diagnostics with several new programs successfully awarded during 2025 in line with our plans. The precision optics and optical systems technology teams have been enhanced by the advanced coatings and germanium fabrication engineering teams that joined the Group with the acquisitions of Artemis and Phoenix. We are also starting to see the positive results from the disciplined refocus of our highly talented optical systems engineering team in St Asaph, North Wales with successful new program engagement with both existing and new customers. The successful launch and formal opening of our US Centre of Excellence in Rochester NY during FY2025 is promising for the future. These R&D projects are expected to contribute more than £50m of incremental margin accretive revenue over the plan period.

Corporate Responsibility and Sustainability

The Board is accountable to its shareholders and is committed to the highest standards of corporate governance. To this end the Group has adopted the UK Corporate Governance Code (2018). In order to ensure the Group is meeting the most up to date standards, regular reviews of policy are held by the relevant committees of the Board of Directors. During the year the Board undertook a self-assessment to identify opportunities for improvement and incorporate a greater focus on ESG. Susan Searle, Non-Executive Director, with her wealth of experience in many of the markets in which we operate and particularly sustainability matters, has successfully Chaired the Sustainability Committee and this relatively new Committee is already providing greater clarity and alignment to our activities in this area.

G&H is committed to creating a safe, engaging, diverse and inclusive place to work for the Group's employees and all stakeholders. We continue to establish a culture that proactively works towards reducing harm and promotes equality, diversity and inclusion across the company. The Group remains focused on providing equal employment opportunities for all and aims to improve diversity at all levels of the organisation. Our recruitment partners have been instructed to ensure that they include a diverse range of candidates in all shortlist applications, and we are actively engaged with encouraging International Women in Engineering.

G&H is committed to conducting our business in an environmentally responsible and sustainable manner. We are investing in order to generate our electricity in a sustainable manner and to reduce our overall energy usage. Each of our sites has an energy reduction plan that it is working to. In the year we reduced our Scope 1 and 2 carbon emissions by 26.1%, and on a LFL basis excluding acquisitions this was 38.4%, another major step forward in achieving our target of being net zero on this measure by 2035. It was particularly encouraging to see our facility in Torquay remain the first Scope 1 and 2 net neutral site across the Group, continuing to lead the way for other to follow in the future.

We were also proud to see a further two sites, Plymouth and Rochester (FY2025) join Ashford and Keene (FY2024), Ilminster and Torquay (FY2023) and Fremont sites with certification to the environmental ISO14001 standard. This now means that 64% of the Group's global footprint is covered by this environmental accreditation and 74% of our employees including new acquisitions. This was a core commitment when we launched our new strategy in June 2023, and we are making good progress to achieve the deployed road map to roll this same initiative out across all our manufacturing sites by 2027. The Executive Directors and senior leadership team all have specific environmental management and carbon reduction goals in their remuneration schemes.

Outlook

During FY2025 the Group made further positive progress in establishing strong foundations to deliver our strategic priorities and enhance market share with our customers, many of whom are demonstrating a growing confidence in G&H. Despite the challenges the Group faced during the year from the macroeconomic environment and the changing geopolitical landscape that disrupted supply chains, reduced demand in our industrial market and subdued medical device demand, encouragingly, the medium-term underlying demand drivers remain positive for our industrial products, and customer activity increased towards the end of the financial year. G&H is well positioned to benefit from recovering demand levels in these markets when they turn as expected. In the second half underpinned by a strong fourth quarter performance, we delivered the expected top line growth for the Group demonstrating the improvements in operational execution from both our own factories and those of our contract manufacturing partners. A solid order book, which reflects a significant number of new customer wins, incremental business opportunities with existing customers and continuing market share gains is also a positive signal that our strategy is gaining traction.

Our teams across the Group have performed exceptionally well in a year characterised by further significant and unpredictable change, ongoing supply chain issues, tariffs and continued cost inflation. I would like to extend my thanks to all our employees for their hard work and highlight the positive way the whole organisation has embraced the transformational changes underway across the Company.

G&H is well-aligned with the prevailing global mega trends, many underpinned by the next frontier of photonics, which is driving demand from high-growth markets. The current unprecedented surge of demand in the A&D markets is expected to last for several years with increased investments in the UK, across Europe and North America and G&H is positioned particularly well with our existing capabilities and through the addition of enhancing technologies through recent acquisitions that are being successfully integrated into the Group.

G&H continues to make progress on delivering the self-help, technology and portfolio activities that underpin our strategic plan. We saw a sustained improvement in on time delivery performance in FY2025 despite the supply chain challenges and customer feedback is now trending in a positive direction. The Group is now better positioned to benefit from the anticipated recovery in our end markets over the coming years thanks to the disciplined implementation of our strategy. This has been further underlined by the recent successful acquisition and integration of Global Photonics providing the facilities, talent and processing capabilities to credibly scale our business in the US where 'Made in America' is a critical differentiator.

Despite this positive overall outlook for the Group, we remain cautious about supply chain uncertainties, commercial headwinds and changing end market dynamics in the near term. The labour market for talent in both the UK and US remains competitive leading to some supply side challenges that continue to frustrate the recruitment of certain required talent, especially in engineering and technical positions. Global supply chain constraints continue, compounded by an inflationary environment for wages, raw materials and energy that all require diligent attention and agility. Whilst price increases and the majority of tariff on-costs have been passed onto customers in FY2025 addressing most of these cost increases, cost inflation continues to impact the business and the ability to fully offset all cost base inflation through pricing actions is becoming more difficult in certain areas.

While mindful of the persistent macroeconomic and geopolitical uncertainties that exist, G&H remains well positioned for growth with a robust pipeline across all our end markets. The business will invest to ensure G&H can capitalise on the accelerating deployment of photonics technologies into continuously expanding areas of the Industrial, Life Sciences, A&D markets underpinning the future growth potential of the Group.

The Board's expectations for FY2026 are unchanged, including an H2 weighting and with Germanium again a key variable.

With our growing order book, strengthening market positions and differentiated photonics expertise aligned to structural growth drivers from megatrends, I am increasingly confident in the prospects of the Company to deliver our strategy in the medium term. G&H is on a path to becoming a more resilient and agile higher margin business over the coming years for all our stakeholders, enabling us to realise our clear vision of 'A Better World with Photonics'.

Charlie Peppiatt

Chief Executive Officer

Financial Review

Revenue

Group full year revenue increased by 10.7% to £150.5m (2024: £136.0m), reflecting a balance between organic and acquisitive growth, with continuing momentum and seasonality in activity through the year.

Revenue increased by 11.4% to £70.9m (2024 H1: £63.6m) in the first half of the year, and by 10.0% to £79.6m (2024 H2: £72.4m) in the second half of the year, with a split of 47%/53% between the first and second half.

REVENUE BY INDUSTRY

	2025		2024	
Year ended 30 September	**£'000**	**%**	£'000	%
Industrial	**64,344**	**42.8%**	**67,947**	**50.0%**
A&D	**52,409**	**34.8%**	**34,459**	**25.3%**
Life Sciences	**33,732**	**22.4%**	**33,584**	**24.7%**
Revenue	**150,485**	**100.0%**	**135,990**	**100%**

Industrial was lower, as uncertainty is restraining investment in the semiconductor market, but remains the most dominant and profitable segment. There has been strong growth in A&D, reflecting the increasingly geopolitical environment. Life Sciences has been flat, as activity is subject to external regulatory milestones. The new tariff regime took effect during the year, and we have been seeking to pass on incremental costs to customers to protect margins.

REVENUE BY GEOGRAPHY

	2025		2024	
Year ended 30 September	**£'000**	**%**	£'000	%
North America	**49,713**	**32.5%**	46,601	34.3%
United Kingdom	**48,882**	**33.0%**	36,849	27.1%
Continental Europe	**32,060**	**21.3%**	27,202	20.0%
Asia Pacific and Other	**19,830**	**13.2%**	25,338	18.6%
Revenue	**150,485**	**100.0%**	135,990	100.0%

Our markets in North America and the United Kingdom are thriving and reflect the geopolitical and macroeconomic landscape, which is expected to continue.

Profit

Gross profit increased by 12.0% to £46.7m (2024: £41.6m), with gross profit to sales increasing to 31.0% (2024: 30.6%), reflecting higher revenues, changes in mix and other benefits.

Research and development expenses decreased to £7.3m (2024: £7.8m), being 4.8% of revenue (2024: 5.8%), with continuing expenditure to develop engineering solutions for customers.

Adjusted operating profit increased by 37.3% to £14.4m (2024: £10.5m), being 9.6% of revenue (2024: 7.7%), reflecting higher revenue on restrained cost, overheads and bonuses together with operational improvements.

Net adjusted finance charges were £2.5m (2024: £2.4m), reflecting slightly reduced interest rates on increased debt.

Adjusted profit before tax increased by 46.8% to £11.9m (2024: £8.1m), being 7.9% of revenue (2024: 6.0%), reflecting higher operating profits on unchanged finance charges.

RECONCILIATION OF ADJUSTED PERFORMANCE MEASURES												
	Operating profit		Net finance charges		Profit before tax		Taxation		Earnings per share		Operating Cash flow	
Year ended 30 September	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 pence	2024 Pence	2025 £000	2024 £000
Adjusted	**14,418**	10,502	**(2,514)**	**(2,395)**	**11,904**	**8,107**	**(2,726)**	**(1,537)**	**35.4p**	**25.5p**	**13,995**	**16,704**
Amortisation of acquired intangible assets	**(2,500)**	**(2,002)**	**-**	**-**	**(2,500)**	**(2,002)**	**531**	**462**	**(7.6p)**	**(5.9p)**	**-**	**-**
Restructuring and site closure costs	**(3,247)**	**(1,460)**	**-**	**-**	**(3,247)**	**(1,460)**	**286**	**59**	**(11.3p)**	**(5.5p)**	**(1,833)**	**(2,323)**
Acquisition costs	**(337)**	**(228)**	**(293)**	**(209)**	**(630)**	**(437)**	**118**	**85**	**(2.0p)**	**(1.4p)**	**(995)**	**(134)**
Litigation costs	**(200)**	**-**	**-**	**-**	**(200)**	**-**	**-**	**-**	**(0.8p)**	**-**	**-**	**-**
Reported	**8,134**	**6,812**	**(2,807)**	**(2,604)**	**5,327**	**4,208**	**(1,791)**	**(931)**	**13.7p**	**12.7p**	**11,167**	**14,247**

Non-underlying items before taxation of £6.6m (2024: £3.9m) include £2.5m (2024: £2.0m) of amortisation of acquired intangible assets and £0.3m (2024: £0.2m) of net acquisition costs as the business acquired Phoenix Optical Technologies Limited and Global Photonics in the year, as well as £3.2m (2024: £1.5m) of restructuring and site closure costs including the necessary decision to end-of-life the majority of the Pockels cells products, and £0.2m (2024: £nil) of potential litigation costs from localised employment issues.

Profit before tax increased to £5.3m (2024: £4.2m) and adjusted basic earnings per share from continuing operations increased to 35.4p per share (2024: 25.5p per share).

Dividends

In determining the level of dividend, the directors consider the future earnings and investment requirements, as well as risks and uncertainties. Furthermore, the ability to pay a dividend is dependent on the distributable reserves available in the parent Company, which operates as a holding company that derives its net income from the dividends of its subsidiary companies.

The Board is proposing an unchanged final dividend of 8.3p per share (2024: 8.3p per share), giving a total of 13.2p per share (2024: 13.2p per share) for the year when combined with the 4.9p per share (2024: 4.9p per share) paid as an interim dividend in July 2025. The total value of the proposed final dividend is £2.3m (2024: £2.1m).

The Board is continuing to review its dividend policy to assess whether some element of the dividend should be reinvested in the business to generate higher returns for shareholders. The final dividend is unchanged in view of the planned increase in capital expenditure to deliver on the growing order book.

Cash flow

Cash generated from operating activities declined to £11.2m (2024: £14.2m), reflecting an increase in working capital of £8.5m (2024: £3.6m) from peak seasonal trading and a conscious decision to increase the inventory of some materials such as germanium in response to uncertainties in the availability of materials, particularly those subject to export restrictions.

Investment in property, plant and equipment increased to £4.6m (2024: £3.5m), reflecting higher activity including investment in heavy water for crystal growth, while investment in intangible assets was maintained at £1.7m (2024: £1.7m), with transition of the new acquisitions to the integrated management and reporting systems.

Deferred, contingent consideration was payable by the Group on its purchase of the GS Optics and Artemis Optical businesses. The GS Optics business did not achieve the levels required for an earnout payment to be made, and no further amounts are now due in respect of that acquisition. For the purchase of the Artemis Optical business, the first deferred consideration for the year ended 31 July 2024 resulted in a payment of £343k, and the second and final deferred consideration for the year ended 31 July 2025 resulted in a payment of £989k in October 2025.

Dividend payments to shareholders totalled £3.5m in the year (2024: £3.4m).

Funding & Liquidity

The Group's credit facility comprises a $60m revolving credit facility (RCF) with a further $10m uncommitted accordion facility, which mature in April 2030.

At 30 September 2025, the Group had drawn $50.2m (30 September 2024: $30.4m), leaving undrawn committed facilities of $9.8m (30 September 2024: $19.6m) At 30 September 2025, the Group had net bank debt excluding IFRS16 of £29.9m (30 September 2024: £16.0m), and net debt including IFRS16 of £43.9m (30 September 2024: £25.8m).

The Group's main financial covenants in its bank facilities require that net bank debt excluding IFRS 16 lease liabilities must be a maximum of 2.5 times adjusted EBITDA, and adjusted EBITDA must be a minimum of 4.5 times interest charges excluding interest on pension schemes. At 30 September 2025, net bank debt to adjusted EBITDA was 1.3 times (30 September 2024: 0.9 times), and interest cover was 8.9 times (30 September 2024: 5.9 times). The Group continues to operate well within its banking covenants and facilities.

Financial Risk Management

The main financial risks relate to funding, liquidity, interest rate fluctuations and currency exposures. The Group has used financial instruments to manage financial risks arising from underlying business activities.

Foreign Currency

There is exposure to translational and transactional currency risk, which are partially mitigated through matching the currency of sales and purchases. The remaining net risk may be covered through forward hedge contracts to reduce volatility that might affect the Group's cash balance and income statement.

The average and closing rates of the foreign currencies that have the most impact on the translation of the Group's Income Statement and Balance Sheet are as follows.

	Average rate		Closing rate	
	2025	**2024**	**2025**	**2024**
USD/GBP	**1.31**	1.27	**1.34**	1.34
Euro/GBP	**1.18**	1.17	**1.15**	1.20

The Group's net results are not significantly affected by movements in the USD/GBP exchange rates.

Martin Hopcroft

Interim Chief Financial Officer

Group Income Statement
For the year ended 30 September 2025

Continuing operations	Note	2025 Underlying	2025 Non-underlying (Note 4)	2025 Total	2024 Underlying	2024 Non-underlying (Note 4)	2024 Total
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue	2	**150,485**	**-**	**150,485**	135,990	-	135,990
Cost of revenue		**(103,821)**	**-**	**(103,821)**	(94,341)	-	(94,341)
Gross profit		**46,664**	**-**	**46,664**	41,649	-	41,649
Research and development expense		**(7,296)**	**-**	**(7,296)**	(7,828)	-	(7,828)
Sales and marketing expenses		**(8,870)**	**-**	**(8,870)**	(8,474)	-	(8,474)
Administration expenses		**(17,626)**	**(6,284)**	**(23,910)**	(15,674)	(3,690)	(19,364)
Other income		**1,546**	**-**	**1,546**	829	-	829
Operating profit		**14,418**	**(6,284)**	**8,134**	10,502	(3,690)	6,812
Finance income		**14**	**-**	**14**	40	-	40
Finance costs		**(2,528)**	**(293)**	**(2,821)**	(2,435)	(209)	(2,644)
Profit before income tax expense		**11,904**	**(6,577)**	**5,327**	8,107	(3,899)	4,208
Income tax expense	3	**(2,726)**	**935**	**(1,791)**	(1,537)	606	(931)
Profit from continuing operations		**9,178**	**(5,642)**	**3,536**	6,570	(3,293)	3,277
Loss after tax from discontinued operations		**-**	**-**	**-**	-	(9,654)	(9,654)
Profit / (loss) for the year		**9,178**	**(5,642)**	**3,536**	6,570	(12,947)	(6,377)
Earnings / (loss) per share							
From continuing operations							
Basic earnings per share	5	**35.4p**	**(21.7p)**	**13.7p**	25.5p	(12.8p)	12.7p
Diluted earnings per share	5	**34.6p**	**(21.3p)**	**13.3p**	25.1p	(12.6p)	12.5p
From continuing and discontinued operations							
Basic earnings / (losses) per share	5	**35.4p**	**(21.7p)**	**13.7p**	25.5p	(50.2p)	(24.7p)
Diluted earnings / (losses) per share	5	**34.6p**	**(21.3p)**	**13.3p**	25.1p	(49.8p)	(24.7p)

Group Statement of Comprehensive Income
For the year ended 30 September 2025

	2025	2024
	£000	£000
Profit / (loss) for the year	**3,536**	(6,377)
Other comprehensive income / (expense) – items that may be reclassified subsequently to profit or loss		
Gains on cash flow hedges	**8**	126
Exchange differences on translation of foreign operations	**137**	(4,844)
Exchange differences on translation of discontinued operation	**-**	132
Other comprehensive income / (expense) for the year net of tax	**145**	(4,586)
Total comprehensive income / (expense) for the year attributable to the shareholders of Gooch & Housego	**3,681**	(10,963)
Arising from:		
Continuing operations	**3,681**	(1,441)
Discontinued operations	**-**	(9,522)
Total comprehensive income / (expense) for the year attributable to the shareholders of Gooch & Housego	**3,681**	(10,963)

Group Balance Sheet
As at 30 September 2025

	2025	2024
	£000	£000
Non-current assets		
Property, plant and equipment	**36,518**	37,915
Right of use assets	**12,956**	9,180
Intangible assets	**66,561**	51,051
	116,035	98,146
Current assets		
Inventories	**40,794**	30,631
Trade and other receivables	**42,068**	30,908
Current asset investments	**761**	-
Cash and cash equivalents	**7,198**	6,622
	90,821	68,161
Current liabilities		
Trade and other payables	**(28,542)**	(18,075)
Borrowings	**-**	(10)
Lease liabilities	**(2,234)**	(1,289)
Income tax liabilities	**(2,420)**	(2,005)
	(33,196)	(21,379)
Net current assets	**57,625**	46,782
Non-current liabilities		
Borrowings	**(37,066)**	(22,563)
Lease liabilities	**(11,755)**	(8,570)
Provisions for other liabilities and charges	**(2,031)**	(1,429)
Deferred consideration	**(959)**	-
Deferred income tax liabilities	**(4,412)**	(3,978)
	(56,223)	(36,540)
Net assets	**117,437**	108,388
Shareholders' equity		
Called up share capital	**5,423**	5,159
Share premium account	**16,051**	16,051
Merger reserve	**19,109**	11,561
Cumulative translation reserve	**5,238**	5,101
Hedging reserve	**149**	141
Retained earnings	**71,467**	70,375
Total equity	**117,437**	108,388

Group Statement of Changes in Equity
For the year ended 30 September 2025

	Note	Called up share capital £000	Share premium account £000	Merger reserve £000	Retained earnings £000	Hedging Reserve £000	Cumulative translation reserve £'000	**Total equity £000**
At 1 October 2023		**5,159**	**16,051**	**11,561**	**79,415**	**15**	**9,813**	**122,014**
Loss for the financial year		-	-	-	(6,377)	-	-	**(6,377)**
Other comprehensive income / (expense) for the year		-	-	-	-	126	(4,712)	**(4,586)**
Total comprehensive (expense) / income for the year		**-**	**-**	**-**	**(6,377)**	**126**	**(4,712)**	**(10,963)**
Dividends	6	**-**	**-**	**-**	(3,378)	**-**	**-**	**(3,378)**
Share-based payments		-	-	-	715	**-**	**-**	**715**
Total contributions by and distributions to owners of the parent recognised directly in equity		**-**	**-**	**-**	**(2,663)**	**-**	**-**	**(2,663)**
At 30 September 2024		**5,159**	**16,051**	**11,561**	**70,375**	**141**	**5,101**	**108,388**
At 1 October 2024		**5,159**	16,051	11,561	70,375	**141**	**5,101**	**108,388**
Profit for the financial year		**-**	**-**	**-**	**3,536**	**-**	**-**	**3,536**
Other comprehensive income for the year		**-**	**-**	**-**	**-**	**8**	**137**	**145**
Total comprehensive income for the year		-	-	-	**3,536**	**8**	**137**	**3,681**
Issue of share capital		264	-	7,548	-	-	-	**7,812**
Dividends	6	-	-	-	(3,469)	-	-	**(3,469)**
Share-based payments		-	-	-	1,025	-	-	**1,025**
Total contributions by and distributions to owners of the parent recognised directly in equity		**264**	**-**	**7,548**	**(2,444)**	**-**	**-**	**5,368**
At 30 September 2025		**5,423**	**16,051**	**19,109**	**71,467**	**149**	**5,238**	**117,437**

Group Cash Flow Statement
For the year ended 30 September 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Cash generated from operations	7	**11,167**	14,247
Income tax paid		**(1,811)**	(62)
Net cash generated from operating activities		**9,356**	14,185
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		**(10,060)**	(351)
Disposal of subsidiaries, net of cash disposed		**-**	1,665
Purchase of property, plant and equipment		**(4,565)**	(3,526)
Sale of property, plant and equipment		**340**	-
Purchase of intangible assets		**(1,744)**	(1,716)
Interest received		**14**	40
Net cash used in investing activities		**(16,015)**	(3,888)
Cash flows from financing activities			
Drawdown of borrowings		**20,662**	4,731
Repayment of borrowings		**(5,474)**	(8,046)
Principal elements of lease payments		**(1,875)**	(1,715)
Interest paid		**(2,528)**	(2,487)
Dividends paid to ordinary shareholders		**(3,469)**	(3,378)
Net cash generated from / (used in) financing activities		**7,316**	(10,895)
Net increase / (decrease) in cash		**657**	(598)
Cash at beginning of the year		**6,622**	7,294
Exchange losses on cash		**(81)**	(74)
Cash at the end of the year		**7,198**	6,622

Notes to the Preliminary Report

1. Basis of Preparation

The Preliminary Report has been prepared under the historical cost convention and in accordance with International Accounting Standards.

The Preliminary Report does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

Comparative figures in the Preliminary Report for the year ended 30 September 2024 have been taken from the Group's audited statutory financial statements on which the Group's auditors, PricewaterhouseCoopers LLP, expressed an unqualified opinion, and which have been filed with the registrar of companies.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 September 2025, as described in those financial statements, on which the Group's auditors, PricewaterhouseCoopers LLP have expressed an unqualified opinion, but which have not yet been filed with the registrar of companies.

There was no statement in the audit report for either the year ended 30 September 2025 or 2024 relating to section 498(2) or 498(3) of the Companies Act 2006.

2. Segmental analysis

Cognisant of the requirements of IFRS8 Operating Segments, during the year the Board reviewed the Group's segmental reporting to ensure it is appropriately aligned to the latest way in which its results are reported internally and used by the CODM which is considered to be the Executive Team. The Board concluded that because of the Group's matrix structure, there is significant overlap in responsibility across the market sectors and therefore business performance is monitored for the business as a whole as one segment. The Board agreed to continue to report revenue by market sector to ensure sufficient information is provided to the user of the financial statements.

Analysis of revenue by type and market:

For the year ended 30 September 2025	**Industrial £000**	**Life Sciences £'000**	**A&D £'000**	**Total £000**
Revenue from long term contracts	3,214	253	1,972	5,439
Revenue from products recognised at point of sale	61,130	33,479	50,437	145,046
Total revenue	64,344	33,732	52,409	150,485

For the year ended 30 September 2024	**Industrial £000**	**Life Sciences £'000**	**A&D £'000**	**Total £000**
Revenue from long term contracts	1,718	154	1,963	3,835
Revenue from products recognised at point of sale	66,229	33,430	32,496	132,155
Total revenue	67,947	33,584	34,459	135,990

Analysis of revenue from continuing operations by destination:

	2025 £000	**2024 £000**
North America	**49,713**	46,601
United Kingdom	**48,882**	36,849
Continental Europe	**32,060**	27,202
Asia Pacific and Other	**19,830**	25,338
Total revenue	**150,485**	135,990

Analysis of net assets by location:

	2025 Assets £000	**2025 Liabilities £000**	**2025 Net Assets £000**	2024 Assets £000	2024 Liabilities £000	2024 Net Assets £000
United Kingdom	97,007	(64,760)	32,247	79,846	(35,743)	44,103
USA	109,682	(24,640)	85,042	86,276	(22,013)	64,263
Continental Europe	81	(6)	75	83	(148)	(65)
Asia Pacific	86	(13)	73	102	(15)	87
	206,856	**(89,419)**	**117,437**	166,307	(57,919)	108,388

For the year to 30 September 2025 non-current asset additions were £3.4m (2024: £3.0m) for the UK and for the USA £4.7m (2024: £7.0m). There were no additions to non-current assets in respect of Europe (2024: £nil) or the Asia Pacific region (2024: £nil). The value of non-current assets in the USA was £64.4m (2024: £64.3m) and in the United Kingdom £51.6m (2024: £44.1m). There were no non-current assets in Europe or the Asia-Pacific region.

3. Tax expense

Analysis of tax charge / (credit) in the year

	2025 £000	2024 £000
Current taxation		
UK Corporation tax	**2,819**	1,963
Overseas tax	**(467)**	(212)
Adjustments in respect of prior years	**257**	107
Total current tax	**2,609**	1,858
Deferred tax		
Origination and reversal of temporary differences	**(161)**	(321)
Adjustments in respect of prior years	**(657)**	(606)
Total deferred tax	**(818)**	(927)
Income tax expense per income statement	**1,791**	931
Income tax on discontinuing operations	**-**	(222)

4. Non-underlying items

	2025 £000	2024 £000
Included within administration expenses		
Amortisation of acquired intangible assets	**2,500**	2,002
Acquisition costs	**995**	228
Release of deferred contingent consideration	**(658)**	
Restructuring costs	**3,169**	911
Site closure costs	**78**	549
Local employment litigation	**200**	-
	6,284	3,690
Included within finance costs		
Unwind of discount on deferred consideration	**293**	209
	293	209
Included within taxation		
Tax effect of the non-underlying items above	**(935)**	(606)
	(935)	(606)

Acquisition costs of £1.0m (2024: £0.2m) include costs incurred in relation to the acquisitions of Phoenix Optical Technologies Limited and Global Photonics in the year ended 30 September 2025. The costs incurred in the year ended 30 September 2024 related to the acquisitions of GS Optics and Artemis in the year ended 30 September 2023.

The release of deferred contingent consideration of £0.7m related to the earn out on the acquisition of Artemis. The final payment was made in early October 2025, which led to a release of the creditor reflecting the actual performance of the acquired business in the earn out period.

Restructuring costs of £3.2m (2024: £0.9m) were associated with the restructuring of the Group's operating model, in particular the changes necessitated by the decision to end-of-life the majority of our Pockels Cells products. They also include CFO succession costs and the cost of effecting a reduction in the size of the workforce.

Site closure costs of £0.1m (2024: £0.5m) related to the wind down of the Group's small facility in Shanghai which is now complete.

Provision for litigation relates to our estimate of the potential costs arising from local employment litigation matters. The Group has insurance in place for these claims and the provision recorded relates to the deductible amounts which might become payable by the Group.

5. Earnings per share

The calculation of earnings per 20p Ordinary Share is based on the profit for the year using as a divisor the weighted average number of Ordinary Shares in issue during the year. The weighted average number of shares for the year ended 30 September 2025 is given below:

	2025	2024
Number of shares used for basic earnings per share	**25,897,092**	25,786,397
Number of dilutive shares – impact of share options granted	**608,376**	394,682
Number of shares used for dilutive earnings per share	**26,505,468**	26,181,079

A reconciliation of the earnings used in the earnings per share calculation is set out below:

	2025		2024	
	£000	**pence per share**	£000	pence per share
Basic earnings per share from continuing operations	**3,536**	**13.7p**	3,277	12.7p
Amortisation of acquired intangible assets (net of tax)	**1,969**	**7.6p**	1,540	5.9p
Acquisition costs (net of tax)	**951**	**3.7p**	195	0.8p
Site closure costs (net of tax)	**78**	**0.3p**	658	2.6p
Restructuring costs (net of tax)	**2,882**	**11.0p**	743	2.9p
Unwind of discount on deferred consideration (net of tax)	**220**	**0.8p**	157	0.6p
Release of deferred consideration creditor	**(658)**	**(2.5p)**	-	-
Provision for litigation	**200**	**0.8p**		
Total adjustments net of income tax expense	**5,642**	**21.7p**	3,293	12.8p
Adjusted basic earnings per share	**9,178**	**35.4p**	6,570	25.5p
Basic diluted earnings per share	**3,536**	**13.3p**	3,277	12.5p
Adjusted diluted earnings per share	**9,178**	**34.6p**	6,570	25.1p
Basic and diluted loss per share from discontinuing operations	**-**	**-**	(9,654)	(37.4p)

Basic and diluted earnings per share before amortisation and other adjustments has been shown because, in the opinion of the Directors, it provides a useful measure of the trading performance of the Group.

6. Dividend

	2025 £000	2024 £000
Final 2024 dividend: 8.3p per share (Final 2023 dividend paid in 2024: 8.2p)	**2,140**	2,114
2025 Interim dividend of 4.9p per share (2024: 4.9p per share)	**1,329**	1,264
	3,469	3,378

The Directors have proposed a final dividend of 8.3p per share making the total dividend paid and proposed in respect of the 2025 financial year 13.2p. (2024: 13.2p per share). The total value of the proposed final dividend is £2,258,000 (2024: £2,140,000).

7. Reconciliation of cash generated from operations

	2025 £000	2024 £000
Profit before income tax from continuing operations	**5,327**	4,208
Loss before income tax from discontinued operations	**-**	(9,876)
Adjustments for:		
- Amortisation of acquired intangible assets	**2,500**	2,002
- Amortisation of other intangible assets	**1,451**	1,755
- Loss on disposal of subsidiary	**-**	8,910
- Loss on disposal of property, plant and equipment	**133**	128
- Depreciation	**8,220**	7,732
- Share based payment charge	**1,025**	715
- Release of deferred consideration creditor	**(658)**	-
- Non cash consideration received from customer contracts	**(761)**	-
- Amounts claimed under the RDEC	**(391)**	(392)
- Finance income	**(14)**	(40)
- Finance costs	**2,821**	2,696
Total	**14,326**	23,506
Changes in working capital		
- (Increase) / decrease in inventories	**(7,616)**	257
- (Increase) / decrease in trade and other receivables	**(8,963)**	863
- Increase / (decrease) in trade and other payables	**8,093**	(4,711)
Total	**(8,486)**	(3,591)
Cash generated from operating activities	**11,167**	14,247