For immediate release **4 April 2024**

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

Half Year Trading Update

"Trading in line with management's expectations"

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of photonic components and systems, provides an update on trading for the six months ended 31 March 2024.

Trading

As previously reported, in the first half of the financial year the Group has seen some customers in its industrial and medical laser markets normalise their inventory holdings resulting in lower levels of demand for some of the Group's products. This period of destocking is expected to come to an end towards the end of this calendar year and the Group's revenue from these end markets will then return to growth. In other parts of the Group, most notably our medical diagnostic business and our fibre optic businesses, which supply the semiconductor infrastructure markets, revenue has grown compared with the comparator period.

Revenue for the six month period is expected to be circa £67.5 million (31 March 2023: £71.3 million) supported by the two acquisitions completed in the previous financial year. As previously reported, we expect trading in the current financial year to be more heavily weighted towards the second half than in FY2023.

New orders for the Group's products from our semiconductor, sub-sea data cable and aerospace navigation markets have been strong. We have secured an important new customer for a new fibre optic amplifier module as well as strong orders for our medical diagnostic products. Requests for quotations for our optical systems solutions for armoured vehicles are strong and we expect to convert a number of these into firm orders in the second half of the year.

At 31 March 2024 the Group's order book stood at £115.8 million (31 March 2023: £124.4 million), a decrease of 6.9%, but an increase of 3.6% on an organic constant currency basis, compared with the same time last year. The order book has grown by 2.3% compared with its level at 30 September 2023 on an organic, constant currency basis This order book provides good coverage for our expected second half revenues.

We remain in a strong financial position with a robust balance sheet and significant levels of available funding to support the Group's further growth. At the half year net debt was circa £32 million (March 2023: £19.2 million and September 2023: £31.7 million) and the Group had $35.7 million available from existing committed and uncommitted debt facilities to fund its future growth activities.

We expect trading for the full year to be in line with management's previous expectations.

Strategic progress

The Group is making good progress in delivering the strategic plan announced last year. The divestment of our EM4 business completed in March 2024 allows the Group to focus its resources on those parts of its A&D portfolio where it can differentiate itself and achieve acceptable returns.

The transfer of carefully selected product lines to contract manufacturing partners in lower cost regions is accelerating. Fused fibre couplers are now being produced in volume by two outsourced partners and the share of the Group's volumes for this product line being outsourced will now increase with further product lines identified to be transferred.

The Group's new medical diagnostic design, development and production facility based in our Rochester site has been opened. We were pleased to be joined by one of our significant life science customers for the official opening ceremony as this new facility will be serving their North American market requirements. We expect further material orders for our expanded US Life Sciences centre of excellence in the second half of this financial year.

The Group will announce its interim results for the six months ended 31 March 2024 on 4 June 2024.

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

"Despite the lower volumes in the first half of the financial year resulting from a prolonged period of inventory adjustment by some of our customers we have continued to focus on the delivery of our strategic objectives. In line with our commitment to become a more customer focused business, we have further improved our operational performance reducing our overdue backlog and lead times.

"Our investment in new technologies and products is recognised by our customers and we have secured important new contract wins in the period. Following the strategic addition of the GS Optics and Artemis Optical businesses in FY2023, we have already been rewarded with new customer orders as a result of the Group's enhanced portfolio.

"The divestment of our EM4 business in March this year represented an important milestone on our journey to focus our A&D business on those areas where we can secure acceptable returns, supporting the Group's path to mid-teens profitability."

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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.