For immediate release **4 April 2023**

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 & systems, provides an update on trading for the six months ended 31 March 2023.

Trading

In the first half of the financial year the Group made good progress in adding additional capacity to our production facilities. Output levels have increased and we have made steady progress in reducing the level of our overdue order book.

Revenue for the six month period is expected to be circa £71.0 million (31 March 2022: £54.1 million) supported by favourable exchange rate movements and the effects of price increases to offset cost input inflation. As previously reported, the progress we have made with recruitment and the supply chain actions we have taken, mean we expect trading this year to be more evenly weighted between the two halves of the financial year than in prior years.

New orders for the Group's products from our semiconductor, data communications and next generation industrial laser markets have continued to be strong. We have secured important new programme positions with medical diagnostic customers which will replace other programmes that are now coming to the end of their life cycle. Requests for quotations for the replenishment of equipment that has been deployed into Ukraine are accelerating and we anticipate some of these will convert to new orders shortly. As previously communicated, whilst there is evidence that some of the Group's customers in certain industrial and medical laser sub markets are overstocked we expect this position to rectify itself in the second half of the financial year due to underlying end market demand.

As at 31 March 2023 our order book stood at £124.4 million (31 March 2022: £119.9 million), an increase of 3.8%, or a reduction of 0.1% at constant currency, compared with the same time last year. This order book provides good coverage for our expected second half revenues.

The Group continues to experience high input cost inflation. In order to ensure we remain competitive in the employment market we have made further upward adjustments to salary levels. We have also seen continued cost inflation from our supply chain. Our commercial team remain focused on passing on these higher costs through pricing and this will support the Group's performance in the second half of this financial year.

We remain in a strong financial position with a robust balance sheet and low net debt. At the half year net debt was circa £19m and the Group had $46.2m 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 previously reported expectations.

Review of the Group's strategy and interim results date

The review of the Group's strategy is progressing according to plan. Initial findings have been shared with the Board and we expect to provide more information when the Group's interim results for the six months ended 31 March 2023 are announced on 6 June 2023.

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

"I am pleased with the progress that has been made in the first half of the financial year with increasing operational output to better address the demand for our products as well as continued positive levels of customer engagement on next generation programmes and new product opportunities in all our main end markets. This is thanks to the hard work of our employees across the Group and means we are well placed to meet management's expectations for the full year.

"We are on track with our review of the Group strategy and expect to be able to provide more information along with the interim results in June 2023."

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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.